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Case article	Watcha mean.....and a Happy New Year?
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If you can't win the game, then move the goalposts.

One thing the research business must not get itself involved in is the PM's crusade to measure happiness. Just ask yourself the following question; if Bhutan is the only country on earth to measure its success by tracking happiness over the last 50 years, why aren't we all rushing to live there? Because what might make a Bhutanese happy will probably not make a Briton happy. And there's the rub; one man's meat is another man's poison. While there is much merit in seeking to address the issue of happiness, or well-being, or whatever, I cannot help but feel that the real reason for this re-emergence of Blair's flirtation with a measure of Gross Domestic Happiness is just a bit more cynical. Surely we have not become such a centralist state that even the Conservatives feel they can, or indeed, must assume responsibility for the individual happiness of all its citizens. No, it is to deflect attention from our current national performance indicator, Gross Domestic Product (GDP), which is performing badly.

The following is my 'tabloid' take on the issue. If you want an in-depth, full exploration, then I recommend you read the nef report on well-being, at www.nationalaccountsofwellbeing.org: a key finding is that well-being comprises two components, personal and social well-being.

The pursuit of happiness.

But before that, what do we mean by the term ‘Happiness’? It is of more than passing interest to note that the Oxford English Dictionary’s first definition for the word ‘happiness’ is ‘good fortune’. The word is derived from the Old English word ‘**hap**’, meaning chance. So, when we seek to measure happiness, are we really seeking to find out and quantify how fortunate people feel about their current circumstances; are we really inferring that happiness should be based on how fortunate or lucky one is? While this might chime loudly with those in Cameron’s Government, and indeed might well be taken as given in any Marxist class analysis, it’s not a very progressive or community-based approach.

All the academic thinking on the topic makes the point that Happiness has more than a personal dimension (for most people anyway); it depends on interaction (and comparison?) with others. But once we start looking at comparison we hit the theoretical problem of measuring such perceived differences in happiness. When a burglar ransacks six houses in a week, he will indeed be very happy, but does his or her happiness outweigh the worry and unhappiness of those he burgled; probably not, but who can say? And it’s the same with society as a whole; if after a year 10 million people feel happier, yet 6 million feel less happy, is that progress...we just cannot say. So while, yes, simple or sophisticated surveys can indeed ‘measure’ individual happiness, that is not the problem, the problem is what to do with the aggregate results....because we cannot just add up the positives and negatives without making some heroic and horrendous assumptions about how people value their ‘happiness’. Pareto was the man to spot this.

The economics of happiness, or is it?

In the wonderful and strangely alluring world of welfare economics where the measurement of utility is the Holy Grail, or it was when I studied it in the ‘60s, it was acknowledged that the general well-being of a society or economy could be assumed to have reached its maximum when no improvement to one person’s happiness was achievable without hurting someone else. This was the Pareto optimum, and simply accepted that interpersonal well-being comparison was impossible.

Welfare economics is all about such conundrums, and a key concept is that of equity. I used to ‘teach’ equity to transport students in the ‘80s. I posed the following problem to many groups of students and the outcome was always the same.

“You are a bus depot manager. One day all your vehicles bar one are out on the road on scheduled or hired services. The phone rings; a bus on private hire has broken down. Just as you are about to send out the replacement another call comes in to say that another bus has broken down. Question; which service do you replace, and which do you let sit at the side of the road?” Students always asked the same questions. How many passengers were on each bus? 20 on both. How far away were they? Both 30 miles away? How much was the price of the hire? The same for both. And so on....... Then I would have to ask them to stop thinking about the delivery of the service, and maybe think about the passengers? Who were they? One was a group of OAP’s on their weekly jaunt to the bingo; the other was group of disabled children on their annual trip to the seaside. No problem; send the bus to the seaside. So there we had it, we had discovered social equity, or fairness. It could not be quantified, but it just felt right. The class would always feel reassured that an answer was forthcoming.....but then I would ask them to consider one other scenario (now there’s a very horrible word from the ‘80s). What if the disabled children were on their weekly trip to the beach and the OAPs were on their annual outing to the bingo.....consternation, because no solution was ever forthcoming. Because there isn’t one. Of course we could suggest that we ask both groups how much they might be willing to pay to have the bus sent to them, or how much they feel might be adequate compensation for sending the bus to other the group. But such monetary valuations can be meaningful only if we use a common measuring stick, and with money, many argue it can only be such if everyone has the same amount of it (diminishing marginal utility and all that). Oh dear! Now we are talking redistribution of income; certainly not something a Conservative Government would wish to push to the top of its agenda. So, unless you are a rabid right-wing monetarist free marketeer, there isn’t a simple solution, and that’s what social equity and welfare economics is all about.

In a nutshell, if Government is to have any real conviction about measuring happiness it must first set out how it intends to aggregate individual happiness....and the name for that is Politics. The trick is to set out a series of rules, or benchmarks which define what social equity or social justice comprises. It’s not about individuals, it’s about society, hence it comes as no surprise to remember that Mrs Thatcher had no truck with such concepts. Good fortune, **hap**penstance of birth and connections, and plain good luck (like being in the right place at the right time) were a sound enough bedrock for the human capital of the economy (can't use the term society since she didn't believe such a thing existed). So it's not Happiness we should be looking at.

Welfare economics of the street.

Perhaps what we should be considering is the idea of 'fairness'. This is a society-based concept rather than an individual me-based one. It is one that everyone can assess, subjectively, but then as in all welfare economics, such assessments must always be subjective. It allows people to assess how effective their society is at rewarding (with happiness?) those who have contributed, and those who have not. Clearly, in these times, very few are likely to find our current society inherently fair. Fundamentally I believe this is the case because our economy is totally out of kilter (see my earlier Case Note on the recession and research), and this is reflected in the apparent failings of the current GDP reporting.

Our overall happiness may be at some inexplicable low because deep down we know we are living a dream, or rather a nightmare, or even a lie. A critical source of our overall happiness comes from our manufacturing and primary sectors producing the excess value which we can enjoy. But those in the real wealth creating sector have been marginalised. We have become infatuated with wealth redistribution rather than wealth creation: successive governments have promoted 'job creation' as an ineffective palliative against the dearth of real productive employment opportunities. We have built up a huge public sector which seeks to redistribute wealth across society; and we have a pompous overstretched finance sector which through loans, derivatives, trading and pensions redistributes wealth (and its absence) over time. The trouble is that many people think the activities of both these sectors are not always, or ever, 'fair'.

To define such 'fairness' is what politics is about. To date the evaluation of such fairness resides in the ballot box....and rightly so. Welfare economics might be a bit 'ivory tower', but its very title offers a clue to progress, especially as far as surveys might be involved. In the parlance of the street, the key indicator is not 'How happy are you?' but rather, 'Is our current society well fair?' Being based on 'us' rather than 'me' such an approach produces something governments can ponder and influence, and it produces results that can be aggregated across society.

Happy now?

So, if the wealth distribution element of our economy can be judged via a simple question about fairness, what do we do about the productive wealth creating bit? Again, it could be simple. As referred to in my Case Note on the cuts, we don't need to start collecting even more statistics about the economy and its workings. We have what we need already. Just concentrate on the available data related to the primary and secondary sectors of the economy; that is agriculture, mining etc and manufacturing and industry. Just track their performance. Furthermore, forget about the private/public sector split; this is a smoke-screen which masks the very uncomfortable fact that while most of our private sector bangs on about competition and efficiency and the rest, a great deal of its business comes from the public sector.

The British sporting tradition

It is my bet that this whole happy trip will hit the buffers very soon, as it did under Blair. While 'happiness' is an attractive headline its pursuit in academic and definitional terms leads one inexorably into the realms of equity and social welfare....areas no politician in power wants to get embroiled in. We may talk about 'fair play', but let's not set out what we mean by it.

When the goalposts are moved there is always one wee boy who will moan that 'It's just not fair'. Of course it isn't, but what really matters is what the big boys think. And big boys don't like rules of the game; they prefer the **hap**hazard approach of make-it-up-as-we-go-along, because that way 'fairness' will always be on their terms. Such is the case I fear with the current interest in monitoring happiness; 'we are not performing well on GDP, so let's adopt Gross National Happiness instead'.

However, market research does have a useful role to play if it can confine itself to exploring the relationships, if any, between perceived and/or reported personal happiness and social fairness. To go any further is to walk into the ring of bare-knuckle politics, and that's no place for the concept of fair play...or happiness for that matter!

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