

## ***New Ideas to Measure Happiness***

The financial crisis that burst in 2008 had such an impact, that in the next months some a new type of questions was raised both by politicians and scholars, precisely those intellectual questions that had been intentionally censored for years. Back in 2008, some voices started talking about the need of refunding capitalism and generating a new world government, in order to impose some kind of control over the global economy, of moving towards a new and entirely sustainable economic paradigm. All those debates were later gradually silenced or transformed when transferred to some short-run political initiatives.

Almost two years have passed since then, and some countries have already found their concrete way to the recovery after the economic recession caused by the crisis. There are some debates that seem to continue open, though. The most interesting one, in my opinion, is the one related to the "Economy of Prosperity", understood as a positive evolution from the "Economy of Growth". According to Professor Tim Jackson, who conducted the Study "Prosperity Without Growth?" by the Commission for a Sustainable Development in the UK, "Prosperity consists of our ability to flourish as human beings within the ecological limits of our planet". In this sense, prosperity would transcend those material

questions traditionally associated to the increment of goods and services produced by all developed societies (included in the statistics of the GDP), and would be more related to the worth of our lives, to our health and to the quality of our life within our ecological environment. This means that Prosperity would have much more to do with those things that make us happy, than with those that increase our material well-being.

This idea deepened unexpectedly in the heads of some leaders of conservative governments -Sarkozy and Cameron- last year, although since the 1970s the debate had only been kept opened in the academic work of a few left-wing heterodox economists. Maybe to show their commitment with an idea that might soften their public image in the middle of the strong budgetary cuts in social items they were making, both Sarkozy and Cameron asked important economists to conduct studies about the technicalities to come to an actual implementation of a new economic approach. Progressive economists as Stiglitz, Sen or Fitoussi, as well as the statistical department of some international organizations such as the OCDE and the EU, entered this project to seek the best ways to measure the prosperity of societies and the well-being (also named "happiness") of their citizens.

There are currently three independent processes regarding this term, none of them mutually excluding. The one that will probably will be first taken into consideration by governments is the process that tries to adjust the income to the frame of the national income accounts, so that they also consider in the most accurate way the well-being linked to the national production (for example, excluding of the GDP those products that destroy the environment, or giving more relevance in the accounts to the healthier products). The second process is the one that gives more frequency and quality to those indicators related to the quality of life (life expectancy, rate of delinquency, rate of suicide, income inequalities), while releasing new indicators that have not been considered up to today in a comparable and systematic way (such as the frequency in the garbage collection, the waiting time in the malls or the size of the traffic jams). Finally and quite distanced from those new objective indicators, the third process is the one that attempts to produce subjective indicators that try to measure the levels of well-being/happiness of the population, by asking directly to the citizens about their perceptions.

This last point is the most interesting one, even though it is the one that has gained less Media attention, and even though it will probably experience the largest distance

between the high speed of the academic progress and the low speed of the official initiatives.

Nowadays, the easiest way to question the citizens about their happiness was to ask them to grade themselves within a scale from zero (unhappy) to 10 (happy). This brings some statistical problems because the grade of happiness varies greatly between people and between countries. The cause is that, both people answering and people in charge of designing the questionnaires are unable to differentiate two basic expressions of the state of happiness, which are satisfaction and good mood. It is crucial to separate them because they are two alternative ways to approach to happiness - the first of a structural nature, the second a temporary state: vital satisfaction is conditioned by the projects of each individual (which are also conditioned by the society). In addition, the mood has to do mainly with having experienced real situations of content and happiness. As a token to understand these two different concepts, a poll by Tim Hafdord (the author of best-selling book *The Undercover Economist*) showed that the women of Columbus (Ohio, USA) seemed to have been twice happier last year than women of Rennes (France), but at the same time these last ones seemed to be in a better mood throughout the day.

In order not to mix the two concepts, it is necessary to separate both ways of measuring happiness. And even after doing it, this rigor won't diminish the significant differences between countries. For example, in the last Eurobarometer that included a question about the state of happiness, 64% of the Danish people said they were "very satisfied with their lives", and only 16% of the French said the same. It might be that the different percentages responded to different objective living conditions, but it seems quite obvious that different uses of language and cultural conceptions are influential in the statistics, although they are quite difficult to measure.

The last improvements in the Economy of Happiness, measured in a subjective way, are the ones made by Alan Krueger (who has recently quit being the Economist Chief of the American Treasury), together with the well known psychologist and winner of the Nobel Prize, Daniel Kahneman. These two researchers wanted to develop a new indicator about the states of mood that allowed comparisons between persons and countries, beyond individual or collective cultural and conceptual nuances. In order to do so, they made up a poll system based on the *Day Reconstruction Method (DRM)*, where they ask the interviewed people to recall their activities of the day before, and then they ask them to indicate how much time they invested on each one, and also how they felt

when recalling those activities: stress, quietness, tiredness or enthusiasm.

Krueger and Kahneman's proposal was to making massive interviews to the population of the same countries and repeat them often. By doing it, some improvements could be made in the accountability regarding the uses of time; this could enable us to knowing not only how many products are produced by a country (GDP), but also what it is that its citizens do with their time (when they work as well as in their leisure time; how long they dedicate to expanding their social network or enjoying their families).

In the United States there are already polls made by the US Bureau of Labour Statistics that include questions about how much time people invest in cooking, driving from home to the working place and watching TV. The innovative thing is that they will soon combine those questions with the DRM methodology developed by Krueger and Kahneman, and this will let us know how individuals feel while performing different activities, and how much time they have to invest in doing unpleasant things, which make them feel unhappy.

By applying this new system, it will be possible to establishing comparisons between people, social groups and countries. We will be able to find out if women spend more

time doing things that they dislike, or if older people live in a more relaxing way than young people. What is more, the most interesting thing is that we will be able to evaluate whether or not public policies to improve infrastructure and reduce traffic jams, to increase or limit the extra working time or to build more playing areas for children... have a positive actual impact on the mood of the citizens they are intended for (and therefore on the quality of life of the people). With all that information, the political decisions and the economic investments will have a much more direct relationship with the happiness of the people, and that will become a huge leap forward in the democratic contract between policy makers and voters.

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