

Governments Should Maximize the Happiness of the Population

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» *It is a claim often made: Governments should maximize our happiness. But the claim is misguided for at least five reasons.*

The perspective of social welfare maximization in traditional economics is often perceived as a mandate of the state to maximize happiness. Modern happiness research, which develops informative empirical measures of subjective well-being, might be seen as an emerging science that has the capacity to finally facilitate the realization of this idea. I am convinced that it has great potential to contribute to the realization of happiness for individuals. However, a government decision rule, which aims at maximizing some empirical indicator of subjective well-being, is not the vision to pursue.

First, the idea of happiness maximization is based on the view that there is a benevolent and unconstrained government. Thus, the critiques of traditional welfare economics also apply to this approach.

Second, governments are assumed to agree on *the* happiness measure. The standards might, however, differ quite substantially across people: Some individuals might favor a reasoned *ex ante* evaluation, while others might wish to adopt a distant perspective reflecting on one's life *ex post facto*. Still others might emphasize the affective experiences of life as it is lived. Finally,

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there are individuals who sympathize with a cognitive appraisal of the overall quality of life as captured in evaluative measures such as satisfaction with life.

Third, a maximization of reported happiness reduces citizens to “metric stations.” Rather than having a say on issues in politics, they become targets of mental state management. This disregards the fact that citizens have preferences for *processes* over and above outcomes. They gain procedural utility from living and acting under institutionalized processes, which offer them possibilities for self-determination in the economy and polity contributing to a positive sense of self.

Fourth, a mechanical implementation of happiness measures in the political process is likely to induce strategic interactions between government and individuals. Once a specific aggregate happiness indicator has become established as being politically relevant, the government, public bureaucracy, and various interest groups have an incentive to manipulate it. Similarly, when individuals become aware that the happiness level they report influences the behavior of political actors, they have an incentive to misrepresent it.

Fifth, empirical happiness research is not well equipped to make any normative judgments on the scope and limitations of government intervention in the private sphere. Should the government be allowed to prohibit the consumption of alcohol if it were to raise the population’s happiness in the long run? Should those who adapt more easily to higher taxes be taxed at a higher rate? These questions cannot be answered on the basis of a happiness maximization calculus, but must be decided at a more fundamental level.

A theoretically consistent approach is to resort to the constitutional level, where people make such fundamental decisions behind the veil of uncertainty. Research and the idea of happiness for all have to serve the democratic idea of finding and agreeing on basic rules for all. The results gained from comparative institutional happiness research should be taken as inputs into the political process. These inputs have to prove themselves in an arena of political competition, in which citizens are free to openly discuss how the state should be organized so that people can best pursue their ideal of the good life.