

Chapter 1

Happiness as a Goal of Human Beings



Abstract There are many concepts and ideas regarding what happiness may mean, but it certainly is a major goal of human beings. In the past, the concept of Gross National Product (GNP) was an important social innovation for capturing economic activity. A higher material living standard enabled people to lead better and healthier lives. Many people have a romantic view of the quality of life in previous centuries. However, people living in those times had no access to material things nowadays taken for granted. Similarly, goods and services that are generally available in the developed world may be inaccessible for many in the developing world. Today, it is no longer assumed that higher material wealth automatically leads to higher life satisfaction. There are many other factors that determine happiness beyond purely material aspects. It is important to deal with the fundamental questions of how much material consumption contributes to our happiness and which factors above and beyond material aspects determine human well-being.

Concepts of Happiness

When you ask people what they want to be, they rarely say that they want to be rich or prominent. Instead, most of them declare that they want to be happy. In all periods in history, and in all countries, a large majority of people express their desire to lead a happy life. They certainly acknowledge that there are other worthy goals, such as human development, justice, friendship, and solidarity. Even when these other goals are considered to be important, happiness dominates them, or they are taken to be a particular subcategory of happiness.

While happiness is the major goal of most people, what “happiness” means remains open. Its meaning certainly depends on the period in history and on the culture considered. Philosophers of ancient Greece such as Aristotle emphasized that a happy person acts in a moral way; individual happiness was not primordial. For medieval scholars such as Saint Thomas Aquinas, the relationship to god was essential. Ethical, ideological, and political views in China and East Asia put the

relationship between people in the centre and so focus on the quality of life within a society.

Today's understanding of happiness is mainly individualistic. People's well-being entails an evaluation of good and bad aspects of life. It is not reduced to psychological hedonism but refers to the satisfaction people gain when they reach, for instance, desired goals. Psychological Self-Determination Theory proposes that three psychological requirements must be satisfied to be happy: autonomy, competence, and personal relationships. All three are closely connected with intrinsic, rather than extrinsic, motivation.

Happiness and Material Welfare

For a long time, it was taken as self-evident that higher material wealth automatically leads to more life satisfaction. During the Second World War, the concept of national income or national product was developed. This was a major social innovation that for the first time enabled overall economic activity to be measured. Gross National Product (GNP) includes the production of consumption and investment, goods and services produced for markets, and expenditures on government activity. GNP captures the material activities undertaken in a society quite well. Increasing welfare was identified by an increase in GNP mainly because it was considered impossible to measure the aggregate utility of human beings. In particular, the problem of comparing the utility of different people was taken to be too difficult to overcome. Even today, the public and the media often take per capita GNP as a good approximation to welfare. When it rises over time, it supposedly indicates that population enjoys a higher utility standard. When countries are compared, those with a higher per capita GNP are considered to be better off.

The identification of per capita GNP with life satisfaction has been common in much of economic science and the public and has been widely accepted. A higher material living standard certainly enables people to lead better and healthier lives. This can be disputed. Nonetheless, many people have a romantic view of the quality of life in previous centuries. Would it not be nice to live in the time of Aristotle in Athens, in Caesar's Rome, in the Europe of Charles the Great, in the blooming Weimar of Goethe and Schiller, in England during the reign of Elisabeth I, or in Washington during the foundation of the United States? Such a view is, however, mistaken if we focus on the conditions of life of people during these periods.

People living in those times had no access to material things that today are taken for granted. For instance, our ancestors did not have any of the following amenities:

- Electricity and thus light, telephone, radio, TV, refrigerators, X-rays, as well as the revolutionary changes brought about by the digital world through computers and the Internet;
- Easy and comfortable opportunities to travel by bikes, cars, trains and airplanes;

- Synthetic materials such as plastic, nylon, vinyl, and the many thousands of products using these such as CDs and artificial joints.

All these products, and a great many others, were not available to anyone—at any price. Even only 150 years ago, not even the richest and most powerful individuals could buy antibiotic medicine to fight and overcome a bacterial illness, and lifesaving penicillin was not yet available. Generally, medical support was miserable. The same applies to dentistry. When a tooth was ailing, it was simply, and painfully, extracted. This happened to the “Roi Soleil” of France, Louis XIV. During a brutal medical intervention, a large part of his jawbone was also extracted. For the rest of his life, this mighty king could no longer chew food. The sanitary conditions in the fantastic palace of Versailles, as well as at Hampton Court, or elsewhere, can only be described as abominable.

From the material point of view, the world is today in a far better condition than it was even a century ago. Nowadays, a family with middle or even low income has a better chance to lead a comfortable life than even kings and emperors had in earlier times. This material improvement is reflected in a dramatic increase in life expectancy. Not long ago, the average life expectancy was about 30 years. Of course, some people became “old”, but this meant reaching an age of 50 or 60. Not least because people lost their teeth early, older age was easily visible. A large proportion of the population died as babies or young children. Today, global average life expectancy at birth is over 65 years, in rich countries around 80 years.

In recent decades, it has increasingly been doubted whether material welfare really makes us content. It is argued that “true” happiness comes from inside a person and therefore does not depend on material conditions. Such statements often come from people who are well off—at least in a historical perspective. The economic basis of our well-being is often taken as given; it just exists. Today, there is a wide consensus that to concentrate only on material welfare is mistaken. The consumption of material goods and services alone cannot lead to happiness.

For these reasons, it is important to deal with the fundamental questions of how much material consumption contributes to our happiness and which factors above and beyond material consumption determine human well-being.

Discussions about happiness in academia and the public have gained widespread attention. The media are full of articles about who is how happy, and above all, how to become happy. Research has addressed these issues intensively. Interdisciplinary happiness research is undertaken by social psychologists, economists, political scientists, sociologists, and neuroscientists. It is strongly empirically oriented. In this respect, it differs fundamentally from philosophy, a discipline that has always dealt with happiness analytically as a normative phenomenon.

Literature

Surveys of happiness research are available in the following books.

The economic perspective is given in:

Clark, Andrew E., Sarah Flèche, Richard Layard, Nattavudh Powdthavee, and George Ward. 2017. *The Origins of Happiness. The Science of Well-Being over the Life Course*. Princeton: Princeton University Press.

Frey, Bruno S., and Alois Stutzer. 2002a. *Happiness and Economics*. Princeton: Princeton University Press.

Frey, Bruno S. 2008. *Happiness—A Revolution in Economics*. Cambridge, Mass.: MIT Press.

Layard, Richard. 2005. *Happiness: Lessons from a New Science*. London: Penguin.

The psychological perspective is presented in:

Diener, Ed and Robert Biswas-Diener. 2008. *Happiness: Unlocking the Mysteries of Psychological Wealth*. New York: Wiley.

Gilbert, Daniel. 2005. *Stumbling on Happiness*. New York: Knopf.

Kahneman, Daniel, Ed Diener, and Norbert Schwarz (eds.). 1999. *Well-Being: The Foundations of Hedonic Psychology*. New York: Russell Sage Foundation.

Survey articles in academic journals and handbooks include:

Dolan, Paul, Tessa Peasgood, and Mathew White. 2008. Do We Really Know What Makes Us Happy? A Review of the Economic Literature on the Factors Associated with Subjective Well-being. *Journal of Economic Psychology* 29 (1): 94–122.

Frey, Bruno S., and Alois Stutzer. 2002b. What Can Economists Learn from Happiness Research? *Journal of Economic Literature* 40 (2): 402–435.

Various articles are collected in:

Bruni, Luigino, and Pier Luigi Porta (eds.). 2005. *Economics and Happiness. Framing the Analysis*. Oxford: Oxford University Press.

David, Susan A., Ilona Boniwell, and Amanda Conley Ayers (eds.). 2017. *The Oxford Handbook of Happiness*. Oxford: Oxford University Press.

Easterlin, Richard (ed.). 2002. *Happiness in Economics*. Cheltenham UK: Edward Elgar.

Frey, Bruno S., and Alois Stutzer (eds.). 2013. *Recent Developments in the Economics of Happiness*. Cheltenham UK: Edward Elgar.