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HAPPINESS AS A GOAL FOR PUBLIC POLICY: READY FOR
PRIMETIME? A SYNTHESIS OF THE CSLS-ICP
CONFERENCE ON HAPPINESS AND PUBLIC POLICY

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Happiness as a Goal for Public Policy: Ready for Primetime? A Synthesis of the CSLS-ICP Conference on Happiness and Public Policy

Introduction

The traditional role of economists in public policy discussions has been to discuss measures that governments can take in order to achieve the five main economic goals: full employment, price stability, economic growth, efficiency, and equity. However, with the growing empirical literature on happiness economists may soon be able to give advice to policy makers on how to directly improve the happiness of their constituents.

On December 1, 2010, at the Chateau Laurier Hotel in Ottawa, the Centre for the Study of Living Standards (CSLS) and the Institute for Competitiveness & Prosperity (ICP) organized a conference on happiness and public policy. The conference brought together researchers and public policy experts to take stock of the existing research on happiness and to discuss how the implications of that research could be used in designing public policy. The conference demonstrated that there are varying views on the interface between subjective well-being (referred to as happiness) research and public policy decisions. Public policy experts expressed more skepticism than researchers regarding how it will be incorporated into decision making at this time.

In this report, the seven sessions of the conference are summarized. The first section presents the keynote address given by John Helliwell (Professor Emeritus of Economics, University of British Columbia and Canadian Institute for Advanced Research) in which he discussed insights from his research on happiness and how they could be applied to improve public policy. The other six session topics for the conference were:

- The Determinants of Happiness
- Public Policy and Happiness
- Happiness in Organizations (Lunch Address)
- Specific Public Policies to Promote Happiness
- Is Rising Income Needed for Sustaining and Increasing Happiness?
- Panel on Happiness as an Objective of Public Policy

This report provides a summary of the implications for happiness research and its application to public policy that were raised in each of the above sessions. The final section of the report provides a synthesis of the continuing questions that relate to happiness research and its potential impact on public policy suggested throughout the conference.

I. Opening Remarks

a. John Helliwell: “Measuring, Understanding, and using Subjective Well-being”

Empirical studies of happiness have progressed dramatically in the last two decades. John Helliwell (Professor Emeritus of Economics, University of British Columbia and Canadian Institute for Advanced Research) began the conference making a strong case for the value of empirical happiness research in public policy discussions. He focused his talk on three key areas: data, empirical findings, and policy applications.

Economists have critiqued happiness research primarily based on evidence of adaptation theory. The oft-cited example is a paper on the alleged adaptation of reported happiness levels for lottery winners and accident victims. The paper reported that the happiness of lottery winners and accident victims returned to the same point soon after changing as a result of the initial shock of winning the lottery or being injured in an accident. Helliwell critically analyzed the paper on lottery winners in his recent work—the lottery winner’s paper had a sample size of around 90—and argued that recent evidence suggests that the reported happiness of accident victims does not completely return to pre-accident levels.

Helliwell also addressed concern over the ability to compare happiness across individuals in different circumstances. While culture can influence happiness, Helliwell showed that the same factors explain the variation in happiness within all countries surveyed by the Gallup Poll. Income explained the largest portion of the gap between rich and poor countries but it also varied the most between countries (by a factor of 40 between highest and lowest). Helliwell’s views on the reliability of empirical research findings on happiness are clear: happiness can be explained by the same factors across a wide swath of countries and it is not compromised by the adaptation of people’s expectations.

Although the same factors explain happiness across countries, Helliwell noted that the importance of these factors differs across OECD and non-OECD countries. The coefficients on measures of social capital (friends or relatives to count on) and institutional quality (perceived freedom and corruption) are higher for OECD countries. This could be attributable to an income effect: as capacities increase the desire and importance of the social capital and institutional quality increase.

For Canada and the United States, differences in income between the two countries do not account for the variation in happiness—namely Canada has a slightly higher average happiness but lower income. Higher levels of perceived institutional quality in Canada account for the largest portion of the gap in average happiness between the two countries. A similar trend is evident when comparing Canadian provinces: the Atlantic provinces report higher happiness than British Columbia but have lower income. The effect of higher average income on happiness in British Columbia does not make up for the lower levels for the social capital variables (trust in neighbours, seeing friends, community belonging, and province belonging) as well as trust in institutions (confidence in police).

Overall, Helliwell finds that the social is more important than the material and context is more important than content when it comes to happiness. Commuting times are a good example of the social-material trade-off. Increases in material well-being that accompany longer commuting times may not make up for the latter's negative effect on happiness. Crime is an instance where context matters more than content: the levels of reported subjective well-being (SWB) are more closely related to perceived crime than actual crime rates. Thus, the ways in which situations are presented to people affect how they perceive them.

Helliwell argues that more empirical research on happiness is needed so one can evaluate the effectiveness of public policy decisions in bringing about improvements in happiness. To this end, Helliwell believes that the empirical estimates from happiness research (that is the coefficients on income, trust, mental health, unemployment, and other determinants of happiness) should be used in cost-benefit analysis (CBA) studies that currently influence policy making decisions.

II. The Determinants of Happiness

a. Andrew Sharpe: "Does Money Matter? Determining the Happiness of Canadians."

Variation in happiness across countries has been widely studied. However, within-country variation across geographical regions has not been a focus of the literature—mainly due to data limitations. Survey data in Canada now makes it possible to conduct regional analysis for Canada. Overall, there is limited variation in happiness across Canada and although income is a statistically significant determinant of happiness, mental health status, physical health status, stress, and sense of belonging are more important for happiness than income.

Making use of the Canadian Community Health Survey (CCHS), conducted by Statistics Canada, Andrew Sharpe (Executive Director, Centre for the Study of Living Standards) presented the results of a Canada-wide study of the determinants of SWB. The CCHS is a cross-sectional survey of the 121 health regions in Canada. The study used the 2007-08 microdata. The variance across provinces is fairly limited: the difference between the province with the highest (Prince Edward Island) average life satisfaction and the one with the lowest (Ontario) is 0.10 points on a 5-point scale (4.33 versus 4.23). Even at the Census Metropolitan Area (CMA) level the variation is still quite limited: the difference between the highest (Sherbrooke) and lowest (Toronto) is 0.22 points on a 5-point scale (4.37 versus 4.15).

The study concluded that the differences in happiness across regions in Canada were explained better by differences in factors such as sense of belonging and mental health status, proportion of married individuals, stress levels, and the proportion of recent immigrants than income. For example, the Atlantic Provinces report higher average life satisfaction despite lower household income than Ontario and British Columbia. However, in the geographical analysis factors tend to offset one another. For instance, Quebec has the lowest average sense of belonging among the provinces (3.22 on a 5-point scale) but the highest average mental health status (4.16 on a 5-point scale). Similar to Helliwell, Sharpe finds that in a rich country such as Canada, non-income factors account for more of the variation in happiness across geographical regions than household income.

b. Éric Noël: “The Determinants of Subjective Well-being at the International Level.”

The well-being of a nation has consistently been said to consist of more than a simple measure of income. Former US Senator Robert F. Kennedy, famously noted that “[Gross National Product] measures everything, in short, except that which makes life worthwhile.” Organizations such as the United Nations have attempted to recognize this directly by constructing broader indices of national success such as the Human Development Index. Eric Noël (Oxford Analytica) presented the results of the [Legatum Prosperity Index](#), the first global index to gauge the success of a country based on its happiness and national income. To calculate the Prosperity Index, Oxford Analytica used eight sub-indices: economy, entrepreneurship and opportunity, governance, education, health, safety and security, personal freedom, and social capital. For each sub-index, they estimated the effect of variables related to that category on both happiness (life satisfaction from the Gallup World Poll) and income (GDP per capita).

For 2010, the Prosperity Index was estimated for 110 countries. Norway, Denmark, and Finland (in order) were the top three countries according to the index. Canada was ranked seventh while the United States was tenth. At the bottom of the Prosperity Index were the Central African Republic, Pakistan, and Zimbabwe.

Noël noted one of the key findings based on the Legatum Prosperity Index is that the ranking of countries based on the entrepreneurship and opportunity sub-index is more correlated with the overall ranking than any other sub-index. He suggested that this provides evidence that entrepreneurship is important in bringing about prosperity in countries based on both income and happiness.

Noël also discussed that the top countries in the Prosperity Index exhibit little variation across the 8 sub-indices whereas for the lower-ranked countries there was much higher variance. For example, no country in the top 10 places below the top 30 on any of the sub-indices. Noël described this as evidence that prosperity is associated with balance between economic and social indicators. He sees the role of government in relation to happiness as one of improving the environment to allow everyone to better pursue their own goals but does not believe the government should be making interventions at the level of the individual to directly improve happiness.

III. Public Policy and Happiness

a. David Gyarmati: “Utilizing Measures of Life Satisfaction in Policy Research.”

Unemployment has been identified in the happiness research for having negative impacts on individual happiness beyond the decreases to income caused by unemployment. In fact, research has suggested that the effects of unemployment on happiness are long-lasting. David Gyarmati (Social Research Demonstration Corporation (SRDC)) discussed key challenges for implementing happiness research in public policy discussions as well as the results of a pilot research project on unemployment that included measures of life satisfaction.

Gyarmati highlighted two key issues that happiness research needs to address: the use of happiness measurements in program evaluations such as cost-benefit analysis, and isolating the effects of policy on happiness.

Gyarmati discussed the results of the Canadian Employment Innovation Program (CEIP) in Cape Breton, Nova Scotia, which was conducted by SDRC. The project assessed the effects of a new approach to income security for individuals on income assistance (employment insurance or welfare). It placed 1,000 workers on EI and 500 receiving welfare in well-paying jobs connected with community projects for three years. Data on the participants were collected and compared to a control group throughout the employment project and a follow-up survey was used to assess outcomes.

Overall, the effect of CEIP on full-time employment rates was short-lived. After the conclusion of the program, the employment rate for participants and the control groups were no different. Moreover, the income between the participant and control group did not differ after the program ended.

However, there were several lasting effects of the CEIP. Life satisfaction for the participants increased by 10 percentage points initially and one year after the program ended the participants still had life satisfaction 8 percentage points higher than the control group. This result may be attributable to the lasting effect of being involved in gainful employment over and above the monetary effects. However, the value of this increased happiness was not defined as a benefit of the program.

Gyarmati also compared the net benefits of the CEIP in a cost-benefit analysis on three dimensions: at the individual, community, and societal level (includes both individual and community net benefits). At the societal level, the program had a net benefit. Moreover, Gyarmati suggested that if the direct effects of the CEIP program on individual happiness could be included in the cost-benefit analysis then the net benefits of the program would be even greater.

Gyarmati argues that happiness should be used in logic models and program evaluation in the future. Including happiness measures in policy evaluation will allow policy makers to have more information about the potential impacts of their decisions. Gyarmati argued that more controlled random trials are needed to shed light on the causal relationship between government policies and individual happiness. With better empirical estimates of how policy affects happiness, future policy design could be improved.

b. Aileen Simkins: "Happiness and Public Policy in the United Kingdom."

On November 25, 2010, UK Prime Minister David Cameron became the first political leader of a major industrialized nation to explicitly state that 'happiness', as part of wider measures of 'wellbeing' would be used in the analysis of policy decisions. The Prime Minister asked the national statistical agency to determine how the UK should measure the well-being of UK citizens and then collect the data required to construct this measure of well-being. Aileen Simkins (UK Office of National Statistics (ONS)) presented the process that the ONS will be

undertaking to create a national framework of indicators of well-being: the ONS is conducting a national debate on what well-being means to British citizens and will then develop the methodology for measuring well-being in the UK.

The type of well-being measure that will be used is still under consideration. The ONS will be introducing several questions on subjective wellbeing in large social surveys from April 2011. They are also considering whether to include, a selection of objective indicators within the framework. It was too soon to say whether a single composite index should be used to measure well-being in the UK, and there were difficulties in doing so.

Simkins detailed a number of important issues that the ONS will have to consider:

- The ability to disentangle the measurable effect of a given policy on the measure of well-being
- The responsiveness of the well-being measure to public policy
- The potential for misinterpretation of the well-being measure by government or others

The current thinking within the ONS is that a series of objective indicators for well-being will be constructed, along with the subjective wellbeing questions. It might be possible to present information in such a way that individuals could calculate a composite index by assigning weights that fit their own preferences, similar to the personal inflation calculator that they currently have on the ONS website.

The UK Government envisions using well-being measurements to provide a measure of how life in general is improving. Surveys will begin collecting information on happiness and other aspects of subjective wellbeing, starting in April 2011, in existing surveys such as the Labour Force Survey. Simkins stressed that whatever measure of well-being is ultimately used, the components of it must be well-measured and that there must be societal acceptance on the relative importance of each component.

IV. Lunch

a. Roger Martin: "Happiness in Organizations."

Corporate culture in industrialized nations has been the target of public scrutiny particularly in the last decade. As a result of incidents such as Enron's fraudulent conduct and the recent subprime mortgage crisis, trust in these institutions has fallen. Roger Martin (Rotman School of Management, University of Toronto) presented a grim assessment of the current culture of large publically traded companies. He argued that the current corporate culture has evolved in such a way to lack authenticity. This lack of meaning benefits no one. It is contrary to employee morale and it does not achieve lasting organizational growth.

Since the 1980s, the organizational mandate for most publically traded companies has been to maximize shareholder value. This began after economists demonstrated that managers and shareholders had diverging interests. The proposed solution to this problem has been to

remunerate CEOs with stock options thereby giving them the incentive to increase shareholder value. Martin argued that stock option remuneration has not led to better firm performance.

Martin argued that the excessive focus on stock price value has contributed to this lack of performance. CEOs are now judged by how well the stock price of their company increases. However, Martin noted that there is a big disconnect between stock price and true value. Stock price value is connected to investors' expectations—not company fundamentals. The trouble with expectations as Martin asserts, is that they cannot be raised indefinitely. This has changed the way CEOs work because they now focus on short term performance to maximize their stock options without providing the foundations for long-term growth. This system has led to a serious decline in CEO job tenure and a propensity for CEOs to make unethical decisions. For example, Martin notes that there has been a large increase in the manipulation of stock options grants to executives—in many cases they amount to fraud.

Martin suggested that both stock-based compensation and the cult of stock price value are to blame for this crisis of meaning. Maximizing shareholder value, in his view, lends meaning to no one's work and it does not promote happiness at the organizational level. Martin advocated for a return to a focus on customers and long-term growth as a way of bringing meaning back to publically traded organizations and to improve the happiness of their employees.

V. Specific Public Policies to Promote Happiness

a. Patrick Dion: "Policies to Improve the Mental Health of Canadians."

Happiness research has identified mental health as a key determinant of life satisfaction. Measures to improve the mental health of Canadians are hence a key element in any overall policy thrust to increase happiness in Canada. A key development in the mental health field in Canada was the creation of the Mental Health Commission of Canada (MHCC) with its mandate to dispel the stigma against mental health issues in the country, address co-morbidity factors such as homelessness and drug addiction, and develop a national mental health strategy. Patrick Dion (MHCC) presented an overview of the work of the MHCC since it began in March 2007.

Dion noted that mental health problems affect almost everyone: approximately 1 in 5 Canadians suffers from a mental health problem in their lifetime and many more are affected by the suffering of their family and friends as a result of mental illness. To support their efforts of ending the stigma against mental illness the MHCC have launched two projects: Opening Minds and the Jack Project. The former is a ten-year initiative to reduce the stigma of mental illness in Canada, as this stigma is a key barrier preventing people from seeking help. In the first-year of the initiative, the project will focus on health care professionals and youth (aged 12 to 18). The Jack Project represents a move to reduce the stigma and provide mental health support to youth in Canada through the organization Kids Help Phone. Dion believes that reducing the stigma against mental illness is long overdue and will encourage people to seek help.

An important component of the MHCC's framework is that it has been supported by all levels of government in Canada and so has the authority to address mental health issues at a national level for the first time. The MHCC currently has 24 initiatives underway ranging from mental health

research to housing demonstration programs for homelessness. Addressing mental health issues in Canada is a vital step in improving individual subjective well-being.

b. Sue Johnson: “Should We Have a National Strategy to Bolster the State of Matrimony?”

Divorce has been found to be a negative determinant of happiness. Sue Johnson (Professor of Psychology, University of Ottawa) discussed the key role that stable families and relationships play in happiness. Our closest relationships are the biggest source of life satisfaction, meaning, and resilience.

Johnson argued that emotionally isolated people have poor health outcomes which have negative effects on happiness. Contact comfort from the people we care most about changes the way our brain encodes stress and pain. Johnson pointed to recent neuroscience studies performed on stable relationships which demonstrated that people feel less pain when comforted by someone they love. Given that stable marriages (or relationships) make families happy—the government should have a role in making this knowledge accessible to everyone.

According to Johnson, there are also strong economic arguments in favor of supporting stable relationships:

- Depression rates among women and children are higher after divorce.
- There are high social costs associated with divorce: in the United States the burden on social services was estimated to be \$30,000 per divorce.
- In tough economic times, a strong family provides a social safety net and if family ties are non-existent then society ends up paying the bill.

Johnson also provided evidence that healthy and stable relationships are fundamental to child outcomes:

- 40 to 50 per cent of children exposed to marital violence show signs of extreme behavior problems.
- Children of divorced parents also have more problems at school and have more issues with delinquency and crime.
- The dissolution of the stable relationships around children can lead to future attachment problems in the future.

The take home message from the presentation was that stable relationships are vital to the happiness of society and they need to be supported. Johnson pointed out that unlike the UK and Australia, Canada does not have a national strategy supporting relationships that have begun to realize the importance of these relationships. Having and maintaining good relationships can be taught and there are clear benefits to society. Thus, Johnson believes a national strategy for stable relationships is a crucial for improving the happiness of Canadians.

VI. Is Rising Income Needed for Sustaining and Increasing Happiness?

a. Dan Sacks: “Subjective Well-being, Income, Economic Development, and Growth.”

The relationship between income and happiness has been a point of contention in happiness research. Some argue that in the modern era there has been no increase in happiness as incomes have increased over time. However, others researchers have found a positive relationship between income and happiness in developed countries over time. Dan Sacks (University of Pennsylvania) presented research using the Gallup World Poll which tried to put this debate to rest. According to Sacks, the evidence suggests that there is no satiation point for income. Whether the data used is within country, between countries, national time series, or an international panel, income has a strong effect on happiness.

Sacks finds that income and life satisfaction as measured by the Gallup World Poll and World Values Survey are positively correlated and this relationship is remarkably stable across and within countries whether cross-sectional or time-series data are used. His research contradicts many of the findings of Easterlin, who found there has been no increase in happiness in the United States since World War II despite large increases in real income. Sacks reasons that a longer time series and more countries contributes to the more robust results revealed by their research. He does note, however, that Easterlin’s results on the time series for the United States are relatively accurate. He contends that there has also been limited improvement in median income in the United States since 1972 so not surprisingly in the recent decades, happiness has not increased. In other parts of the world, such as Europe, there is clear evidence of improvements in life satisfaction as income has risen.

Sacks argued that past research has suggested that income does not affect happiness above of certain threshold (normally a GDP per capita of 15,000 USD) because people have not been comparing the same percentage changes in income when comparing the effect on income on happiness between rich and poor countries. According to Sacks, in percentage terms a change in GDP has the same absolute effect on happiness (as measured on the 10-point scale) at all points of the income distribution. In contrast, the effect of a \$100 increase in income is three times larger in Jamaica than the United States and 20 times larger in Burundi than the United States. This arises because \$100 represents a much larger per cent increase in per capita income in the less developed countries compared to the United States. Clearly scaling matters: in levels the effect looks more pronounced in poorer countries but on a per cent basis the evidence suggests not only that there is no satiation point for the effect of income on happiness but also that a percentage increase in income increases happiness by the same amount across the entire income distribution.

Sacks argued that his research demonstrates that absolute income matters: those countries that have become richer have also become happier. Thus, incorporating happiness into public policy discussions should take note of the strong relationship between income and happiness.

b. Jason Rentfrow: “Regional Differences in Well-being.”

Personality is often discussed in the happiness literature. Some argue that individual happiness may be causally linked to personality types. Others have argued that in large representative samples, the effect of personality on happiness is averaged out and does not need to be included in aggregate analyses of happiness. Jason Rentfrow (University of Cambridge) disagrees with the latter view and presented his research on the effect of personality traits, such as neuroticism, on happiness. He focused on explaining regional differences in happiness across US states as well as counties in the UK due to regional personality composition differences.

Rentfrow began with an overview of the results of previous research in positive psychology on happiness. He pointed to happiness being connected with high income, productivity at work, having social support, and good physical health. Certain personality traits are also linked with happiness, namely extraversion, agreeableness, conscientiousness, openness, and neuroticism. The first four of these traits are positively linked with happiness and the last is negatively associated with happiness. Rentfrow added that research demonstrates that these personality traits tend to be fairly stable over time for an individual. This suggests that if personality traits affect happiness and are not equally distributed across regions then we can expect these associations to explain variation in happiness in these regions.

Rentfrow found that there is evidence to support a disproportional distribution of neuroticism in the two countries he studied. Neuroticism, which he defined as negative affect, tends to be higher in the Eastern United States compared to the West. In the United States, Rentfrow estimated a significant negative association between neuroticism and state-level happiness and a significant positive relationship between the proportion of a state with an advanced degree and its happiness. Median income, unemployment, divorce rates (as a measure of social capital), life expectancy, and violent crime rates were also included in his state-level analysis but these variables were insignificant in the full regressions.

According to Rentfrow, neuroticism also explained regional variance in happiness in the UK but the effect was not as strong as for the US data. Using county-level data, Rentfrow showed that both neuroticism and education affect happiness in the same direction as for the US data. However, UK variation in happiness was also associated with life expectancy, a proxy for health, (positively) and violent crime rates (negatively).

Overall, Rentfrow concluded that personality and income are important but do not account fully for the geographical variation in happiness. He also argued that education and health are significant factors in determining regional differences in happiness. Rentfrow ended his talk by suggesting that further research should use microdata to analyze whether people sort themselves into regions that offer an environment conducive to their personality type and ultimately their happiness.

VII. Panel on Public Policy as an Objective of Public Policy

While the previous sessions of the conference presented research and initiatives related to happiness, for happiness research to influence public policy decisions policy makers in Canada

have to believe that it will provide useful insights. Hence, the last session of the conference was a panel discussion by three former senior public servants in Canada that focused directly on whether happiness research should be used to help form policy.

The panel consisted of Alan Nymark, a former Deputy Minister for Environment and HRSDC, Don Drummond, former Associate Deputy Minister of Finance, and Mel Cappe, former Clerk of the Privy Council Office. All three panelists, while acknowledging the important implications of social and economic conditions on happiness, expressed caution that happiness research is not yet ready to be used directly in designing public policy.

a. Alan Nymark

Alan Nymark (former Deputy Minister of Environment and HRSDC, Government of Canada) began by noting that the overall well-being of citizens, communities, and nations has been at the heart of philosophical and political thought for a very long time. Recent progress toward a robust modern framework and more empirical research are encouraging signs that this body of work will have increasing direct impact on public policy.

Nymark made a parallel between the externalities associated with environmental issues such as pollution or climate change and government policy not evaluating the direct effects of programs on happiness. For example, the traditional method for evaluating policies impacts involves estimating the monetary benefits and costs of a policy action. However, since monetary values often cannot be given to environmental and social externalities they are not included in cost-benefit analysis. Similarly, government policy does not take into account how policies that influence unemployment or inflation will affect individual happiness if these effects are not captured by changes in income.

Nymark argued that policy evaluation in Canada should include the insights of research on happiness for a better perspective on the impacts of public policy issues. Nymark sees the use of happiness research as another necessary next step in dealing with increasingly complex systems and public policy issues because it will allow policy decisions to account for other factors that are not captured by the current growth paradigm based on income. And more than that the subjective well-being framework provides a model of integrated public policy decision-making.

However, Nymark argued that we should not expect the new happiness research to have an immediate influence on policy. Like all big ideas, it takes a least a generation for them to integrate themselves in the political process. Data is improving; there is a small but growing body of empirical work; the work is gaining acceptance in mainstream economics but there is still little public or political understanding and therefore leadership on policy relevance may be frustrated by divisive and ideological debate. Nymark believes that happiness research will take a central role in the future. In the near-term he suggested that non-governmental organizations and academics should continue to explore innovative ways to keep the wheels turning on happiness research and expand the knowledge infrastructure.

b. Don Drummond

According to Don Drummond (Former Associate Deputy Minister of Finance, Government of Canada), incorporating happiness research into public policy may not be as novel as some may think. For example, the federal government implicitly pursues a goal of improving the happiness of Canadians through their support of programs such as universal health care coverage. Drummond offered a warning against using insights of happiness research in the policy making process immediately. In his view, it has just begun to garner the attention of the media and governments. However, he feels that there is still a giggle factor associated with it that could hurt its ability to be taken seriously in policy circles.

Drummond argued that happiness is already an intrinsic public policy goal. The civil service does not suffer from GDP tunnel vision. As suggested above, one of the biggest priorities in Canada has been health care, which is one of the most important contributors to happiness. Moreover, key policy documents such as the budget have long been influenced by polls, consultations, and other means of gauging public perception. This demonstrates that the government already takes citizen satisfaction into account when designing and implementing policy. Drummond believes that the happiness literature is still in the development stage and it is “not ready for primetime.”

The more important issue for public policy for Drummond is that policy tends to have a short-term focus. This can lead to bad policy which can be detrimental to happiness. In his view, there is not enough forward-thinking going on—partly because of the nature of the political cycle. Politicians need to be constantly thinking about the next election. Before insights from the happiness literature are integrated into public policy, Drummond argued that we need to shift politics and public policy development toward a longer term focus.

c. Mel Cappe

Happiness research has to be able to answer difficult questions: why would certain people with hearing disability choose not to undergo medical procedures to improve their hearing? An improvement in hearing could be considered an improvement in health status and given the close relationship between health status and life satisfaction, one would predict that the procedure would increase their happiness. Mel Cappe (Institute for Research in Public Policy and Former Clerk of the PCO, Government of Canada) provided this example in his cautionary message for people eager to see happiness research incorporated into public policy. Cappe suggested that the happiness framework is not yet ready for inclusion in public policy decisions because he is not convinced that the empirical estimates used are robust and thus need to be studied in greater depth.

Cappe also argued that the happiness literature is too focused on trying to quantify happiness. In his view, this gives the field of research a false sense of precision. Cappe argued that one has to tread carefully when the caveats are more important than the results. For happiness, Cappe feels that this may still be true.

Cappe also critiques the rush to include happiness in public policy analysis because the general population does not yet understand the complex empirical framework used to measure the effect of social and economic factors on happiness. He expressed that there is a danger that policy makers will take these empirical estimates and run with them without having a solid understanding of what they are saying. Moreover, if happiness is used as a yardstick for societal well-being Cappe worries that government will be able to manufacture issues to make themselves look better. For instance, even if crime rates are low, the government could hype infrequent incidents of violent crime in order to increase the concern among the public about crime. Given that an increased perception of crime would likely make people unhappy, the government could then come to the rescue by dedicating more expenditure to crime-related programs. This makes for bad policy.

Cappe also argued that we still do not fully understand the nature of happiness—is it a stock or a flow? Moreover, Cappe questioned whether the emotional and personality traits that influence happiness make it too volatile to be used as a measure of success. For example, he worries that day-to-day fluctuations could dramatically change reported affect. Cappe worries that using the research as is cannot be done without due caution and thus he feels the intellectual community needs to dedicate more time to improve our understanding of happiness before it is used in the mainstream.

Conclusion

The conference began with John Helliwell giving an overview of his recent research which demonstrates that across and within a large number of countries the same factors explain happiness. That is, although there are clear cultural differences in these countries that may influence happiness, by and large happiness is well-captured by the same factors (income, institutional quality, health, and social capital measures such as trust) across most countries. He argued that this is strong evidence in support of the universality of happiness and it gives policy makers a clear understanding of what factors they can focus on to improve overall well-being. Andrew Sharpe and David Gyarmati also supported the use of happiness in public policy and argued that finding reliable empirical estimates is central to this process. Aileen Simkins presentation provided an example of a major Government actively pursuing the inclusion of SWB in public policy. Sue Johnson discussed the need for governments in Canada to support stable and healthy relationships and Patrick Dion gave an overview of how mental health policy in Canada is being transformed, which will lead to improved individual happiness. Dan Sacks provided evidence that there is a strong link between income and happiness at all levels of analysis. Jason Rentfrow discussed the asymmetric geographical distribution of neuroticism and its effect on regional levels of happiness.

On the other side of the debate, Don Drummond, Alan Nymark, and Mel Cappe argued for caution. They all presented arguments that happiness is not yet ready for the public policy arena. In the future they see it playing a role but a more robust framework is needed before that can take place.

The CSLS-ICP conference on happiness and public policy provided a forum for exchange between researchers and policy makers. The discussions provided several important questions that will need to be answered in future happiness research and in the evaluation of public policy:

- Should policy makers take into account how social and contextual aspects of government policy affect happiness?
- How does the adaptation of expectations influence self-reported measures of happiness?
- How can regional analysis of Canadian life satisfaction data be utilized to help craft policy to improve overall life satisfaction in Canada?
- Should a single question on individual life satisfaction, a broader index using both objective and subjective measures, or an index of only objective measures be used as a national success indicator?
- How can field experiments be expanded to help isolate the effects of public policy on individual happiness?
- Are estimates on the determinants of happiness from empirical research reliable enough to be used in cost-benefit analysis and other methods of program evaluation?
- Will new initiatives targeted at improving the mental health of Canadians result in improved life satisfaction in the future?
- Would a national strategy for stable relationships in Canada lead to improved levels of happiness?
- How does the effect of income on happiness rank in comparison to the effect of other factors on happiness?
- Does economic growth lead to improved happiness across the entire income distribution?
- Do regional differences in neuroticism and other personality traits explain regional differences in happiness?