

The happy state

Andrew Norton

Not content with a Nanny State, now activists are pushing for a Happy State. Drawing on a rapidly-expanding body of research on happiness and life satisfaction, left-leaning think-tanks are calling for government to re-orient policy towards making us feel better.

In Britain, the idea is taken seriously. The Whitehall Well-being Working Group is advising the government on how to make its citizens happier. Conservative leader David Cameron, one for fashionable causes, says that 'we have to remember what makes people happy, as well as what makes stock markets rise. It's time we focused not just on GDP, but on GWB—general wellbeing'.

So far, in Australia, few politicians have directly taken up the happiness agenda. Yet if public opinion is a guide, the public is open to a shift in emphasis. A 2006 opinion poll found that more than three-quarters of Australians agreed with the proposition that 'a government's

prime objective should be achieving the greatest happiness of the people, not the greatest wealth'.

This idea is close to orthodoxy among happiness researchers. The reason is that although GDP per person has increased several-fold since the first happiness surveys were carried out in the 1940s, average happiness is much as it was. Converting answers to a 0–10 scale, in Australia the average fluctuates without a discernable trend between 7.3 and 8.0. Very similar results are found around the Western world. War and dire poverty elsewhere can push averages below 7, but no amount of prosperity, it seems, will increase it very much. If money won't buy happiness, researchers and activists conclude, we should put less policy emphasis on economic growth.

Instead of growth, favourite policy alternatives of happiness activists are labour market regulation and higher taxes to discourage paid work in favour of spending more time with friends and family. The Australia Institute's 'Wellbeing Manifesto' proposes restrictions on advertising to diminish our desires for things we don't really need, and measuring our progress in 'national wellbeing accounts' instead of GDP.

Some people reject the happiness agenda because they doubt that happiness indicators are reliable. They wonder how comparable one person's happiness is with another's. They note that short-term factors can affect answers. They prefer the economist's 'revealed preference'—we should not listen to what people tell researchers about their lives, we should look at what they actually do. That tells us what people really want in life, what they (however idiosyncratically) think will make them happy.

While happiness research is still de-

veloping, it is more robust than the foregoing critique allows. Well-being self-assessments have been validated against the evaluations of friends and family, by repeat testing of the same person with similar results, and through scans showing heightened activity in areas of the brain associated with positive feeling. Some overall findings are persistent over time and between countries: rich people are happier than poor people, married people are happier than single people, healthy people are happier than sick people, employed people are happier than unemployed people, and religious people are happier than non-religious people.

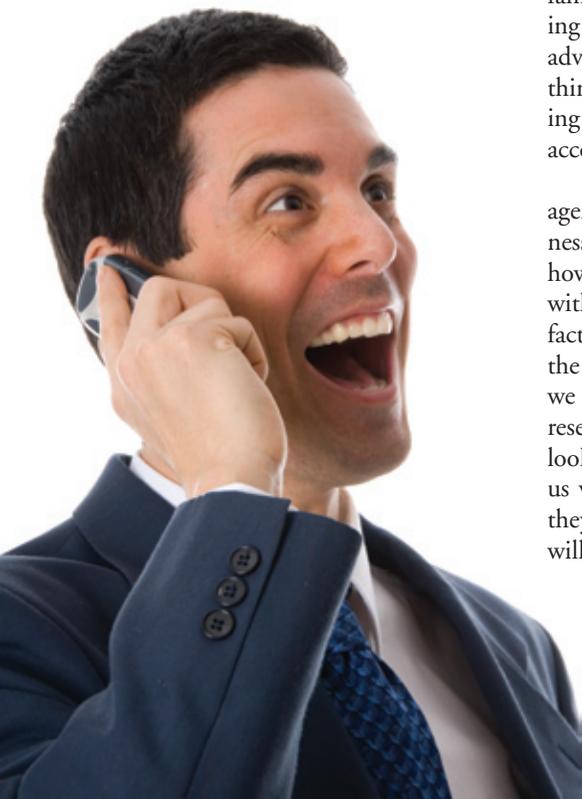
Yet despite these repeated research findings, there are at least five reasons for doubting that they can be converted into new policies that would increase happiness:

There is little scope for most people to achieve significant and lasting benefits

A key finding of well-being research is that most people have a personality-influenced happiness 'setpoint'. Positive and negative life events can trigger movements up or down, but in the vast majority of cases these do not result in lasting significant changes. A German study that tracked the same people over 20 years found that fewer than one in five showed on-going and substantial changes in their level of life satisfaction.

About three-quarters of the Australian population already rate themselves in the 'normal' 7-or-above range in happiness surveys. Most are probably at or near their setpoint. Many of those below 7 will have suffered temporary setbacks

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from which they will recover in any case, and only about 6 per cent of the population rate their happiness level as below 5.

This means that a relatively small number of people are, even in theory, candidates for policy assistance to boost their well-being into the normal range. If policy was successful in all cases—as we will see, a wildly optimistic assumption—it would still have only a modest effect on national averages.

Some aspects of well-being are not easily targeted by policy

For a happiness policy to work, it has to be able to boost factors that contribute to happiness or alleviate those that cause unhappiness. For example, people without partners tend to have low well-being, particularly in the middle years of life. But there is little government can do about this. There is some reverse causation—people who were unhappy to begin with find it harder to form relationships. So the government's job will be to match relatively unattractive personalities with mates, and be more successful at it than all the traditional methods, plus the new online dating sites. It would take quixotic faith in the state's capacity to do good to think that government can achieve much here.

Similar problems afflict the finding that religious belief tends to be good for happiness. As Western societies realised after much bloodshed, trying to convert people except through their own free will is doomed to failure. Religious faith has the same problem as happiness itself; you can't force people to believe in God or to be happy. We have freedom of religion, and there is not much more that we can do.

Different people respond in different ways

As long work hours can cause neglect of family and friends, the Wellbeing Manifesto proposes restricting work to a maximum 35 hours a week. However, Australian research finds weak connections between well-being and work hours. Not surprisingly, those who liked working long hours were more satisfied than those who did not, but overall people working more than 49 hours a week were more satisfied with life than those working shorter hours. This highlights the problem with fixing work hours. Some people would be better off and others worse off. As we know that workers change their hours over time, and change their attitudes towards their hours, the work–family and leisure trade-off is better left to individuals rather than politicians.

Happiness statistics can be manipulated

We are used to governments manipulating statistics for political reasons. But if happiness statistics become politically important, voters may end up the manipulators. Depending on their partisan preference, voters could try to make the government look better or worse when answering happiness surveys, rather than tell the truth about their own situation. Other polls show signs of these partisan effects. Respondents who support the governing party are more likely to say that they are optimistic about their standard of living, for example. While these perceptions may be genuine for some, the opportunity for strategic, politically-motivated answers is obvious. With only small changes in average happiness feasible given other constraints, minor changes may be given unwarranted political significance.

Happiness research provides redundant additional arguments

The happiness research isn't completely without policy-relevant arguments. Unemployment and ill health can both have serious negative effects on happiness, and government policy can certainly affect these problems (for better and for worse). But it's hard to see that the happiness research adds any new urgency to what have long been policy priorities, or provides any new insights into the only interesting issue: how we go about alleviating these problems. Another argument that unemployment and health care are important is redundant.

There is a danger that happiness research will, in policy terms, end up being worse than superfluous. The activists using the research over-extrapolate from the (fairly obvious) finding that money alone can't buy happiness to the conclusion that we should not worry about economic growth. Yet economic growth is vital to reducing one of the few causes of unhappiness government can influence—unemployment—and highly desirable to providing another—improved health care. The irony is that the policy objective that happiness activists single out for rejection, economic growth, is the very one that they should be promoting.

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