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RESEARCH SUMMARY

THE PROBLEMS WITH MEASURING AND USING HAPPINESS FOR POLICY PURPOSES

The use of happiness as a measurement tool is a new interest among some policymakers. Many governments around the world are considering measures of happiness (sometimes called "subjective well-being") as alternatives to gross domestic product (GDP) for the purpose of guiding economic policymaking. Proponents of happiness measures correctly point out that GDP does not capture many aspects of economic growth, such as nonmarket activity and certain dimensions of citizens' and residents' quality of life. Thus, proponents claim happiness measures may better capture the quality of life of a nation's citizens and lead to policies that are more effective and equitable.

There are important reasons why using happiness to guide policymaking cannot work as promised. The term happiness covers many different concepts and means something different to different people. Indeed, what constitutes happiness is difficult for most people to put into words. It is even more difficult for researchers and policymakers to define and measure happiness in a way that generates meaningful data that can be used to guide policy. Moreover, implementing policy choices based on happiness data would lead to undesirable or contradictory outcomes that would exacerbate existing societal problems.

In a new paper for the Mercatus Center at George Mason University, scholar Mark D. White argues that there are three interrelated aspects of happiness—definition, measurement, and policy implementation—and explains why each renders happiness a poor guide for policymaking.

THREE PROBLEMATIC ASPECTS OF HAPPINESS

- *Definition*. Happiness is a vague and complex concept. Clearly and precisely defining the term is a challenge for researchers and policymakers, because individuals have unique ideas of what happiness means to them. Philosophers have argued about happiness for thousands of years and there is still no single, canonical understanding of the concept.

For more information, contact
Kate De Lanoy, 703-993-9677, kdelanoy@mercatus.gmu.edu
Mercatus Center at George Mason University
3434 Washington Boulevard, 4th Floor, Arlington, VA 22201

- *Measurement*. Even if researchers could define happiness, it is a qualitative concept that cannot be quantified or measured with confidence. For example, if happiness were measured on a scale of zero to ten, would zero mean the absence of happiness or profound unhappiness? Likewise, would ten mean that no more happiness is possible? How can policymakers be sure that two people who both rate their happiness as a four are equally happy, or less happy than another person who reports a happiness level of five? Is a person who reports an eight twice as happy as someone who reports four? Such questions confound measurement of happiness because quantifying what is a subjective opinion—one which may depend on socioeconomic status or culture, not to mention mood or other psychological factors—is an ambiguous and uncertain process.

- *Policy implementation*. Ultimately, even if policymakers could define and measure happiness, the implementation of policy choices based on this data would be fraught with problems. For example, would society wish to maximize total happiness or equalize it among individuals? Answering this question may lead to greater happiness for some but less for others, or to undesirable outcomes such as merely increasing the appearance of or attitude toward happiness for some people while not actually bettering the conditions or circumstances of their lives. For these reasons, researchers and policymakers should proceed with caution when using such measures.

CONCLUSION

Problems with defining, measuring, and implementing happiness on a national scale indicate that policymakers and economists may need a better solution for replacing GDP as a primary measurement of economic growth. The conceptual problems with measuring happiness suggest that the government should not be trying to influence happiness directly at all. Even if policymakers have the best intentions, they cannot help but substitute their idea of what makes people happy for what people actually care about, which defeats the stated purpose of happiness-based policy and its advantage over traditional measures such as GDP.

Rather than focus on directly targeting economic output and well-being, policymakers should focus on structuring institutions to allow people the greatest amount of personal choice to pursue their own goals and interests. This would free government resources to deal with problems of national importance, while leaving the pursuit of happiness to the ones best qualified to handle it: the people.