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SNS RESEARCH BRIEF SUMMARY

What Can We Learn from the Happiness Research?*

IN RECENT YEARS there has been an increased interest in happiness as a welfare measure, as an alternative or complement to economic measures such as GDP per capita or other objective measures of e.g. health and education. This report discusses how self-reported measures of happiness – or subjective well-being, which is a more precise term encompassing both life satisfaction and emotional well-being – can be used towards this end. Subjective well-being measures, it is argued, are indeed useful as welfare measures, but one should also be aware of various measurement issues. In particular, comparisons within countries are likely to be more reliable than comparisons across countries.

The empirical happiness research is an interdisciplinary field with contributions from e.g. psychologists, sociologists and economists. This research is surveyed in the report, revealing that we know a great deal about the correlates of subjective well-being at both the micro and macro level, but unfortunately we know little about the precise causal relationships, i.e. to what extent factors such as income, unemployment and health have a causal impact on well-being. In order to estimate such causal relationships, more experimental studies are needed, it is concluded in the report.



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How can subjective well-being measures and happiness research be used to guide public policy? The idea that a government should try to steer the national happiness level is discussed – and dismissed. The main reason is the difficulty of establishing a link between a government's policies and the national happiness level, since the latter is also influenced by other factors, including policies of past governments. Hence, it would be hard to evaluate the government, and ultimately hold it accountable, in terms of the national happiness level.

Instead, an 'indirect' approach is advocated. This means that impact estimates are used to evaluate specific public policies ex ante, in terms of their anticipated effect on subjective well-being, e.g. when allocating tax money between health care and labour market policies aimed to increase employment. When impact estimates are used in combination with information about the costs of respective reform, it is possible to determine which policy is the most cost-efficient in terms of subjective well-being.

The report was presented at an SNS seminar in Stockholm on December 14, 2017. Filip Fors, Ph.D. in Sociology, Umeå University, accompanied Martin Berlin for a discussion and a dialogue with the audience.

* This is a summary of a research brief in Swedish "Vad kan vi lära av lyckoforskningen?".



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