



# Happiness and Human Development

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## Introduction

Those who are interested in promoting the collection and use of subjective wellbeing data often cite the importance of such data to help balance the attention otherwise placed almost exclusively on indicators of economic activity, such as Gross Domestic Product, as measures of national progress or development.<sup>1</sup> The same concerns played a formative role in the conception of the human development approach.<sup>2</sup> Despite these similarities of origin, the two areas of research and practice are not yet as closely allied as one might imagine they would be. This chapter seeks to understand why that is the case and whether – and what -- each approach can learn from the other.

## A brief history of happiness

Humanity has been thinking about happiness for a long time, and in several different ways. The Buddha and Aristotle were among the early happiness philosophers.<sup>3</sup> The Buddha's thinking on achieving happiness (which he thought about in terms of escaping suffering) is summarized in *the Four Noble Truths* and the *Noble Eightfold Path*. He believed that people look for sensual pleasures, possessions, and attachments. The impermanency of such goals, he argued, inevitably led to unhappiness, from the disappointment of loss and envy of others.<sup>4</sup> Aristotle had a different viewpoint, and argued that man is a social animal, with individual happiness secured only within a political community, or polis. The polis should organize itself to promote virtuous behavior. As in Buddhist teaching, virtue is conducive not only to individual well-being but also to social harmony.<sup>5</sup>

So while happiness is a basic aspiration of humankind, it is also a word – or an idea – that is used in different ways, and so it is important at the outset of this chapter to describe what we mean when we talk about “happiness” here.

Amartya Sen recently drew on linguistic philosophy to make a key distinction between two quite different ways of using the word ‘happiness’.<sup>6</sup> One is happiness as an emotion, e.g. ‘Are you happy now?’, which elicits someone’s mood. The other involves a judgmental use of the word, e.g. ‘Are you happy with the baggage retrieval system at Heathrow?’ or ‘Are you happy with your life as a whole these days?’ which asks someone to make a cognitive evaluation of the quality of something.

This is indeed an important distinction and one that has been addressed in recent research on subjective wellbeing. If individuals were to routinely mix up their responses to these very different questions, then measures of happiness might tell us very little. Changes in reported happiness used to track social progress would perhaps reflect little more than transient changes in emotion. Or impoverished people who express happiness in terms of emotion might inadvertently diminish society’s will to fight poverty.

Fortunately, respondents to surveys do not tend to make such mistakes. As has been shown in the first and second World Happiness Reports,<sup>7,8</sup> respondents to surveys recognize the difference between happiness as an emotion and happiness as a judgment about the quality of life as a whole. The responses of individuals to these different questions are highly distinct. A very poor person might report himself to be happy emotionally at a specific time, while also reporting a much lower sense of happiness with life as a whole; and indeed, as we show later, people living in extreme poverty, whether in terms of income or social support, do report low levels of happiness with life as a whole.

Different cultures and languages ascribe different meaning to happiness too, and this is dealt with below.

### **Three Ways to Measure Subjective Wellbeing**

There are three main types of measure: measures of positive emotions (positive affect), measures of negative emotions (negative affect) and evaluations of life as a whole. Together, these three types of report are considered the primary measures of subjective well-being.<sup>9</sup> “Happiness” is often used to describe both measures of positive affect and life evaluation. This brings a risk of confusion, since people might assume that all happiness measures are equivalent, while the evidence is increasingly clear that these two different ways of measuring happiness are distinct in ways that support the credibility of both. That is, “happiness” is used to describe two different things, with the distinction variously described as hedonic vs. eudaimonic,<sup>10</sup> or the accumulation of net momentary pleasures vs. a life full of meaning and good purpose.

## **But can we really measure happiness?**

Several questions are commonly raised about how useful or reliable measures of happiness are. Four common concerns relate to adaptation; peer group and other contextual effects; the validity of cross-cultural comparisons; and whether our memories are the best judge of how happy we were.

*Adaptation:* The concern here is that people adapt to their life situation, and report themselves to be happy even in conditions that others would describe as miserable. In human development terms, the argument is that their reported happiness fails to capture the extent to which someone has been deprived of the essential capabilities for a good life. Although adaptation does seem to occur, its strength has often been exaggerated.

The extreme version of adaptation is embodied in the ‘set point’ view,<sup>11</sup> wherein each individual has a genetically established personality with set points for aspects of their personality including happiness, or even satisfaction with life. Changes in circumstances can lead to temporary gains or losses of happiness, but people subsequently adapt, and this eventually forces life assessments back to each individual’s baseline set point. The primary empirical reference is often to a study showing substantial (albeit incomplete) adaptation among lottery winners and accident victims.<sup>12</sup> But recent evidence, using larger samples of longitudinal data, shows the significant continuing impact of disability on subjective well-being, with the extent depending on the severity of the disability.<sup>13</sup>

Other papers have used longitudinal data to show increases in life satisfaction after marriage fall back to pre-marriage levels, concluding that people adapt fully to marriage. However, these conclusions failed to take account of the fact that happiness declines during middle age (in a U shape): while those who got married saw their post-marriage happiness levels decline, their unmarried peers also became significantly less happy over time. Indeed, when one takes into account the U-shape in age, with average well-being falling over the age ranges when most marriages take place, adaptation effects are seen to be far from complete.<sup>14</sup>

Thus while adaptation is an essential part of human psychology, helping us to accept and react successfully to both adversity and new opportunities, it is partial: people with better health and family circumstances, and especially those with shared social identities living in trusting and trustworthy environments, evaluate their lives more highly. Indeed, there is strong evidence to show that adaptation to good or bad circumstances is not complete. If it were, then life evaluations around the world would tend to the same average. But in fact average life evaluations in the top five Human Development Index countries are 7.3 on the 0 to 10 scale for the Cantril ladder in the Gallup World Poll 2010-12, compared to 4.2 for the bottom five countries.<sup>15</sup>

*Peer Group and other Contextual Effects:* The “peer-group concern” is that people’s happiness is driven more by their relative, rather than their absolute, quality of life. But while there is considerable evidence that much of the life satisfaction gained from income is from one’s income relative to other people,<sup>16</sup> the evidence of such contextual effects differs considerably from one aspect of life to another, and perhaps from one society to another. Similar arguments are often used when discussing how best to measure or consider poverty, which can also be seen in both absolute and relative terms.

Contextual effects have also been found relating to the framing of survey questions, their placing within surveys, and even for the overall nature of the survey. These effects have sometimes been found to be larger than main effects being assessed.<sup>17</sup> Comparing life satisfaction answers across a variety of survey contexts, and with several different questionnaire orderings, shows sometimes large contextual effects (up to 0.5 on a 10-point scale). More importantly, the underlying

structure of the responses was so consistent across surveys that data from different surveys could be safely combined after due attention was paid to the nature and size of the framing effects.<sup>18</sup> Thus it is both feasible and important for empirical work to account for possible contextual effects. It must also be recognized that proper accounting for contextual effects may be more difficult in an international survey.

*Cross Cultural Comparisons:* Average happiness scores differ across cultures, even holding constant the effects of income and several other factors. In a sense this is hardly surprising, since cultures are sometimes defined in terms of the social norms they embody, and a variety of social norms affect subjective well-being.<sup>19</sup> These effects show up in the latest country rankings of life evaluations, with Latin America showing higher ladder scores, and East Asia lower ones, than predicted by simply assuming that all countries were influenced exactly the same way by the same factors.<sup>20</sup> The good news is that the basic factors seem to have the same influence in all regions, so that the missing cultural influences are not obscuring the central messages.<sup>21</sup>

Another aspect of cultural difference lies in the variety of not-quite-equivalent translations of the terms used in questions about subjective well-being. Sometimes the choice of one term rather than another can have big effects on international comparisons. For example, the Gallup World Poll questions on positive and negative affect ask people whether or not they ‘experienced the following feelings during a lot of the day yesterday...’. The available answers are either ‘yes’ or ‘no’, and the emotions included happiness, which in the case of the Danish survey was rendered as ‘**Lykkefølelse**’ a term understood by most Danes as happiness at almost a giddy or exultant level. The combination of the zero/one scale, the question’s reference to ‘most of the day’, and the fairly extreme form of happiness connoted by the term meant that only 63% of Danes answered ‘yes’, significantly below the global average of 70%, putting Denmark in 102<sup>nd</sup> spot out of 156 countries. This is in sharp contrast with the ladder life evaluations, where Denmark ranks at the top, and also some other positive emotions yesterday, such as enjoyment (at 89%) and laughter (at 77%) where Denmark is far above the global averages and very near the top of the global rankings. Evidence from the European Social Survey (ESS) speaks to the same point. The ESS asks about both happiness and satisfaction with life, and uses the same Danish word for happiness that the Gallup World Poll does. For the ESS countries on average, happiness with life is significantly above satisfaction with life, while the reverse is true for Denmark.<sup>1</sup> This suggests, consistent with the Gallup evidence, that the

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<sup>1</sup> The overall ESS means (n=180,000) are 6.81 (se=.006) for SWL and 7.16 (se=.005) for happy with life. The corresponding means for Denmark (n=6000) are 8.48 (se=.019) for SWL and 8.34 (se=.018) for happy with life. Despite the fact that the SWL and happy with life distributions have different means, they tell consistent stories about what produces better lives, so much so that the most empirically robust explanations are provided by averaging the two scores.

Danish word connotes a more intense form of happiness than do the corresponding terms used by the survey for other countries.

Our interpretation of this example is to note that when anomalous rankings arise, they are often due to specific circumstances of vocabulary and question wording. Although, as we have shown, differing linguistic choices can materially affect average answers, and hence influence international comparisons, these effects can be explained and accommodated. This is because the availability of multiple measures and question forms usually reveals an internal consistency among the answers to alternative questions, thus increasing our confidence in the ability of respondents to consistently assess their emotions and life experiences.

*Experience vs. Memory:* Another area of discussion relates to whether it is more appropriate to assess subjective wellbeing through how people remember an event or how they experience it in the moment. Daniel Kahneman and colleagues have found that there are systematic differences between evaluated (remembered) and experienced (momentary) well-being. Kahneman for instance found that patients undergoing a medical procedure would have a better memory of the experience if the most painful part happened at the beginning rather than the end.<sup>22</sup> Kahneman argues that measures of experienced wellbeing are in many ways the more accurate because they remove any rose-tinted memory effect. But it is equally arguable that it is our remembered evaluations of our experience that are more important in determining our future behavior, because it is usually people's own perceptions of the state of the world, rather than other's measurements – or perceptions - of the “facts”, that drive individual behavior.<sup>23</sup> And so contrasting the objective data with perceptions is often necessary for understanding the nature of a problem and the ways in which it should be tackled. In other words, “measures of both objective and subjective well-being provide key information about people's quality of life.”<sup>24</sup>

Crime is a good example. In many OECD countries, victimization surveys show that people's subjective opinions about the future likelihood of their being victims of a variety of crimes significantly exceed the frequency with which they have in fact been victimized, as consistently measured by the same surveys. Research shows that where actual and perceived risks of victimization differ, it is the perception rather than the reality that affects life satisfaction. By having both measures available in consistent form, it is possible to make more informed choices, at the community level, between activities designed to increase citizen's justified confidence in their own safety, and hence increase their willingness to connect with each other, versus activities aimed at crime control<sup>2</sup>.

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<sup>2</sup> See Helliwell & Wang (2011) for this analysis.

## Happiness and Human Development provide complementary lenses for studying development

Work on happiness and human development share, to some extent, a common lineage. Both have been driven partly by an interest in understanding and measuring human progress and wellbeing in ways that go beyond economic metrics like gross domestic product (GDP). Indeed, there is a growing global interest in develop better metrics of human progress.

Thinking about the limitations of GDP as a measure of welfare is not new. Simon Kuznets, one of the fathers of the system of national accounts, showed remarkable prescience in identifying the potential for GDP to be misused as a yardstick for national progress, particularly by those who did not fully understand it. In 1934, he wrote that “the welfare of a nation can scarcely be inferred from a measurement of national income.”<sup>25</sup> In the same vein, more than 30 years later US Senator Bobby Kennedy famously observed that the GDP “measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile.”<sup>26</sup>

Now is not the place for an in depth review on the ways in which work on measuring progress has evolved (see Stiglitz, Sen, Fitoussi for an overview)<sup>27</sup>, but it is worth noting that both the development of the Human Development Index, and work in measuring subjective wellbeing, are seen by many as significant contributions to the growing body of research on how to understand wellbeing, development and progress.

Although the happiness and human development approaches share much in common, a key difference between them is that while human development is first and foremost a conceptual approach, subjective wellbeing is an empirical one. And so while an increase in human development must be – by definition – desirable, it is not so simple to tell whether such increases have happened. Instead human development is recognized as an open-ended concept which can be measured only partially using indices like the HDI. It is an approach that uses multiple dimensions and non-monetary measures of wellbeing to assess development; stresses the importance of freedom and opportunity; and recognizes that people convert their capabilities into wellbeing at different rates.

On the other hand, while it is possible directly to measure an individual’s subjective wellbeing, it is not possible to be certain that improvements in subjective wellbeing are always socially (or individually) desirable because subjective wellbeing is defined empirically. That is, it has been argued, just because someone feels happier doesn’t necessarily mean they have more to feel genuinely happy about. These differences have been used by some proponents of one approach to criticize the other. But these differences also demonstrate why the two approaches complement each

other: using information about both human development and subjective wellbeing together can strengthen and deepen the understanding of both.

Human development can be broadly defined as endowing people with opportunities to lead lives “they have reason to value”. This raises a rather obvious question: do people actually value their experience of living in the ways that human development practitioners believe they should? Indeed this question has been a key criticism of the capability approach, as some claim the approach offers “no guidance” on how to decide which aspects of people’s lives (functionings) constitute welfare.<sup>28,29</sup> And so it is possible that those whom human development economists believe are living lives they should value highly do not actually share that assessment. As a result the approach has been labeled by some as “paternalistic”.<sup>30</sup>

This criticism is the equal – but opposite – of that made by Amartya Sen against relying on happiness as a measure of development: namely that “a grumbling rich man may well be less happy than a contented peasant, but he does have a higher standard of living than that peasant”.<sup>31</sup> In other words, both arguments show that life satisfaction is not necessarily the same as human development. This (potential) difference could be a problem for proponents of subjective wellbeing who feel that indicators of life satisfaction are indicative of broad development. And it could be a problem for proponents of human development who define human development as offering people the opportunity to lead lives they value.

However, while both arguments are logically possible, how likely are they in reality? What do we know about the conditions under which people can achieve a higher level of human development but not see their overall life satisfaction increase, and *vice versa*?

Reassuringly many of the key determinants for human happiness – tested on the basis of empirical relationships - are also central to the human development concept, as research from over 30 years has demonstrated. In Chapter 8 of the 2013 World Happiness Report, Jon Hall investigated three questions:<sup>32</sup>

1. Do those countries with higher human development according to the HDI (and therefore, as UNDP believes, have citizens who highly value the lives they lead) actually report higher life evaluations?
2. What are the empirical links between other aspects of human development, beyond the HDI, and overall life evaluations?
3. How do the variables that correlate strongly with life evaluations relate conceptually to human development theory?



He found that:

1. In general higher values of the human development index go hand in hand with higher life evaluations.
2. There were strong links between higher life evaluation and several key measures of human development, including higher job satisfaction, more effective government, and moderately strong links between higher life evaluations and greater freedom of choice and lower inequality.
3. That the variables that the World Happiness Report shows to be correlated strongly with life evaluations - namely income, social support, healthy life expectancy at birth, freedom to make life choices, generosity, and corruption - are all dimensions of human development.

## The State of Happiness Globally: Trends, Explanations and distribution

Chapter 2 of the World Happiness Report 2013 presented data by country and region, and for the world as a whole, showing the levels, explanations, changes and equality of happiness, mainly based on life evaluations from the Gallup World Poll.

The country rankings of average national life evaluations, averaged over about 3,000 observations, from 2010-2012, for 156 countries reveal striking international differences, with national averages ranging from 2.9 to 7.7.<sup>33</sup> These differences are large, durable, and substantially explicable. Three-quarters of the differences in these national averages are explained by as few as six variables capturing different aspects of development: incomes per capita, healthy life expectancy, someone to count on, a sense of freedom, generosity and absence of corruption. Figure 2.3 of *World Happiness Report 2013* shows that countries at the top of the rankings are there because they rank well in all six factors, while countries at the bottom are poverty-stricken in most of these key dimensions. No country is at the top or bottom of the rankings for more than one of the factors. The report shows that to have the world's lowest national average in all six factors would lead to predicted life evaluations averaging less than 2.0 on the 10-point scale.

Although the rankings are fairly stable from year to year, the report shows that many countries, a majority overall, have had significant increases (60) or significant decreases (41) from 2005-07 to 2010-12.<sup>34</sup> It is reassuring that significant proportions of these changes can be explained by changes

in the same six variables. As the report also shows, for the worst-hit countries in the Eurozone crisis, it is also important to take account of changes in unemployment, since these have been large and are important determinants of life evaluations.<sup>35</sup>

Despite the obvious happiness impacts of the financial crisis of 2007-08, the world became a slightly happier and more generous place from 2005-07 to 2010-12. Because of continuing progress in freedom and social support in Sub-Saharan Africa, and of continued convergence in the quality of the social fabric within greater Europe, there has also been some progress toward equality in the regional distribution of well-being, although not among individuals.

There have been important regional cross-currents within this broader picture. Improvements in the population-weighted quality of life have been particularly prevalent in Latin America and the Caribbean, while reductions have been the norm in the regions most affected by the financial crisis, such as Western Europe and other western industrial countries, or by some combination of financial crisis and political and social instability, as in the Middle East and North Africa. Analysis of life evaluations in four Southern European countries heavily affected by the Eurozone crisis showed the happiness impacts to be even larger than would be expected from their income losses and large increases in unemployment.<sup>36</sup>

However, in some other countries profoundly affected by the banking crisis, Ireland and Iceland in particular, the losses in well-being were less than would have been predicted by the size of the economic shock. Why were the consequences so much better for the latter two countries than for the first four? The answer probably lies in the strength of the underlying social connections in the latter two countries, making it easier for them to work together to repair the damage instead of being preoccupied with pointing the finger of blame. It is more than coincidence that Iceland and Ireland are the top two countries, among more than 150 covered in the World Happiness Report 2013, in terms of the proportion of respondents who feel that they have friends or relatives to count on in times of trouble. They also possess, relative to the four hard-hit Southern European countries, high levels of interpersonal trust, which signals a readiness to work together in good times or bad. The quality of social connections, the prevalence of generosity, and the strength of social norms, all play a strong part in explaining a nation's subjective well-being. The large national differences in the well-being impacts of the financial crisis suggest that a strong social fabric is not only an independent support for happiness, but a potent element of what is required to successfully adapt to crises of any type.

Beyond the repercussions of the global financial crisis, there were other significant regional changes in life evaluations between 2005-07 and 2010-12. In South Asia, for example, there was a significant drop in average life evaluations, especially in Nepal and India. The positive contributions from continuing economic growth and greater generosity were more than offset by the effects of

declining social support, and of less perceived freedom to make life choices. Inequality in the distribution of happiness also grew significantly within the region.

In summary, the global picture has many strands, and slow-moving global averages mask a variety of substantial changes. Lives have been improving significantly in Latin America and the Caribbean, and in Sub-Saharan Africa, worsening in the Middle East and North Africa, dropping slightly in the western industrial world, and falling very sharply in the Mediterranean countries most affected by the Eurozone crisis. As between the Western and Eastern halves of Europe, the convergence of quality of life, in its economic, institutional and social dimensions, continues, if slowly. Within each of these broad regions, many complexities are evident, and others remain to emerge or to be noticed.

## Conclusions

As an Indian proverb says, it is better to be blind than to see things only from one point of view. And so it is with looking at people's development through only the happiness or human development lenses. Applying both can provide a richer and more accurate picture of what is happening.

Human development is, at heart, a conceptual approach. And while increases in human development are – by definition – desirable, the broadness of the concept means it is not possible to measure completely the extent of human development across a society. On the other hand, while one can measure changes in subjective wellbeing across a population, one cannot, without further analysis, know how it could be improved. The two approaches thus offer views of development which could complement one another. Using the human development lens and metrics can help assess whether genuine progress has occurred if subjective wellbeing has increased. Using the subjective wellbeing lens and metrics can help assess whether progress has indeed occurred if the (partial) metrics of human development suggest it appears to have. Furthermore, since the well-being approach provides primary data about how people value their own lives, it can be used to provide new insights into the human development approach. For example, the importance of the social context, which is central to explanations of subjective well-being, has thus far received relatively little attention among factors considered central to the human development approach.

There are other policy implications that flow directly from happiness measurement and research. In chapter 6 of the World Happiness Report, Gus O'Donnell, former head of the British Public Service, describes some of the ways in which a greater attention to happiness could change policy making. These, he argues, include a greater emphasis on preventing, rather than curing, ill health; putting more effort into getting people back into jobs; understanding the positive links

between happiness and health; and weighing-up the impacts competing policy choices might have on wellbeing as a way to improve more traditional cost-benefit approaches.

One area which still requires more thought is the links between happiness and sustainable development. It is not immediately obvious that a greater attention on the happiness of this generation might lead to improved wellbeing for future generations. However, it is the case that emphasizing the non-material parts of progress (which a focus on wellbeing does) generally benefits the environment.

A greater focus on wellbeing might also promote the sorts of norms and behaviours humanity needs to tackle some of our great challenges.<sup>37</sup> Wellbeing research has shown not just that humans are inherently social,<sup>38</sup> but also that they are prosocial,<sup>39</sup> receiving happiness dividends when they are given the chance to work with and for others. Such prosocial activities are most frequent and natural among those who share important aspects of social identity. Once focused on the family and tribe, shared social identities have come to be extended to nation and race. Research has shown that these social identities and their associated norms are malleable, and can be developed to fit the needs at hand.

Global warming has broadened the required scope of social identities, and the associated social norms, to a global scale and to cover all future generations. Powerful prosocial norms with a sustainable tilt are necessary, and may be feasible, but are clearly not yet sufficiently evident. This may be, in part, because in many places people are still dealing with more immediate threats. But even these immediate challenges could be faced in more sustainable ways.<sup>40</sup>

The hopeful cast of this line of thought is based on our conclusion that the types of social behaviour and attitudes that go hand-in-hand with greater subjective wellbeing (collaboration, trust, multiple and encompassing social identities, and so on) are also those that humanity needs in future to tackle the great global challenges of this century and beyond.

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<sup>1</sup> See, for example, Sachs (2012).

<sup>2</sup> Sen (1979), with its critique of welfare economics, points to the origins of the capability approach.

<sup>3</sup> For an excellent historical review of the philosophy of happiness, see Bok (2010).

<sup>4</sup> See Sachs (2013), his chapter in *World Happiness Report 2013*.

<sup>5</sup> See Sachs (2013), his chapter in *World Happiness Report 2013*.

<sup>6</sup> In his keynote address

(<http://www.auditorium.com/eventi/5495077>) to the January 2013 Rome Science Congress. His primary reference was to the later Wittgenstein (1953), with roots attributed to Gramsci via Sraffa, as described in Sen (2003). Gramsci's view of 'spontaneous philosophy', whereby meaning is derived from everyday linguistic usage, was also central to English linguistic philosophy, partly through Wittgenstein (1953), wherein meaning is based on the logic of the conversations in which words are used (e.g. Grice 1975).

<sup>7</sup> See Helliwell, Layard and Sachs, eds. (2012)

<sup>8</sup> See Helliwell, Layard and Sachs, eds. (2013)

<sup>9</sup> The use of 'subjective well-being' as the generic description was recommended by Diener et al (2010, x-xi), reflecting a conference consensus, later adopted also by the OECD Guidelines (2013, summarized in Chapter 7 of the *World Happiness Report 2013*) that each of the three components of SWB (life evaluations, positive affect, and negative affect) be widely and comparably collected.

<sup>10</sup> See Ryan & Deci (2001).

<sup>11</sup> See Brickman & Campbell (1971).

<sup>12</sup> See Brickman, Coates & Janoff-Bullman (1978).

<sup>13</sup> See Lucas (2007).

<sup>14</sup> See Yap, Anusic & Lucas (2012), Figure 1.

<sup>15</sup> See Helliwell & Wang (2013), p. 13.

<sup>16</sup> See Easterlin (1974), Luttmer (2004), Helliwell & Huang (2010) and Barrington-Leigh & Helliwell (2008)

<sup>17</sup> For example, Deaton (2011) and Agrawal & Harter (2011) show that, in the context of the Gallup Daily Poll in the United States, placing life evaluations after a set of political questions reduced these evaluations by more than did the financial crisis.

<sup>18</sup> See Bonikowska et al. (2013). That paper also shows that where the structure of the responses, and hence the estimated coefficients in explanatory models, differ from one survey context to another, the differences are modest in size and have the nature and direction suggested by theory.

<sup>19</sup> See, for examples, Henrich et al (2010), Oishi et al (2009) and Oishi (2010).

<sup>20</sup> See Helliwell, Layard and Sachs, eds. (2013)

<sup>21</sup> See Helliwell et al (2010) Table 10.2.

<sup>22</sup> See Redelmeier & Kahneman (1996).

<sup>23</sup> See Wirtz et al (2003).

<sup>24</sup> See Stiglitz, Sen & Fitoussi (2009)

<sup>25</sup> See Kuznets (1934).

<sup>26</sup> See Kennedy (1968).

<sup>27</sup> See Stiglitz, Sen & Fitoussi (2009)

<sup>28</sup> See Binder (2013).

<sup>29</sup> That said, governments and others are starting to run large scale polling exercises to ask societies what they value. See the *World We Want 2013*.

<sup>30</sup> See Sugden (1993), quoted in Binder (2013).

<sup>31</sup> See Sen, 1983

<sup>32</sup> See Helliwell, Layard and Sachs, eds. (2013), Chapter 8

<sup>33</sup> As shown in Figure 2.3 of Helliwell, Layard & Sachs (2013).

<sup>34</sup> See Helliwell, Layard and Sachs, eds. (2013) Table 2.5.

<sup>35</sup> See WHR 2013 Table 2.2.

<sup>36</sup> These are Greece, Italy, Spain and Portugal, which had ladder drops from 2005-07 to 2010-12 averaging two-thirds of a point on the 0 to 10 scale used for the GWP life evaluations.

<sup>37</sup> Greene (2013) looks at the barriers to cooperation between and within societies.

<sup>38</sup> For evolutionary evidence, see, for example, Shultz & Dunbar (2007).

<sup>39</sup> See Aknin et al (2013) for experimental and global evidence of the well-being effects of generosity. See also Table 2.1 of *World Happiness Report 2013*.

<sup>40</sup> Deshmukh (2008) describes quite different post-Tsunami well-being responses in Indonesia and Sri Lanka, illustrating ways in which crises provide chances to build peace (in the Aceh case) or to exacerbate conflict (in the Sri Lankan case).



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