

# **GREATER HAPPINESS FOR A GREATER NUMBER**

## **Is that possible in Austria?**

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What is the final goal of public policy? Jeremy Bentham (1789) would say: *greater happiness for a greater number*. He thought of happiness as subjective enjoyment of life; in his words as “the sum of pleasures and pains”. In his time the happiness of the great number could not be measured and it was therefore difficult to assess how happiness can be furthered and whether attempts to do so were successful or not. Hence happiness remained a subject of philosophical speculation.

Today we can do better. Social scientists have found that happiness can be measured using questions about life-satisfaction and have applied such questions in large scale surveys of the general population.

### **Happiness in Austria**

Most Austrians are happy. That appears from their responses to the question: *All things considered, how satisfied are you with your life as a whole nowadays?* Please indicate in a number from 0 to 10, where 0 is ‘extremely dissatisfied’ and 10 ‘extremely satisfied’. The responses are depicted in figure 1. More than 40% of the Austrians rate their life with a number higher than 7 and less than 20% lower than 6. Studies that use slightly different questions have yielded similar results. The average ‘school mark’ Austrians give for their life is currently 7,7<sup>1</sup>.

### **Rank of happiness in nations**

How does Austrian happiness rank in comparison to other nations? Some illustrative findings are presented in scheme 2. Though Austria is in the middle of this list, it is actually in the top range of the World. As one can see average happiness varies between 8,4 (Denmark) and 3,1 (Zimbabwe) and with 7,7 Austria ranks high in that 11 point interval.

### **Greater happiness possible?**

Can public policy create greater happiness? Several scientists think not. Some psychologists maintain that happiness is largely inborn or at least embedded in stable personality. Hence a better society will not yield happier citizens. Some sociologists draw the same conclusion, because they think that happiness depends on social comparison and that you are not better off than the neighbors if conditions for everybody improve. In that vein the case of the USA is often mentioned as an example; material wealth would have doubled there since the 1950s while average happiness remained at the same level.

Yet these scientists are wrong. Firstly there is a clear relation between average happiness and societal quality. Think of the above mentioned case of Zimbabwe with an average of 3.1. Apparently people cannot live happy in a failed state, even if their neighbors suffer the same. Secondly, average happiness has changed in most nations, and typically to the better (Veenhoven & Hagerty 2006). Scheme 3 depicts a gradual rise of happiness in Denmark over the last 30 years and a dramatic dip in average happiness in Russia, following the Ruble crisis in 1995. In the case of Austria we see a slight rise in average happiness up to 1995, followed by a decline of about half a point. Note that the first data point is from Wolfgang Schulz's 1984 study (Schulz et al. 1985). Scheme 3 illustrates also that greater happiness is possible in Austria. Average happiness is about one and a half point higher in present day Denmark than in Austria. What is possible in Denmark should also be possible in Austria. Don't object that happiness is a matter of genetic endowment or national character, because scheme 3 shows that happiness has improved in Denmark and gone down in Austria<sup>2</sup>

### **How can happiness be raised?**

Apparently, greater happiness for a greater number of Austrians is possible, then how can that be achieved? I see possibilities at three levels: 1) at the micro level of individual citizens, 2) at the meso-level of organizations and 3) at the macro-level of society.

#### *Strengthening Life abilities*

Many people think that they would be happier if they had more money or a higher position on the social ladder. However research shows that these things do not matter very much, at least not in affluent and egalitarian societies such as Austria. Differences in income and social status explain only some 5% of the differences in scheme 1. Current images about condition for happiness are misleading.

What then does matter for happiness? About 10% of the differences can be attributed to social relations, in particular to a good marriage. Another 10% is due to good or bad luck, probably more so in countries where life is less predictable. Most of the difference appears to be due to personal characteristics; at least 30% of the variance can be attributed to variation in life-ability (Heady and Wearing 1990) and more than half of that is genetic (Bartels 2009) .

The relative importance of inner strengths should not surprise if we realize that living conditions are typically very good in countries like Austria; the better the external conditions, the less variation in conditions account for differences in happiness. In Paradise all the difference in happiness will be due to inner competence, neurotics quarreling there with Angels. In Hell, the differences in happiness (if any) will largely be determined by closeness to the fire, because nobody can stand that environment.

So the most evident way to advance happiness is to strengthen life-abilities. Part of these abilities is genetically determined or hardly alterable for other reasons. Still, there are also capabilities that can be improved through therapy and training. Psycho-therapy is now well established in modern nations, but still under-utilized. There is also an emerging field of training in art-of-living in the line of the new 'positive psychology'. It would seem worth to stimulate the professionalization of that trade. Government could help by paying effect studies, so that the chaff can be separated from the corn. Once there is evidence that such training can raise happiness a bit, a self supporting market

will develop.

Another way of improving happiness at the individual level is informing people about the consequences of major choices in life. Realize that we live in a 'multiple-choice-society' in which about 40% of the differences in happiness seems to be due to 'intentional activity' (Sheldon & Lyubomirsky (2004: 131). Better informed choices will give rise to greater happiness. In that context governments could broaden 'Health education' to 'Happiness education'. Like in the case of health education there should be a solid evidence base, and good data about consequences of life choice are lacking at the moment.

What we need is follow-up studies on changes in happiness following life-decisions such as 'having a baby', 'moving to another country' or 'early retirement'. Such studies can show what has happened earlier to people like us who did what we consider to do now. If making major consumer decisions we often orient on tests of the consumer union. In making life-decisions we can have a similar information basis. An example of this approach is a study by Frey & Stutzer (2004) on the effects of accepting a higher paying job at a longer distance from home. They show that a lot of people mispredict the effect on their own happiness.

#### *Improving the livability of institutions*

Another source of happiness is the institutional settings in which we spend most of our time, such as in work and school. Systematic improvements in those realms will probably add to average happiness in the nation.

This requires that we know what settings produce most happiness, e.g. in what kind of schools pupils enjoy their school years most. Curiously, that has hardly been investigated as yet, not even in old age homes, the prime product of which is happy life years. There is a lot of talk about quality of life in institutions, but hardly any hard research. This is probably because there is little incentive to bother about happiness of pupils and residents.

Governments can create an incentive by investigating the happiness output of institutions. Once differences are visible, the market will do its work. For instance, parents will prefer a school where most children are happy over a school where the majority is not, even if the latter school produces higher grades.

#### *Improving the livability of society*

Happiness depends also on the quality of the wider society. As we have seen in scheme 2, there are wide differences in happiness across nations, and these differences are clearly linked to societal qualities, some of which are presented in scheme 4.

Will further economic growth make us happier? Scheme 4 suggests so, because happiness is strongly correlated with wealth of the nation. Yet material affluence appears to be subject to the law of diminishing returns and economic growth yields more happiness in poor nations than in rich nations such as Austria. Yet this is not to say that economic development does not add to happiness at all in rich nations. Happiness is still on the rise in affluent nations and it is well possible that this rise is linked to economic growth, directly or indirectly. We simply don't know yet.

Still another reason to keep the economy going is that the play may be as important as the prizes. Happiness is not only found in consumption, but also in productive activity. Like most animals we have an innate need for challenge and activity. The biological function of that need is to keep us sharp. The human species evolved in the conditions of hunter-gatherer existence that involved a lot of challenge.

In the conditions of present day industrial society we still need some challenge and we find that now mainly in work life. In this perspective we better not follow Layard's (2005) advice to discourage economic competition, though there is a point in keeping that competition nice and leaving room for other arena's in society.

The data in scheme 4 do not suggest that reduction of income differences will add to happiness, the zero-order correlation is close to zero and when wealth of the nation is taken into account we see even a positive effect of income inequality (Berg & Veenhoven 2010). Though income inequality may be unfair, we can apparently live with it. Likewise, the data do not suggest that happiness can be advanced by more welfare state. At first sight there is some correlation between expenditures for social security and happiness in nations, but the statistical relationship disappears when we take into account that big spending nations tend to be richer. For illustration: happiness is fairly high in Sweden that is known for its extended welfare state, yet equally high in Iceland that spends much less on social security.

The greatest gains seem to be possible in the realms of freedom and justice. Good governance appears to contribute much to average happiness in nations, irrespective of the political color of the parties in the saddle.

### **Do we need greater happiness?**

If we *can* create greater happiness for a greater number, *should* we? Several voices say 'no'. Part of the objections comes from preachers of penitence who like to see us suffer for cleansing our sinful souls. Yet there are also objections from scientists who believe that the pursuit of happiness involves negative effects. One of their qualms is that mass happiness will be achieved at the cost of freedom and another misgiving is that happy people tend to be passive and uncreative. These notions figure in Huxley's (1932) science fiction novel 'Brave New World, in which happiness for everybody is achieved using genetic manipulations and mind control and where the happy citizens are short-sighted consumer slaves.

Yet research on the consequences of happiness shows another picture. It appears that happiness fosters activity, creativity and an open mind. Happy people do better as a spouse and parent. They are also better citizens; they typically inform themselves better than unhappy compatriots, they involve more in social action, while being more moderate in their political views. Still another thing is that happiness lengthens life, the effect of happiness being comparable to smoking or not. This evidence on positive effects of happiness fits well with the theory that feeling good works as a 'go-signal', it tells the organism that that the situation is OK and it can go ahead. Consequently happy people 'broaden' their behavioral scope and 'build' more resources (Fredrickson 2004)

So happiness is not only worth pursuing for its own sake, but also for its positive side effects.

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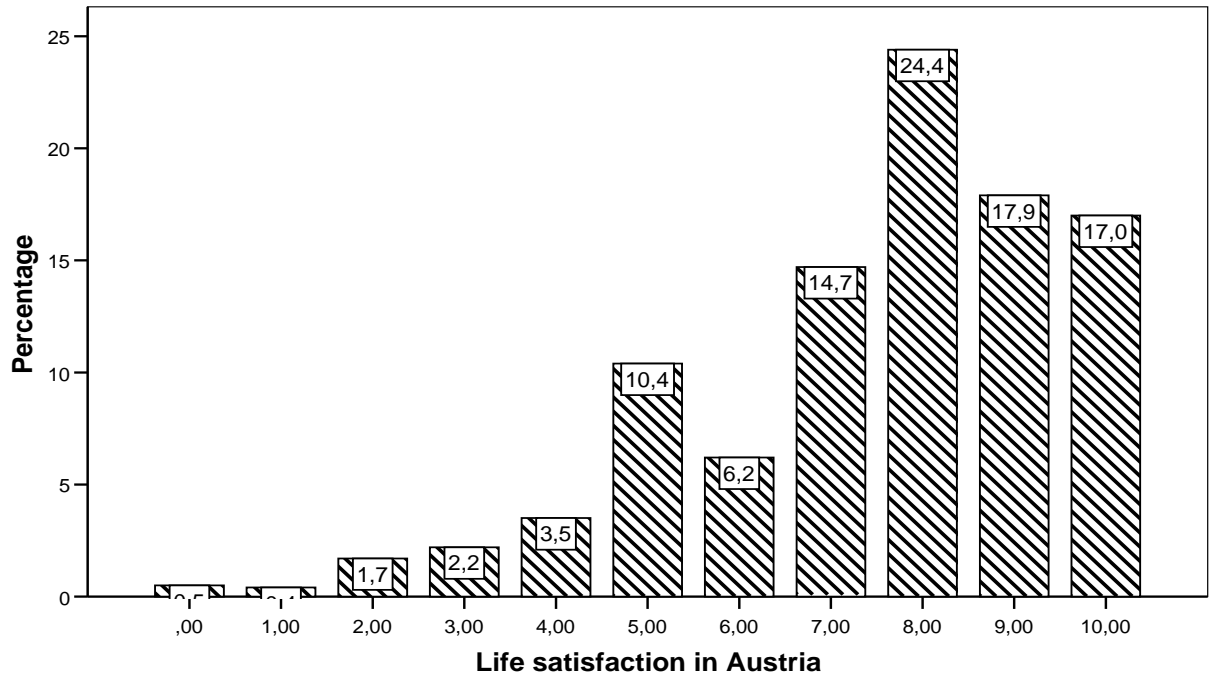
## NOTES

<sup>1</sup> Average of 7 surveys 2000-2008. Reported in World Database of Happiness, Happiness in Nations, tables 122E and 122D.

<sup>2</sup> Average happiness in Austria 2000-2008 seems to be lower in scheme 3 than in scheme 2. The difference is in the survey question used. The line in scheme 3 is based on responses to a survey question on life-satisfaction with 4 verbal response options, responses to which were transformed to range 0-10. This transformation yields somewhat lower average values than responses to survey questions on life-satisfaction using an 11 step numerical response scale.

<sup>3</sup> Denmark 1970-2008 and Austria 1995-2008: Eurobarometer 4-step question on life-satisfaction stretched to range 0-10. Austria: 1984 and 1989 5-step life-satisfaction stretched to range 0-10 (respectively Schulz and Ifes). Russia 1990-2005: 10 step life satisfaction stretched to range 0-10, 2006-2008 11 step life-satisfaction.

**Scheme 1**  
**Happiness in Austria**



Data: European Social Survey 2004



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**Scheme 2**  
**Happiness in nations around 2000-2008; Average on scale 0-10**

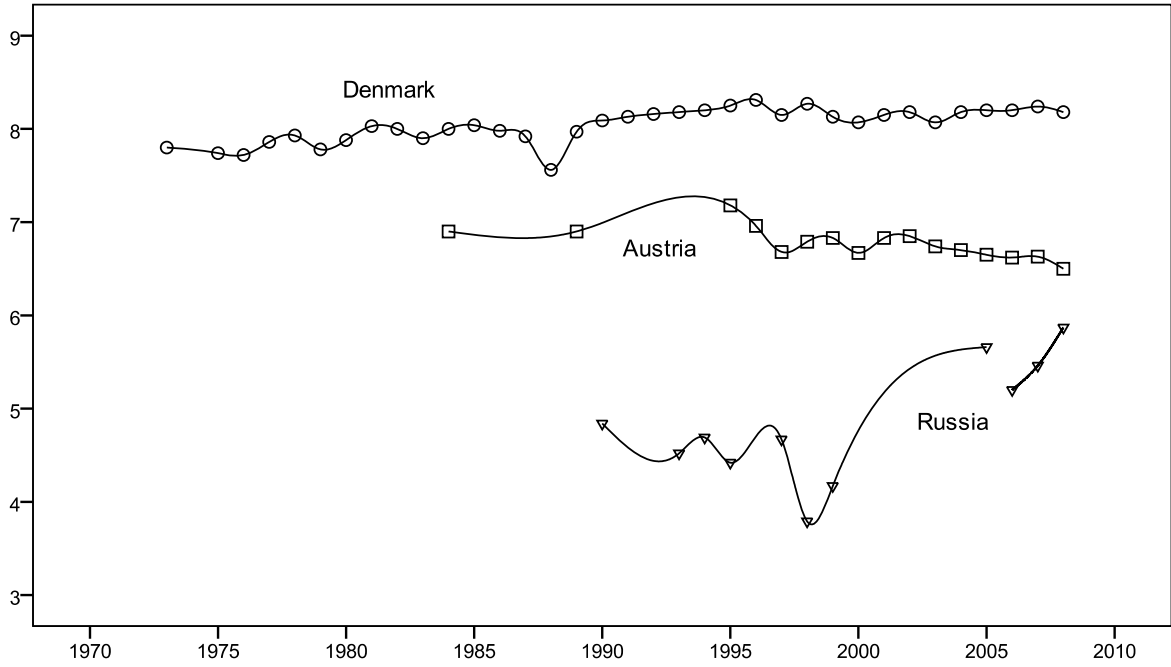
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• Denmark	8,	4
• Sweden		8,2
• Switzerland	8,1	
• <b>Austria</b>		<b>7,7</b>
• USA	7,6	
• Germany	7,	1
• France	6,6	
• Japan	6,5	
• Poland	6,	4
• Russia	5,5	
• Zimbabwe	3,	1

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Source: World Database of Happiness, Happiness in Nations<sup>3</sup>

**Scheme 3**  
**Trend average happiness in three nations**



Source: World Database of Happiness, collection Happiness in Nations tables 121C/D and 122D/E<sup>3</sup>

**Scheme 4**  
**Societal correlates of happiness**

Condition in nation	Correlation with average happiness		
	<i>Zero-order</i>	<i>Wealth controlled</i>	<i>N</i>
<b>Wealth</b>			
• Purchasing power per head	+ .65	-	88
<b>Freedom</b>			
• Economic	+ .60	+ .26	88
• Political	+ .48	+ .17	90
• Personal*	+ .35	- .13	83
<b>Equality</b>			
• Inequality of incomes	+ .05	+ .42	82
• Discrimination of women	- .52	- .25	58
<b>Brotherhood</b>			
• Tolerance	+ .52	+ .40	76
• Trust in compatriots	+ .39	+ .17	79
• Social security	+ .35	- .16	66
<b>Justice</b>			
• Rule of law	+ .64	+ .20	90
• Respect of civil rights	+ .47	+ .09	90
• Corruption	- .56	- .03	62
<b>Explained variance</b>	83%		60

Data: World Database of Happiness, data file States of Nations\_2008

\* = not included in regression due to limited number of cases

