

WHAT PUBLIC POLICY CAN ADD TO HAPPINESS

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Darrin MacMahon notes that people are fairly happy in contemporary capitalist democracies and asks me what public policy can do to create even greater happiness for a greater number. In my view there are options at three levels: the macro level of nations, the meso level of organizations, and the micro level of individuals. I have discussed these options in more detail elsewhere.[1]

So far, the discussion has focused on the macro level. Next to the societal conditions already noted, I can also mention women's emancipation, the rule of law, and good governance. Next, there are probably conditions for happiness in the realm of culture that we cannot quantify as yet. For instance, I expect that people are happier in nations that produce good arts than in nations where artistic production is poor. Time will tell.

Happiness also depends on the organizational settings in which we spend much of our time, such as schools, workplaces, and old-age homes. Yet happiness is typically of no great concern to these organizations, since their incentives direct their attention to other things. As a result, little knowledge has developed in this field. Public policy can improve that situation in several ways. One way is to bring differences in happiness to attention, for instance, by monitoring the number of happy life years produced by old-age homes. Once such differences become visible, the market will do its work.

Happiness also depends on individual life decisions, such as occupational choice and age of retirement. Many of these decisions are also made on the basis of incomplete information and as a result there is often a discrepancy between the happiness initially expected and the happiness later experienced.[2] Public policy can help people make more informed decisions by furthering research on the long-term consequences of such choices on happiness, much in the same way that it supports research on the consequences of lifestyle on physical health. This is a policy of informing people about happiness without interfering in their own choices.

Notes

[1] 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 since March 2, 2007 at <http://www2.eur.nl/fsw/research/veenhoven/Pub2000s/2006a-full.pdf>.

[2] Maarten Vendrik and Johannes Hirata, "Experienced Versus Decision Utility of Income," in L. Bruni and P.L. Porta, eds. *Economics and happiness: Framing the Analysis*, (New York: Oxford University Press, 2007) pp. 243-266.