

Ruut Veenhoven Recommends:

"THE BROADEN AND BUILD THEORY OF HAPPINESS"

Bruno Frey and Christoph Schaltegger (Eds.) 21st Century Economics. Economic Ideas You Should Read and Remember.

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Happiness has long been a subject for philosophers, but became established as a topic in the social sciences in the 1960s. Today two strands of happiness research have developed: 'Happiness Economics' and 'Positive Psychology'.

In this paper I highlight one of the ideas developed in that latter tradition. Though the main focus of happiness research is on what *makes* people happy, a side issue is what happiness *does to* people; that is, what are the consequences of feeling happy or unhappy. A main contribution to answering this second question Biological Sciences (359: 1367 – 1377). was made by psychologist Barbara Fredrickson in her seminal article The Broaden - and - Build Theory of Positive Emotions, published in 2004 in Philosophical Transactions, Biological Sciences (359: 1367 -1377)

Tenets

The Broaden-and-Build theory holds that how well you feel affectively tends to *broaden* your behavioral repertoire, among other things by fostering activity and widening perceptual scope. This makes you function more effectively, as a result of which you *build* more resources, such as economic, mental and social capital.

Empirical support

These benefits of feeling good appear in many cross-sectional studies, in longitudinal studies, and in experiments. Some examples of observed long-term effects of happiness are: a) people who were most happy in their student years, earn more in their adult life, and b), happy people live longer, even if their baseline health is controlled. Likewise, experimental studies have shown that induced positive affect c) enhances creative thinking, d) fosters sociable behavior and e) protects against catching a cold. Probably because of this, happy people perform better at work.

Relevance for happiness economics

The conceptual focus of happiness economics is the subjective enjoyment of one's life as a whole, also called 'life-satisfaction'. This is not quite the same as 'positive affect', however, positive affect is a main component of life-satisfaction, and there is much evidence that the Broaden-and-Build theory also applies to life-satisfaction. As such, this theory gives substance to vague notions of 'reversed causality' and calls for us to include consequences of happiness when model building and giving advice.

Implications for economic thought

Happiness is often seen as the end of a motivational process, economic agents deriving 'utility' from consuming. The Broaden-and-Build theory shows that happiness is a factor in ongoing economic activity. In a similar vein, economists often assume that economic behavior is driven by unhappiness, whereas the Broaden-and-Build theory shows that positive enjoyment of life helps us function well.

A wider relevance of the Broaden-and-Build theory is that it marks the importance of *affective experience*, while the focus in economic thought is on *cognitive calculation*.

The ability to feel good or bad is part of an intuitive orientation system, which we share with other higher animals. Feeling good typically reflects that our *needs* are being gratified. *Needs* should not be equated with *wants*. Needs are unconscious and reflect, at best, in affective experience, wants are mental constructs you are aware of. Wants do not always fit needs and wants may be endless, while needs are not. In this view, maximizing utility requires a focus on need gratification and hence measurement of happiness.

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