#### THE DATA TELL A DIFFERENT STORY

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Reaction Essay April 12th, 2007, CATO Unbound web discussion on "Are we happy yet? Happiness in an age of abundance"

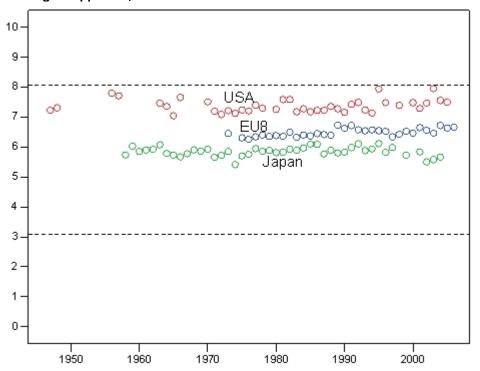
In his essay Darrin MacMahon argues that hopes for happiness in life have increased in Western societies, but that "it is by no means clear that we are happier." He then consoles us by saying that happiness is not everything and that we should not focus too much on it. While I admire his eloquent account of the history of *ideas* about happiness, he has missed certain *facts* about happiness. Some of the conventional wisdom about happiness has been rendered obsolete by recent empirical research.

## No General Stagnation of Happiness

Speaking of "the apparent stagnancy of self reported happiness," MacMahon refers to the so-called "Easterlin Paradox." In a seminal 1974 paper, Richard Easterlin observed that average self-reported happiness had not risen in the United States since the first assessments in the late 1940s, despite considerable growth in income per head.[1] In later papers he reported similar patterns in other eras and nations. Easterlin explains this paradox in terms of a theory of "social comparison." In his view, happiness consists in being better off than the Joneses, and hence you will not become happier if you advance only as much as they do. This explanation implies that average happiness must have stagnated in all countries that grew richer over time.

Time series data on happiness are much improved lately and now present a different picture.[2] Happiness appears to have risen in many nations over the last forty years. The greatest increases have been observed in non-Western nations such as Brazil, Egypt, India, and Mexico, with an average gain of about one point on a scale from 0 to 10 since the early 1960s. Happiness has also risen in the eight EU nations that have participated in the Eurobarometer survey since 1973, with a gain of about 0.3 points in 33 years. A similar trend is observed in the United States, where average happiness also rose 0.3 points since the early 1970s. However, compared to the first happiness surveys conducted in the late 1940s, American happiness seems to have hardly improved. This may be due to post-war euphoria in the United States. Similar spikes have been observed in Cuba right after the revolution in 1960 and in Russia after the fall of communism in 1990. The clearest case of stagnating happiness is Japan. This may be due to Japan's belated cultural modernization and lingering economic recession.

Figure 1 Average Happiness, 1946-2006



Source: World Database of Happiness, Happiness in Nations, Trend Report 2005-1d

Trend data for the U.S., EU-8, and Japan are presented in Figure 1, above. Note that the variance over time is lowest in the EU data. There are three reasons for this: first, the enormous number of respondents – about 24,000 per time point – reduces sampling error; second, greater consistency in questioning; third, various nation-specific ups and downs are smoothed out in the eight-nation EU average. The EU data are therefore the most informative about the general trend of happiness in Western societies.

Another reason to doubt the Easterlin Paradox is the theory behind it, which assumes that happiness is "calculated" cognitively by comparing one's condition with local standards of the good life. According to this theory, one can be happy in Hell if one does not know any better – or if one's companions are in an even hotter spot. The available data fit better with the theory that happiness is "inferred" from the quality of affective experience, which reflects the gratification of basic needs. This "needs theory" of happiness fits a wider functional perspective on affective guidance in higher animals, and predicts that we will live happily in conditions that suit human nature well.[3]

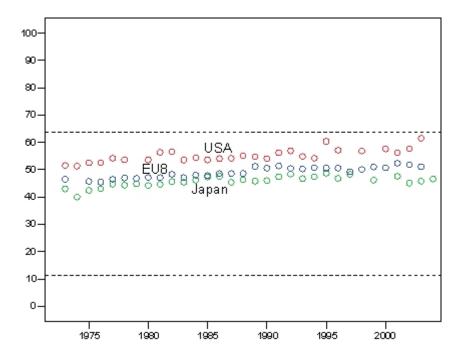
# More Happy Life Years

In addition to the level of happiness, we should also consider its duration. There is clearly less value in a short but happy life than in a long and happy life. The level and duration of happiness are combined in my index of "Happy Life Years," which is computed by multiplying life-expectancy in a country by average happiness on a scale of 0 to 1.[4] Elsewhere I have argued that this index provides the most comprehensive measure of human thriving.[5] These days, the average citizen can expect to live 62 happy years in the U.S, 51 happy years in the EU-8, and 47 happy years in Japan. This is much more than the expected 13 happy life years in present-day Zimbabwe. These numbers are also much higher than would have been the case two centuries ago in Western nations, when life was much shorter and probably less happy. The number of happy life years back then must have been closer to that of present-

## day Zimbabwe.

The number of Happy Life Years has risen in all Western nations over the last decade. (See Figure 2, below.) This comes as no surprise, since life-expectancy has increased in all nations and average happiness has increased in most nations. What is a surprise, however, is the size of the gains. Over the last 33 years, no less than 6.2 additional Happy Life Years were added in the EU, 4.5 in Japan, and 6.2 in the U.S. This increase in overall quality of life is unprecedented in human history.

Figure 2 Happy Life Years 1973-2006



Source: World Database of Happiness. Happiness in Nations, Trend Report 2005-2c

This all goes to show that the 18th century expectation of a better life was right. We now live longer and more happily than did our forefathers in the age of Enlightenment.

#### No Risk of Getting Too Happy

The last section of McMahon's essay warns against too much happiness, since a bit of unhappiness seems required to keep us motivated. This is another common view rooted in an incorrect theory of happiness and contradicted by recent research findings. Happiness is an activating force: one of its biological functions is to serve as a "go signal."[6] Research shows that the effects of happiness are typically positive. Happiness adds to creativity, facilitates social functioning, and tends to enhance good citizenship.[7] It also protects physical health and lengthens life considerably.[8] There may be an optimum beyond which additional happiness becomes less functional, but this is no pressing concern for the United States, where average happiness is currently 7.4 on scale 0 to 10. Average happiness is 8.2 in present day Denmark and this does not seem to have damaged the Danes.

### "Brave New World" Is No Happy Place

Finally, McMahon warns us that the pursuit of happiness may lead us into a dictatorial consumer society, like Huxley's *Brave New World*. The available data do not suggest that

this is likely to happen. People appear to live the happiest lives in free, democratic societies, and the strongest correlates of happiness are independence and activity.[9] This may seem strange if one thinks of happiness as mere sensory pleasure or contentment, but it fits the view of happiness as a signal of human thriving.

#### **Notes**

- [1] Richard Easterlin, "Does Economic Growth Improve the Human lot? Some Empirical Evidence," in P.A. Davis & W.R Melvin, eds., *Nations and Households in Economic Growth* (Stanford: Stanford University Press, 1974), pp. 98-125.
- [2] Ruut Veenhoven and Michael Hagerty, "Rising Happiness in Nations 1946-2004: A reply to Easterlin," *Social Indicators Research* 79 (2006): 421-436.
- [3] Ruut Veenhoven, "How Do We Assess How Happy We Are?" paper presented at "New Directions in the Study of Happiness: United States and International Perspectives" conference, University of Notre Dame, October 2006.
- [4] Ruut Veenhoven, "Apparent Quality of Life: How Long and Happy People Live," *Social Indicators Research* 71 (2005): 61-86.
- [5] Ruut Veenhoven, "The Four Qualities of Life: Ordering Concepts and Measures of the Good Life," *Journal of Happiness Studies* 1 (2000): 1-39.
- [6] Barbara L. Frederickson, "What Good are Positive Emotions?" *Review of General Psychology* 2 (1998): 300-319.
- [7] Sonja Lyubomirsky, Ed Diener, and Laura King, "The Benefits of Frequent Positive Affect: Does Happiness Lead to Success?" *Psychological Bulletin* 131, no. 6 (2005): 803 855.
- [8] Ruut Veenhoven, "Healthy Happiness: Effects of Happiness on Physical Health and the Consequences for Preventive Health Care," forthcoming in the *Journal of Happiness Studies*. Online at http://www2.eur.nl/fsw/research/veenhoven/Pub2000s/2007b-full.pdf.
- [9] Ruut Veenhoven, "Happiness as an Aim in Public Policy: The Greatest Happiness Principle," chapter 39 in P.A. Linley and S. Joseph, eds., *Positive Psychology in Pactice* (New York: Wiley, 2004), pp. 658-678.

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