

HAPPINESS

How we can promote a happier society

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Abstract

During the last 50 years, while our revenues have doubled, people's happiness has not changed, being almost constant beyond the incomes of \$ 75,000 per year (Kahneman; 2012). This shocking fact has brought to the attention of economists that income and aggressive economic growth do not 'buy' the happiness of the people, but are social relations those that affect people's happiness. Many economists have tried to argue the concept of happiness as a central indicator of the direction of economic and social progress by suggesting that public policies should be evaluated on their success, on the basis of how much happiness they bring to people lives. This paper will argue six causes of happiness; Family relationships, financial situation, work, community where we live and friends, health, personal freedom and personal values as elements that strongly influences people's happiness. Moreover special attention has been given to the issue of income inequality, as one of the causes of the lack of well-being and happiness to the people. The data show how inequality, do not only create social problems such as violence, crime, obesity, but also reveal that countries with a better distribution of income have a significant progress, compared to income discrepancy.

Key words:*Happiness, Wellbeing, Inequality, Distribution, Happiness Index, Gross Domestic Product.*

There is a paradox at the heart of our lives. Western societies have got richer, yet, their people have become no happier. ¹ Our average income has more than doubled but all the evidence shows that on average people are no happier today than people were fifty years ago. The evidence shows that for most people in the West, happiness has not increased since 1950.² The winner of the Nobel Prize in Economic Science Daniel Kahneman in his study reveal that the up to \$ 75,000 a year the happiness in the graph remain flat and does not have any correlation with the incomes.

Indeed we have more food, more clothes, more cars, bigger houses, more holidays, a shorter working week, nicer work and above all better health. Yet we are not happy. This devastating fact should cause each government to reappraise its objectives and each of us to rethink our goals. One thing is clear; only guarantying substantive income does not make people any happier. Studies show that once the basics of life are provided, rising overall incomes do not achieve one jot of extra contentment.³ If we want to be happier we really have to understand what conditions generate happiness and how to cultivate them. If we understand the causes of happiness and the means to affect it we can spread happiness among people and subsequently create a happier society.

There are many explanations defining the state of being happy by different authors but the definition by Jeremy Bentham still continues to be an authentic benchmark. Bentham argued that: “The best society is one where the citizens are happiest. The right moral action is that which produces the most happiness for the people it affects “(Bentham: 1996, p 56).

Richard Layard defines the state of happiness as achieving as much happiness one can and reducing misery. He defines that some types of happiness are intrinsically better than other: “Is it of course obvious that some enjoyments, like those provided by cocaine, cannot in their nature last long: they work against a person’s long-term happiness, which means that we should avoid them. Similarly, some unhealthy enjoyments, like those of sadist, should be avoided because they decrease the happiness of others. But no good feeling is bad in itself-it can only be bad because of its consequences” (Layard: 2011, p 57).

¹ See world database of Happiness, available on the web: <http://worlddatabaseofhappiness.eur.nl/>

² See world database of Happiness, available on the web: <http://worlddatabaseofhappiness.eur.nl/>

³ “Living with less: wellbeing in the slump”, *The guardian*, 1 Dec 2011.

To promote happiness among people we should first see where it begins and where unhappiness ends (Kahneman: 1999, p. 162-168).

If we look in our modern society that we are living we can argue that the factors affecting happiness are:

- (I) Family relationships
- (II) Financial situations
- (III) Work
- (IV) Community and friends
- (V) Health
- (VI) Personal freedom personal values

Analysing these elements will help create a clear picture in understanding the impediments that stop us achieving greatest happiness. In this essay I want to focus how this factors above influence happiness and how we can create a nudge to increase happiness.

Family relationships

Differences in family situation cause a huge difference in happiness. If someone is divorced, that person's happiness falls by 5 points (Dolan, Layard, Metcalfe: 2011, p 5). Although the devastating feeling that the divorced couples feel as studies reveal tend to die earlier than the married ones because they are less happy (Frey, Sstutzer: 2003, pp 450-462). When a person has a happy experience, the body chemistry improves, and blood pressure and heart rate tend to fall (Layard: 2011, p 24). Especially good experiences can have long-lasting effect on our health. If we take 750 actors and actresses who were ever nominated for Oscar's see that on average they live much less than those actors that have won the Oscar prize (Redelmeir, Singh: 2001, p 958).

The situation seems to become even worse when it comes to divorces, making children of such households' worst sufferers. "Studies have shown that children that are born in a divorced family tend to be involved in criminal situation by the age of fifteen. Moreover, children aged 13-14 from troubled families are 36 times more likely than others to be excluded from school and six times more likely to have had contact with the police⁴. One is twice as likely to leave high school with no diploma; twice as likely to have a child during teens and 50 % more likely to be doing nothing at the age of twenty. As adults, people from single – parent families are more likely to die young, and get divorced themselves"(Amato, Loomis, Booth: 1995, p 115). Moreover, the latest data published shows that 24% of adult prisoners⁵ have been in care, as have around 55% of 15-18-year-old female young offenders⁶.

⁴ Source: Social Exclusion Taskforce, Families at Risk: Background on families with multiple disadvantages, Cabinet Office (2007)

⁵ Source: SPCR survey (2005-2006) quoted in Ministry of Justice Compendium of re-offending statistics and analysis, Statistics Bulletin (2010)

⁶ Source: HMIP/Youth Justice Board. Children and Young People in Custody 2010-2011; An analysis of the experience of 15-18-year-olds in prison (2011)

Newspapers revealed that out of all the people that were involved in looting during London riots, a majority of them came from divorced parents. At that time prime minister declared in his speech that we have to mend our broken society. Moreover regarding the high divorce rate in UK he said that ⁷ “I promote a strong and unite family not only because I am a conservative but moreover because divorced families cost millions of pound to the British economy”. But what is more important is that children that come from divorce family see life as hopeless and most of them don’t get married as well because of the lack of an ideal model from their parents (Layard, 20011, p 35).

Married people also have better sex lives on an average than single people – more of it and more satisfying. Furthermore, married people are healthier and live longer (Gardner, Oswald: 2002).

As the facts clearly show that family relationship, especially divorces affect our happiness significantly. But what how we can deal with the highest divorce rate?

The authors (Thaler&Sunstein: 2009, p.82) argue in their book “Nudge” that “there might be lower divorce rate if people had several practice marriages in thirties twenties and thirties before settling down to the real thing (though we are not confident about that prediction), but the fact is that in real life choosing a life partner is hard and people often fail”. This way peoples get feedback for previous marriages and are prepared for the final one. They go on with their advice by saying that the procedures on getting divorce should be made more difficult for people in long run as a way to give couples more time to reflect on their decision.

Family problems		
Divorced per year Single (as a percentage of all births)	Out-of-wedlock births A (as a percentage of all births)	Families headed by a single parent (as a percentage of all families)
United States		
1960 0.9	5	9
2000 1.9	33	27
Britain		
1960 0.2	5	6
2000 1.3	40	21

-Layard, R. 2011. “Happiness”.Penguin Books. p 79

Work

True individual freedom cannot exist without economic security and independence. People who are hungry and out of a job are the stuff of which dictatorships are made.
Franklin D Roosevelt

⁷David Cameron, Tories to make it harder to divorce,*Daily Telegraph*, 16 November 2008.

We feel the need to belong to our family, but most of us need more than this; we need to feel that we are contributing to the wider society. So work provides not only income but moreover extra meaning to life. This is why unemployment is a disaster because it destroyed one's morale and self-image and the period of unemployment is followed by pessimism. Studies suggest that the main evil is not unemployment but non-employment (being out of labour forces), discouraged and not looking for a job. Even when one is back at work the psychological effect lingers on. "Moreover, even when in work people fear the unemployment, and when unemployment goes up, it has a major impact on the happiness of everybody including those in work" (Layard: 2011, p 68) .

Community and friends

Researchers call the quality of a community as "social capital". Hannah Arendt in her essay "On Freedom" (Arendt: 1958, p 12) reflects upon community as the degree to which peoples can establish their identity through the discussion with the others. Though, the community is an institution where people realize themselves through communicating their ideas in an "action process" as Arendt mention by taking the responsibilities as a citizen.

One of the reasons of the depression is a major problem nowadays in our society is because people don't feel the sense of community. Robert Putnam describes this phenomenon as "Bowling alone" by arguing how changes in work, family structure, age, suburban life, television, computers, women's roles and other factors have contributed to this decline of community and cooperation between peoples. In the United States quarter of all families take the evening meal together on fewer than four days a week; only 28% do it every day, compared with 38% in Britain⁸. Getting involved in the community life makes people more responsible towards their behaviour by understanding that their duty is not only limited to cleaning their homes and garden but also contributing in the community. Moreover, the problem we are facing nowadays like: environments, recycling etc require more than ever that people come together to change things. David Cameron's main idea argues for a "Big Society" which includes bringing people together in achieving things, giving them power and making them more responsible for their actions.

Studies show that community as a "social capital" help in the formation of trust and membership in voluntary associations, contributing greatly to happiness. If people live near where they grew up, close to parents and old friends, they are probably less likely to break up as they have a network of social support, which is less available in more mobile communities. "Crime is lower when people trust each other and people trust each other more if fewer people are moving house and the community is more homo generous. So violence tend to be high where residential mobility is high, and where there are concentrations of people are new to the area" (Sampson, Groves: 1999, p 778-800).

To emphasise the importance of community and social interaction with friend I want to bring out the idea of Richard Wilkinson and Kate Pickett regarding "longevity" as explained in their book "The Spirit Level". They confirm the important influence of social relationships on health: "People with stronger social relationships were half as likely to die during a study's period of follow-up as those with weaker social ties (Wilkinson; Pickett: 2009, p 103-119)".

⁸Gallup, 2004 data.

At the local level, good physical planning can reduce the cost of mobility. A good example can be found in Eastlake estate which is one of the Britain's new towns. Ground-floor residents of Eastlake estates strikingly had high rates of mental illness. They were anxious because all and sundry could walk around the space in front of their apartments. As an experiment the planners closed off most of the paths going through the estate, so that anyone outside a window was now likely to be neighbour. Mental illness fell by a quarter.

Health

Richard Layard in his book “Happiness” (Layard: 2011, p 69) see poor health as one of the factors that contribute in reducing our happiness. Healthy members of the public generally overestimate the loss of happiness that people actually experience from many of the main medical conditions. But people often on the other hand underestimate mental illness. The control of such suffering must be one of our top priorities. Mental health is central to our overall happiness. For example; if we ask which cause more misery; depression or poverty? “The answer is depression. So mental illness is probably the largest single cause of misery in Western societies. The data’s reveal that in one year 20% of us have serious mental problems and 6% of us have a severe depression” (Layard: 2011, p 181). The problem of depression should be seen seriously by the health system as a disease that make people incapable to work and to enjoy life. Yet in the United States only 7% of health and expenditures are targeted at mental illness, and in Britain only 13% ⁹.

Inequality as an impediment to achieve happiness

*...we do better when we are equal.
Richard Wilkinson and Kate Pickett¹⁰*

The problem of inequality in the modern society we live has been a central issue discussed by many researcher and politicians as well. The inequality problem has not only created poverty and deprivation among people in different part of the world, but moreover has impeded people in achieving happiness. I will try (have tried) to explain this point of how inequality can have an effect on peoples happiness.

The data’s by the World Bank Development Report¹¹ reveals the case that in the Third World nearly 3 billion people live with less than \$ 2 a day. On the other hand over the period of fourteen months Joyti De-Laurey, a secretary at Goldman Sachs in London, siphoned off some £ 4.5 million from the accounts of two people she worked for and spent the money on herself. For over a year neither of the two bosses even noticed¹². Lloyd Bankfein as well, the CEO of Goldman Sachs in 2006 got a salary of \$ 54.4 million. These facts above give a very appalling contrast of the world, where nearly 3 billion people are living with less than \$ 2 a day and on the other side two peoples earning much income that is unable for them to spend.

Economist have found that extra dollars make less difference if you are rich than if you are poor. This way extra income makes more difference to happiness in poor countries than in rich ones. This implication was also confirmed by the Nobel Prize winner in economy AmartyaSen, who explains that extra dollars gives more happiness to the poor than to the rich (Sen: 1999. p 120). On the other hand, Richard Layard backs this argument by arguing that, an extra pound produces ten times extra happiness for someone with £ 10,000 than for a

⁹www.who.org World Health Organization (2002)

¹⁰Wilkinson, R. and Pickett, K. 2009, “*The Spirit Level-Why equality is better for everyone*”, Penguin Books.

¹¹ In U.S. purchasing power (World Bank, *World Development Report*, 2000-1)

¹² See *The Economist*, April 24, 2004, p. 30.

richer person who gets £ 1000,000. More generally, an extra pound produces x times extra happiness for a poorer person than for someone x times richer than him (Layard: 2008, p 20).

From this psychological reality it follows that if money is transferred from a richer person to a poorer person, the poorer person gains more happiness than the rich person itself loses, leading to an increase in average happiness. Thus a country will have a higher level average happiness if its income is more equitably distributed – all else being equal.

Moreover, Richard Wilkinson and Kate Pickett, in their book “The Spirit Level” (Why equal societies always do better) based on their experiment argue that peoples prefer living in countries with a greater distribution like Sweden and Japan (Wilkinson and Pickett; 2009, p 9). Peoples were shown three pie charts illustrating three different distributions of wealth - one in which each fifth of the population got the same, another that showed (unlabelled) the distribution of wealth in the United States and another (also unlabelled) based on the distribution in Sweden. Ninety-two per cent said they would prefer to live in a society with the Swedish distribution - and the percentage only varied from 89 to 93 per cent depending on whether they were rich or poor, Democrats or Republicans. When asked what they thought the distribution of wealth is in the US, the average estimate was that the richest 20 per cent of Americans control 59 per cent of the wealth. In reality, they control 84 per cent, on further asking what they thought the ideal distribution would be, people preferred the top 20 per cent to have 32 per cent of all wealth (Wilkinson; Pickett: 2009. p 62).

Throughout “*The Spirit Level*” the discussion regarding vital importance of social relationships to human health and well-being is highlighted and shows that higher levels of income inequality damage the social fabric that contributes so much to healthy societies.

Inequality causes shorter, unhealthier and unhappier lives; it increases the rate of teenage pregnancy, violence, obesity, imprisonment and addiction; it destroys relationships between individuals born in the same society but into different classes; and its function as a driver of consumption depletes the planet's resources. The more equal countries has better health, they have few teen ages pregnancies, they have less violence, kids do better at school, lower obesity rates, fewer people in prison, in short, more equal society seems to do much better (Wilkinson; Pickett: 2009. p 109). More equal societies have more sense of public responsibilities, are more environments conscious and also recycle more. As we see all this bad consequences of inequality are preludes of unhappiness. For example, children who grow up in a home where there is a domestic violence are more likely to become perpetrators or victims of domestic violence¹³.

Sweden and Japan score much better in literacy test than those in unequal societies such as Britain. In most unequal societies the children grow up with more stress, this stand also for the richest. More unequal societies has low level of trust, more violence, community life is weaker.

Inequality as well increases the pressure to consume that increase the state competition that leads to longer hours work. Consumerism is much harder to control in an unequal society. As one of the most influential economist thinker of his time E.F Schumacher wrote in his fascinating book “Small is beautiful” that we should stop running the economy through the

¹³ Source: UNICEF, Behind Closed Doors, The impact of Domestic Violence on Children

notion of “economic growth” because it doesn’t make people happy and also is an extremely dangerous idea. He continues his argument by saying that basing our economy on the notion of economic growth creates the *gigantism phenomenon* that dehumanizes people but moreover leads to the destruction of economic equilibrium (Schumacher: 1973)

America is a great example by showing that inequality has led to many problems. As one of the world’s richest nations, with among the highest figures for income per person, it also has the lowest longevity of the developed nations, and a level of violence - murder, in particular - that is off the scale. Of all crimes, those involving violence are most closely related to high levels of inequality - within a country, within states and even within cities (Wilkinson; Pickett: 2009. p 109). All this fact shows that inequality is a problem that not only constrains society but also affects people achieving happiness. But how can we achieve a more equal society? One solution should come from government through redistribution or creating a welfare system. Another issue that we can correct inequality is by taxing the richest person more and also by having a smaller difference in earnings.

How to nudge toward happiness

Psychologists have started studying how people’s mood varies from activity to activity. I will give an example from a study of nine hundred working women in Texas (Kahemman et al. 2004). They were asked to divide the previous working day into episodes, like a film; they identified fourteen episodes. The table is divided into three columns; in the first column are listed the activities, in the second the average happiness they gain from these activities and in the third one the average hours they dedicated to these activities. If we look carefully at the data we understand that people spend much time on those activities which gain less satisfaction. For example they spend an average of 2.5 hours a day talking on the phone and gaining a happiness of 3.1 that is much smaller compared with other activities’ satisfaction. The same thing we can say also for the activity of computer/ internet/ email while they spend 1.9 hours a day and gaining a happiness of 3.0 points. It is obvious that the activities are not distributed properly between hours we spend and happiness we gain. Looking at this table, how can we use *Nudge* to distribute more happiness to the activities than we gain more satisfaction?

Working less makes people happier

Accelerating technological advancement would enable us to "give the working man what he's never had – four days' work and then three days' fun". Winston Churchill

However, the most interesting feature I want to elaborate in the table is the working activity. The data shows that people work nearly seven hours a day and gain a satisfaction of 2.7 points. As the table clearly shows that the activity that produces more displeasure is working. There are lots of reasons explaining the displeasure of people about working but one I would like to focus on is taking into consideration the reduction of working hours.

Juliet Schor’s¹⁴ in his article emphasizes that working longer can damage the environment. Countries that work more pollute more. That is both because their scale of production is larger (the GDP effect) and because time-stressed households and societies do things in more

¹⁴Schor, J. 2011. Reducing working hours can benefit the economy and the environment. *The Guardian*, 20 June 2011.

carbon intensive ways than societies in which time is more abundant. Longer hours of work lead people to travel, eat, and live faster-paced lives, which in turn require more energy.

Contrary, by working less, peoples can benefit in creating stronger social connection. Short hour lifestyles allow people to build stronger social connections, maintain their physical and mental health, and engage in activities that are creative and meaningful. Time is especially valuable in rich countries where material needs can be met for everyone, and deprivation is caused by mal-distribution of income and wealth¹⁵. Working lesser hours will allow people to engage more in creative and meaningful activities they enjoy by increasing their satisfaction. According to the facts, working less have more advantages than disadvantages. Studies have shown that over the last fifty years Europeans have continues this pattern, and hours of work has fallen sharply but not in the United States. During this period in the United Sates the happiness has stagnated since 1975, while it has risen in Europe (Layard: 2011 p 51). So by analysing the three facts offered by; Daniel Kaheman on the table, Juliet Schor’s on his article and Richard Layard in his book we can convergence in one point; that long working hours influence peoples happiness. This way, policymakers and politicians should take in consideration the reduction of working hours by putting it in their priority agenda.

Happiness in different activities		
Activity day	Average happiness	Average hours
Sex	4.7	0.2
Socializing	4.0	2.3
Relaxing	3.9	2.2
Praying/ worshiping/ meditating	3.8	0.4
Eating	3.8	2.2
Exercising	3.8	0.2
Watching TV	3.6	2.2
Shopping	3.2	0.4
Preparing food	3.2	1.1
Talking on the phone	3.1	2.5
Taking care of my children	3.0	1.1
Computer/ internet/ email	3.0	1.9
Housework	3.0	1.1
Working	2.7	6.9

(Kahemman et al. 2004).

Positive psychology as a technique to achieve happiness

An important step to achieve happiness is also by looking on a technique called “*positive psychology*” elaborated by Martin Seligman in his book “Authentic Happiness”. Positive psychology suggests that we should focus on those areas of life where we can really flourish

¹⁵Schor, J. 2011. “*Reducing working hours can benefit the economy and the environment*” The Guardian, 20 June

–this is our strengths. To make progress, it is more important to develop our strengths than to wrestle with our weaknesses (Seligman; 2002).

A happier society requires us to attend much more to the quality of our inner life, and there are various proven methods for improving it. That is what positive psychology is all about – it goes beyond the treatment of depression and anxiety to focus on ways in which we could all live more rewarding lives. “The exercises it offers include the systematic practice of kindness, gratitude to others, counting your blessings, and exploiting your strengths rather than attacking your weaknesses. It also teaches resilience and optimism. These two characteristics are apparently better predictors of a person's educational achievement than their IQ. They can also help reduce one’s annual chance of dying by 20%”¹⁶. As Abraham Lincoln, one of the man that did a lot for human happiness said that; humans would be better off if they gave a boost to what he called the ‘better angles of our nature’

Conclusion

It is crucial to turn the focus on happiness of people and finding the techniques to promote it. As we have shown by many evidences that in the western society although the income of people are doubling thought the last fifteen years their happiness has not increased. Although in this paper was argued the bad consequences caused by the lack of happiness toward peoples. So, we have to look very carefully on happiness and trying to find a “subjective measure” to measure it. As a news science, happiness helps us to understand what makes people happy and trying to adjust and evaluate policies on the level of satisfaction they bring to peoples. As e new science *happiness* is a new way of dealing with the problems we are facing today such as our neighbourhoods, community life etc.

Happiness it’s not about being slave of people desires but to understand people better and going with the grain of human nature. Politics and politicians will only succeed if they actually treat with people as they are rather than as they would like them to be. This way with all the advanced in economic behaviour we can achieve great things by increasing happiness in a stronger society without necessary spending a lot of money. This way we can boost happiness not only in our daily life but as a society.

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