

Happiness

*Lecture held by
Harold James (Princeton University)*

at the Economic Conference in Zurich on June 21, 2005

We are today constantly unhappy about not being sufficiently happy. In the course of the past hundred years, there have been dramatic increases in the living standards of people who live in industrial countries. Their health has improved, and life expectancy has risen dramatically. Some of the improvements are so dramatic that it is even hard to put a price on them. Relatively cheap antibiotics cure diseases that even sixty years ago were killers. There should be plenty of grounds for feeling confident, or even complacent.

But not happy. According to sophisticated cross-national comparative statistical investigations - the improvements in health and incomes do not make people happier.

Such findings have spurred a major theoretical discussion among economists. The new studies of happiness generally make two points by way of explaining their findings. One is that, in any given society, richer people are also healthier and happier. Richer societies also tend to be happier as a whole. On the other hand, overall rises in income do not make poorer people happy. The obvious deduction is that the happiness function of wealth and income is more an effect of their positional indicators. In other words, there is in reality no such thing as *absolute* prosperity. I only feel prosperous, and that feeling only brings the warm psychological glow of happiness, if I am more prosperous than my neighbor, and if there are some visible signals that mark my superiority. If this is true, then prosperity would seem to be no good at all: it would be an endless treadmill, in which there is a constant striving for advantage. All that happens is that prosperity increases resentments.

The second explanation does not depend on this comparative perspective, at least with regard to other people. If I buy a beautiful new car, I will be impressed by its technical performance and sophistication. But only for a while. I will soon yearn for a car that is even faster and more complicated and luxurious. There is in other words a continuous ratchet effect, because we compare our position to what we were some time ago. Robert Frank referred to this phenomenon as “luxury fever”.¹ His examples are predictably American: the rising demand for super luxury goods that have unnecessary features that are never employed: the high performance SUVs that are really only used in slow-moving suburban traffic, or the high performance restaurant quality kitchens that are installed in homes whose owners hardly ever cook anything. Depending on your sensibilities, you are amused or shocked.

The modern theoreticians of happiness go on to make a policy recommendation on the basis of these observations. Since the urge to consume involves wasteful demands as a way of

¹ Robert H. Frank, *Luxury fever : money and happiness in an era of excess*, Princeton, N.J. : Princeton University Press, 1999.

asserting positional superiority in a world in which there is still considerable scarcity, a higher tax regime would redistribute goods without in any way reducing either efficiency or happiness. Luxury fever is, in fact, according to the LSE economist, Richard Layard, an addiction, that can be usefully taxed as a form of deterrence in the same way as we agree that cigarettes, alcohol, and even coffee should be taxed.² Taxation is a way of ending the rat race. So a rational world which takes happiness maximization as its goal would have a high rather than low tax regime. The new economic of happiness has in other words become the major rationale for high rates of taxation after the collapse of other types of justification. Governments have taken it up, as in the recent (2002) document produced by the British Cabinet Office on “Satisfaction: the state of knowledge and implications for government”.

Are the implications for government really that easy to discern, and does a doctrine of the pursuit of happiness require massive state intervention and a redistribution of resources? Let us now look at the same logic as applied to other areas of public interest. Over the same time period as we have had all the dramatic improvements in income and health, we have also seen a revolution in the way in which we view the family and its role in society. That revolution consists mostly in the application of the happiness principle.

Layard builds his basic argument on the point that “extra happiness has been cancelled out by greater misery coming from less harmonious social relationships” (p. 35). He cites the evidence of how marriage increases happiness, and conversely that divorce significantly reduces happiness: indeed his quantitative indicators suggest that divorce has a higher impact on happiness than income reduction. In making the link between happiness and marriage, Layard follows prevailing opinion. Divorce, however, often appears as the direct outcome of the search for happiness.

Before the eighteenth century and romanticism, most people did not assume that they married directly in order to be happier. Of course, that might happen, but if it did, it was a pleasurable and unexpected by-product of marriage. But after that, happiness became the major driver of social relations. Marriage has changed primarily because of the intrusion of the idea that it is about the search for human perfectibility and maximum happiness.

In its extreme version, the modern view treats marriage as simply an extension of a search for consumer satisfaction. If I buy a good at a store, I am party to a contract, which I participate in because it enhances my satisfaction at that moment. There is no obligation to treat it in a particular way. If I get pleasure from buying an expensive watch and then smashing it on the ground, the worst that I can be accused of is eccentricity or perhaps tastelessness. And we perfectly well expect that over the course of time, a watch will wear out and need to be replaced.

This view of marriage as precisely analogous to the search for satisfaction is now more or less prevalent. It is attached as an initial, indisputable premise to modern arguments. Recently, the new Hungarian Prime Minister Ferenc Gyurcsany, a 43-year-old multimillionaire, who has been married three times and whose present wife is in her early

² Richard Layard, *Happiness: lessons from a new science*, New York: Penguin, 2005.

30s, said that his Socialist party, which dismissed his predecessor Peter Medgyessy, was entitled to do so just as "anyone whose wife is getting old deserves a younger one".³ The great Princeton historian of marriage, Lawrence Stone, observed that: "If Thomas Jefferson today was asked to rewrite the Declaration of Independence he would certainly have to add total sexual fulfillment to 'Life, Liberty and Human Happiness' as one of the basic natural rights of every member of society."⁴ The result as far as the family is concerned is that children are seen as a nuisance, because the key relationship is that of the married partners. Recently, for instance, the National Marriage Project at Rutgers University concluded that: "Children seem to be a growing impediment for the happiness of marriages."⁵ Some go as far as to suggest that any other picture of marriage must be a sign of insanity. According to my colleague at Princeton, Hendrik Hartog, "Today everyone understands marriage as an individual life choice, and as an event within an individual life. Though marriage continues to offer the fantasy of continuity and permanence (till death do us part), all sane people who enter into it know that it represents a choice to marry this person at this time and that if living with this person at a later time no longer suggests the possibility of happiness, that you are entitled (have a right) to leave and to try again."⁶

But this philosophy produces a demand for easy separation and divorce, and for Layard this appears as a principal cause of unhappiness. He adds: "One would have hoped that as divorce became easier, the marriages that continued would have become happier – just as your average score improves when you leave out the worst ones. Unfortunately, this has not been the case." (p. 85) The explanation is that marriage partners are tempted to internalize the values around them, and constantly ask themselves whether they have really chosen the best, most intelligent, most beautiful, or richest, partner; they then start to make comparisons and to strain at the leash. Television and popular culture in addition make us aware of the possibility of constant comparison, and consequently highlight our own inadequacy. Layard pleads for policies that might make for more stable families, but stops short of recommending that divorce should be made more difficult. This would, however, be the analogue of the tax solution to the other part of the happiness problem: to make people happier by radically restricting their choice.

After these considerations, you may well feel slightly uneasy about the new economics of happiness. They have become ways of reviving old ideas about the restriction of choice: someone else should choose what makes you happy – in other words, there is someone else who can determine what you *really* want. The analogy to the higher tax argument would be that the government should act to restrict the availability of choice and comparison: say by decreeing that no pictures of beautiful people can be shown on television, but that television should restrict itself to showing the politicians and mature businessmen!

³ *The Times* (London), September 16, 2004; *Financial Times*, September 30, 2004.

⁴ Lawrence Stone, "Passionate Attachments in the West in Historical Perspective", in (eds.) Willard Gaylin and Ethen Person, *Passionate Attachments: Thinking About Love*, New York: The Free Press, 1988, p. 19.

⁵ Quoted in Sue Shellenbarger, "And Baby Makes Stress", *Wall Street Journal*, December 16, 2004, p. D1.

⁶ Hendrik Hartog, "What Gay Marriage Teaches About the History of Marriage", History News Network, April 5, 2004. <http://www.hnn.us/articles/4400.html>

The major problem with this approach is that it includes no room for the possibility of responsible action, in other words action which acknowledges that there are inescapable consequences. Most social actions are in fact not about choice, but about responsibility. The meaning of an action lies in an awareness of consequences and obligations that result from action, and not just in the act of choosing.

Let us start with the family, as its strained and altered character is at the heart of much of the contemporary malaise. The modern conventional interpretation fails to notice or take seriously two features about marriage which were at the core of the traditional view, and which were inextricably linked with each other. The first is that marriage is a particular kind of relationship, which is not affected by the current or subsequent feelings or emotions of the partners, but which lasts until death. It is about choice, but not an endless repetition of the possibility of choice. In other words, the idea of a single choice isolated from a sense of continuity, is ruled out.

The second is that marriage is concerned with reproduction. Reproduction of course makes the consequences of action very clear indeed. The relationship in the center of marriage is in its eternal or unchanging character identical to the relationships created by reproduction. In the same way as I am someone's son or someone's father, and cannot stop being a son or father simply by an act of will, I am someone's husband. This does not necessarily mean that I am a good husband or that my wife is happy, any more than it means that I am a good son or a good father. Indeed it is quite conceivable that in a marriage I might do something so horrible that my spouse might never want to associate with me again, and fathers and sons can quarrel with each other in the same way. But a son who refuses to see his father does not stop being a son, and fathers and sons do not stop having particular responsibilities to each other.

The recognition of this truth is at the heart of two of the most famous literary depictions of the problematical character of filial affection. When Cordelia tells her father in the opening scene of *King Lear* that "I love your majesty according to my bond, no more or less", she outraged and puzzled many subsequent critics, especially modern ones who on this ground find the play incomprehensible. Is she peculiarly stubborn or insensitive, or is she maniacally and irresponsibly devoted to truth-telling at whatever cost? The idea that she is confronting is that filial love should be rewarded by showers of presents; the truth that she is expressing is that filial love arises out of a bond of obligation.

The flashy and eventually counter-productive Defense Counsel for Dmitri Karamozov, Fetyukovich, tries to reason that "such a father as the murdered old Karamazov cannot and does not deserve to be called a father. The love for a father who does not deserve such love is an absurdity, an impossibility. One cannot create love out of nothing, only God can create something out of nothing." As with the elder daughters of *King Lear*, what is presented here is a fallacious view of the filial relationship. Dmitri, on the other had, recognizes that though he did not kill his eminently detestable father, he would have liked to kill him and thus bears a guilt.

The permanence that a family relationship produces – it is important to note that it is an involuntary permanence - produces feelings that are deep and indeed are part of what it is that makes us human. They intrinsically extend to some still remaining ideas of marriage. No less than filial love, conjugal love arises out of obligation. Thus, even at a time when the consumerist view of marriage is prevalent, we are quite shocked by Britney Spears' apparently frivolous decision to marry and then immediately leave an old childhood friend. Many secular marriage services still include from the Anglican Prayer Book some secularized version of the minister's admonition that marriage "is commended of Saint Paul to be honourable among all men: and therefore is not by any to be enterprised, nor taken in hand, unadvisedly, lightly, or wantonly, to satisfy men's carnal lusts and appetites, like brute beasts that have no understanding; but reverently, discreetly, advisedly, soberly, and in the fear of God; duly considering the causes for which Matrimony was ordained."

The seriousness of marriage goes beyond a simple contractual relationship. Families, like states, provide an essential framework of stability within which markets (and choice) operate. If there is no framework, there is too much possibility and too much choice for a rational process of choice to be possible because in this case the choice has no meaning than a banal preference.

A critical question is thus why we seem to have largely lost the sense of meaning in connection with actions? The answer has to do with the altered time frame for our observations of the world and the way in which we relate to it. Before the advent of modern dynamic economic growth, people faced constant unpredictability. They did not know whether tomorrow or in a year's time or in ten year's time, they would be alive, or desperately sick, or attacked by enemies, or dead. On the other hand, they had predictability on another level: there was a stable overall framework for expectations. They could be reasonably sure that in a year or ten year's time the shape of human society would not be radically different. The individual was subject to much uncertainty, but society was not.

There was in this world no possibility of making people happy by any policy mix. At the end of Shakespeare's play *Love's Labour's Lost*, the mood suddenly turns somber and Rosaline imposes a condition on the intellectual Berowne:

*You shall this twelvemonth term from day to day
Visit the speechless sick, and still converse
With groaning wretches; and your task shall be
With all the fierce endeavor of your wit
To enforce the pained impotent to smile.*

Berowne repeats the question and gives the answer:

*To move wild laughter in the throat of death?
It cannot be; it is impossible;
Mirth cannot move a soul in agony.*

In the early twenty-first century, the former mix of certainty is reversed. Most people can be more secure about their personal destiny, but are much more prone to surprise because of big technical shifts and innovations. We cannot at all be sure that society will be the same in

ten years' time, or even after one year, in part because it is bound to come up with faddishly new ways of producing happiness. The (former) President of the World Bank James Wolfensohn frequently repeated that it was his mission – apparently in line with Rosaline's requirement - “to put a smile on the face of every child in the world.”

But we did not quite believe him: at least we were skeptical. A consequence of the feeling that our own little world is neatly controlled, but that the big world is dangerously out of control, is that there are big expectations of the political process. There is a demand that globalization which is out of control should somehow be subject to human control (the French like to refer to a *globalisation maîtrisée*). We are continually inventing new approaches to legislation and rule-making, much of it justified by the assumption that a tweaking of the rules will make people happier. But these big expectations are almost invariably disappointed, and the result is a disillusionment with politics, *Politikverdrossenheit*. In the circumstances of 1990s Russia, politicians liked to say: “We hoped for the best, but things turned out as they always do.”

This is the problem that is at the root of our unhappiness: not the revolution of rising expectations, which is at the center of the story told by the modern purveyors of happiness school, but rather the apparent revolution of uncontrollability.

A better solution is to preserve choice, but to emphasize how choice is only a part of the particularly human characteristic of responsibility. This seems to me to be at the heart of an idea of freedom or liberty. We make choices and are later constrained by their consequences.

Making a choice in order to become happy is in short the wrong way of approaching the question of what human societies should aim at. A proper view of choice sees choice as something that carries implications and limitations, and in particular affects and limits the character of subsequent choices.

One of the most important limitations is not blaming others for the outcomes of our choices, but we can only do this within the context of an overall framework of general rules. The converse of this observation is that it is not possible rationally to decree measures to increase the happiness of others. Aiming straightforwardly at increasing happiness is a futile activity. Freud recognized this very clearly in *Civilization and its Discontents* when he described the pleasure principle but added: “There is no possibility at all of its being carried through; all the regulations of the universe run counter to it. One feels inclined to say that the intention that men should be ‘happy’ is not included in the plan of ‘Creation’.”⁷

A *New Yorker* cartoon shows a puzzled man looking at a bird, who explains: “I don't sing because I am happy. I am happy because I sing.” It is counterproductive to simply aim at happiness. I am not giving an account of happiness because I am happy: I am happy because I can tell you why you might be unhappy, but why you shouldn't be unhappy about that.

⁷ Sigmund Freud (transl. James Strachey), *Civilization and its Discontents*, New York: Norton, 1989, p. 25.