

Happiness is a fortunate by-product



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With the demise of full-blooded socialism, the opponents of market capitalism have fallen back on three remaining policy pillars; tax and spend, the promotion of "equality", and controls and intervention - the "nanny state" as some like to call it. Two of even these pillars are looking shaky. The argument over public spending has reached a stalemate. Even left-of-centre parties now assume that there is little public tolerance for a further increase in the share of tax in the national income. Equality, too, is no longer the great slogan that it once was.

But when it comes to state intervention the collectivists are still improving their position. A new pseudo-subject called happiness studies has been called in aid. People are asked how happy they are with their lives. Up to some modest level of affluence, real incomes are correlated with reported happiness. But then the relationship falls off. Americans and western Europeans say that they are no happier than they were several decades ago when they were much poorer. Within a particular country the better off report themselves more satisfied than the poor, but it is relative rather

than absolute incomes that seem to matter.

Some happiness addicts even talk of high incomes as a form of pollution for the rest of us. It is not difficult to work out their policy proposals: high and progressive taxation over and above the state's revenue needs, or limitations on working hours so that people have to spend more time with their families, and so on.

Fortunately, we now have a new study of an altogether superior kind by Anthony and Charles Kenny, a father and son team of philosopher and economist*. Aristotle identified happiness with virtuous activity. Jeremy Bentham and his utilitarian followers identified it with pleasure and subjective satisfaction.

To make progress the authors break up happiness into three components; welfare, contentment and dignity. Welfare is treated in a commonsense way, covering items such as life expectancy, literacy, infant mortality or health. Contentment is the type of thing measured by the questionnaire studies. I am less sure about dignity. The celebrity chef who yells at his staff and customers makes an undignified sight, but who is to say that he is unhappy?

The most striking of the Kenny findings is how little welfare has to do with income, either absolute or relative. Income per capita in the early 19th century in the UK was similar to that of Vietnam in 2000. Yet the UK then had four times the infant mortality, a much lower life expectancy and a good deal less

literacy. "The most advanced sewer systems they were likely to have known were those found in Roman ruins from 1,500 years earlier." The authors believe that the main contributors to increased welfare are technological advance and "public action". Their own data, however, suggest that only a very limited part of public expenditure, such as public health and sanitation measures, are relevant here rather than the bulk of items that went into either a 19th

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century or a modern government budget.

The authors point out that even if we take the findings on relative incomes at their face value, they are associated in the US with a maximum of 5 per cent of the reported differences in well-being between individuals. So much of the cross-country variation in subjective well-being remains unexplained by objective influences that they suggest "a distinct limit to policy or other interventions" in increasing subjective well-being scores.

As so often, I come back to John Stuart Mill, who never wavered in the conviction that happiness was the purpose of life, but who also believed that those who achieve it "have their minds fixed on some other object" such as the well-being of others or some art or pursuit.

The authors have little patience with growth drives in the developed west. Their main point of contact with mainstream progressive thought is their emphasis on the poor people of poor countries, but not their often corrupt and dictatorial governments. In advanced western countries it is reasonable to expect governments to concentrate on their core functions of internal and external security, providing public goods, which the market cannot do, and trying to correct for the worse spill-over effects of our activities upon each other. I would also include redistribution towards the less fortunate, which need not depend on envy and resentment. But surely matters such as obesity, respect and so much else on the Blairite agenda ought to be left to individuals?

Quite a lot of politicians of all parties would agree with these general sentiments, but when it comes to specifics - such as disliking things they see from their car windows on the way to the airport - the itch to intervene becomes unstoppable.

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