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The Greatest Happiness Principle: Its Time Has Come

Richard Layard*

Introduction

A good society is one where people are as happy as possible, and as few as possible are miserable. That is what many enlightened people believed in the eighteenth and nineteenth centuries. The time has come to reassert that humane philosophy and to put it into practice.

As I shall argue, the belief was always right. But it was difficult to put it into practice because we knew so little about the causes of happiness. Over the last thirty years, however, we have learned a great deal, due to the explosive growth in the new science of happiness. At the same time it has become more imperative than ever to focus on happiness as the objective of public policy. For we have largely eliminated the obvious evils of absolute poverty and premature death. But, despite rapid rises in living standards, happiness has not risen over the last fifty years in Britain, the US or West Germany. If we want further rises in happiness, we need to focus seriously on what really causes happiness and misery.

So I will begin by discussing the causes of happiness and why it has not risen (see Layard (2005) and Layard, Mayraz and Nickell (2010) for the evidence). I shall then defend the greatest happiness principle and show how it differs from the principles of laissez faire economics. Finally I shall illustrate how it should alter our priorities for public policy.

The causes of happiness

Happiness is an objective dimension of all our experience – like temperature. At every instant we feel good or bad, on a scale that runs from the extremes of misery to the utmost bliss. Our feeling good or bad is affected by many factors running from physical comfort to our inner sense of meaning, and "pleasure and pain" are not adequate terms for what we are talking about. What matters is of course the totality of our happiness over months and years. The science enables us to measure this and to attempt to explain it.

To measure happiness we can ask a person how happy he is – or we can ask his friends or independent investigators. These reports are highly correlated. But the big breakthrough has been in neuroscience. Researchers have identified an area in the left front of the brain where good feelings are experienced, and another in the right front where bad feelings are experienced. Activity in these brain areas alters sharply when people have good or bad experiences. And when we compare people, those who describe themselves as happy are more active on the left side than unhappy people, and less active on the right side. So the old behaviourist idea that we cannot know how other people feel has at last been put back in the dustbin where it belongs.

So, how are we doing? When Britons or Americans are asked how happy they are, there is no improvement in happiness over the last fifty years – nor do the same individuals report themselves as happier over time, though they are richer. Moreover, psychiatric surveys show that more people suffer from depression, and crime is also significantly higher – another indicator of dissatisfaction. These are devastating facts that cannot be ignored.

What explains them? Why has happiness not increased at the same time that living standards have risen so sharply? And why in particular is there no increase in happiness at the upper tail of the income distribution, when income inequality has increased so much?

To answer these questions we have to look at the causes of happiness. In every study, satisfaction with family/personal life is the most important, in terms of variance explained. Financial satisfaction generally comes next, but this is not well correlated with in-

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come, for reasons I'll explain. Then comes work – whether you have work (if you want it) and whether you like your work; this is followed by your satisfaction with your community. And of course good health and political freedom have big effects.

So how are we doing on these various causes? Incomes are up, but there is little increase in financial satisfaction. This is because people are to a large extent comparing their incomes with what others like them are getting or with what they themselves have got used to. If your comparator income is rising as fast as your actual income, this blunts the gain in happiness as actual incomes rise.

Moreover, as income rises, extra income brings less extra happiness. The science of happiness enables us to measure this effect – an extra £1 for a rich person brings one-tenth as much extra happiness as it would to a person one-tenth as rich (Layard, Mayraz and Nickell 2008). So it is not surprising that the big rises in upper incomes brings so little extra happiness.

I do however believe that over the last fifty years our rise in living standards has had some positive effects on our overall happiness. But this has been offset by the negative effects of worsening human relationships – more broken families, more pressure at work, and less cohesive communities.

For most people a key determinant of happiness is whether you feel that other people are on your side – or alternatively that they are a threat. So we learn a lot from how people reply to questions about trust. A question often asked is "Would you say that most people can be trusted – or would you say that you can't be too careful in dealing with people?" In Britain and the US the percentage who say "Yes, most people can be trusted" has fallen from 55 percent in 1960 to under 35 percent today. By contrast in continental European countries, where data exist from 1980 only, trust has if anything been increasing.

Since human life began, senior citizens have lamented a supposed decline of morals. But here is some further evidence of a decline in the last fifty years. At various times samples of Americans have been asked whether they believe that people lead "as good lives – moral and honest – as they used to". In 1952, as many said Yes as No. By 1998 three times as many said No.

The decline in trust is especially distressing when it affects children. In a WHO survey of 11–15 year olds, the children were asked whether they agreed that "most of the students in my class(es) are kind and helpful". The percentage saying Yes were over 75 percent in Sweden, Switzerland, and Germany, 53 percent in the United States and under 46 percent in Russia and England.

A key problem seems to be the growth of individualism (stemming in particular from the US), the main objective of which is to make the most of yourself – which often means to do the best for yourself compared with other people. This is a terrifying and lonely objective. People do of course feel obligations to other people as well, but these are not based on any clear set of ideas. The old religious sanction is gone, and so too is the post-war religion of social solidarity. We are left with no clear concept of the common good.

We definitely need such a concept if we are to have a cohesive society. And it has to be an ideal which includes the welfare of all. If we had such a concept, it would not only help us think about policy, but, more important, it would motivate each citizen to contribute to the good of others and to get satisfaction from doing so.

The greatest happiness principle

So here is the concept we need:

- The common good consists in the happiness of all.
- The good society is one where people are as happy as possible, and as few as possible are miserable.
- The right action (and the right policy) is the one that produces the greatest happiness and, especially, the least misery.

This is of course what Bentham and many British thinkers in the eighteenth and nineteenth centuries believed. I have added only one modification to Bentham. I believe the relief of misery is more important than the promotion of great happiness So it is more socially desirable to increase the happiness of a miserable person than to increase by the same amount the happiness of someone who is already happy. This is an important change from Bentham's view that all that matters is the sum of happiness – so that extra happiness is equally valuable whoever experiences it. This "additive assumption" of Bentham's has been frequently used as an argument against his version of utilitarianism – and rightly so. But it in no way invalidates a modified version of utilitarianism in which society's welfare depends only on the happiness of the citizens,

but with different weights for citizens at different levels of happiness.[1]

But many people question the whole basis of an approach that focuses on happiness. Sen (1992), Sen and Williams (1982) and Nozick (1974), among others, have made major criticisms. The main ones relate to "other goods", expediency, rights, agency, adaptation and the nanny state.

Other goods

Why the greatest possible *happiness*? What is so special about happiness? Why not the greatest possible health, autonomy, accomplishment, and so on? The answer is that happiness is the only experience that is self-evidently good. If I ask you why health is good, you can give reasons: people should not feel pain, they should be able to function well, be of use to others, and so on. Or, if asked why autonomy is good, you will find reasons: people feel better when they can control their lives. And so on. But if I ask you why happiness is good, you can find no reason: you will say that it's self-evident. The reason for this is deep in our biology. We are programmed to enjoy experiences that are good for our survival, and that is why we have survived. So the desire to be happy is a completely central feature of our nature.

Fortunately, we have also been programmed in part to have a sense of fairness. If a mean has to be divided, most of us accept (sometimes grudgingly) that it should be divided 50:50 – on the basis that in principle others count as much as we do.

If you put this idea together with the fact that each of us wants to be happy, you arrive at the Benthamite principle. It is both idealistic and realistic. It puts others on an equal footing with ourselves, where they should be, but (unlike some moral systems) it also allows us to take our own happiness into account as well.

Expediency

The second objection is that the rule is impractical and encourages expediency. Not so. We all know we cannot evaluate every action moment by moment against the overall Benthamite principle. That is why we have to have sub-rules, like honesty, promise-keeping, kindness and so on, which we normally follow as a matter of course and feel bad if we do not. And that is also why we need clearly defined rights embedded in a constitution. But when moral rules come into conflict with each other (or legal rights do), we need an overarching principle to guide us, and this is what Bentham provides.

The rule is also criticised as putting ends before means, by being consequentialist. This is a misconception. If you take a decision, the consequences include the whole sequence of feelings experienced by those affected – those experienced during the action (the means) as well as those that follow it (the ends). A horrible action causing great pain would require extraordinarily good (and certain) outcomes to justify it. Indeed it would normally hurt the feelings of the author and he should be programmed to hate doing it.

Rights

Another objection to the principle is that it does not start from human rights or desirable "capabilities". But how can we start there? If we start writing down a list of human rights, any reasonable person will say, why do you include this and not that? On what basis do you make your selection? Why do these rights or capabilities matter more than any others you might include? A very reasonable answer is that some rights or capabilities are more conducive to human happiness than others. But then you are not starting from rights, you are starting from happiness.

In his discussion of desirable capabilities, Sen acknowledges the obvious problem of how we compare the importance of advancing one set of capabilities with another. He suggests that we choose the weights by letting the population vote. But voting must be preceded by rational debate. How would a citizen decide how to cast his vote? He would surely want to compare the relative importance of different capabilities in contributing to some overall objective. What more obvious objective than human happiness?

Moreover, political philosophy should be a sub-set of moral philosophy. In a democracy, what people vote for will reflect their general moral system. Those who argue for a wide range of positive rights must explain how the population can be induced to support them. I doubt whether this is possible unless people feel some general obligation or duty to promote the welfare of their fellow citizens. So what we need is a moral (and political philosophy) that starts from

[1] In formal terms, if we assume social welfare is measured by $\Sigma h_i^{\alpha}/\alpha$ where h_i is the happiness of the i^{t} person and $\alpha \leq 1$, ethical choice is concerned with the value of α. If $\alpha = 1$, we have a Benthamite approach, if $\alpha = -\infty$, we have a Rawlsian one. The main debate in ethics should now be about the value of α.

some general duty to promote the (weighted) happiness of all, as best we can.

Agency

One important good, as I have said, is the sense of control over your life, and people generally enjoy a pound they have earned more than one they have been given. These are important truths which are often labelled as the importance of "agency" . But they do not challenge the principle of the greatest happiness.

What would challenge that principle would be the assertion that, even if you sensed you had control, that would not be enough – you need to have *actual* control. Nozick has argued for that view via a fanciful thought experiment. Imagine a machine, he says, to which your inert body can be attached but which can make you feel exactly as if you were leading a normal active life. Would you plug in, says Nozick, expecting the answer No. And if the answer is No, says Nozick, this shows that feeling happy and active is not enough – you actually have to do something.

Most of us probably *would* say No, but not because agency matters more than experience. We would not believe the machine *could* deliver the same experience – (no machine ever could) and someone might even switch it off. Or we might want to bring happiness to others, which we could not do through the machine. And so on. Nozick's is a flawed test and we can safely continue to believe that all that ultimately matters are the feelings that we and others experience.

Adaptation

Another objection is that humans adapt: some people can be happy even when external circumstances are harsh. People can adapt in part to poverty. According to Sen, this might be used to justify leaving them in poverty. But of course the corollary also holds: people adapt to wealth and get limited extra pleasure from it. So adaptation does not blunt the case for redistribution – the rich will largely adapt to the loss of income.

In fact happiness research provides by far the most powerful evidence there is in favour of redistribution. Within any one country there is a sharply diminishing marginal utility of relative income. And across countries there is a sharply diminishing marginal utility of absolute income: this is the clearest argument for Third World "aid" that I know.

However, reverting to adaptation, it cannot be right to have a social philosophy which ignores it. It is one of the most fundamental properties of all living organisms. Why ignore it, especially when this has no especially conservative implications? When it suits him, Sen invokes subjective emotion. For example in rich countries he focuses on relative rather than absolute income, arguing rightly that people should be able "to appear in public without shame". This involves an explicit appeal to people's subjective states. However, when it comes to adaptation, he objects. But, surely, we should be even-handed, and base all policy on its impact on people's feelings. If some things are easier to adapt to than others, and some, like mental illness, are harder to adapt to, this is highly relevant to public policy.

Nanny state and laissez faire economics

Finally, there are some people who might accept the greatest happiness principle as a private ethical guide but reject its use for public policy. It is easy to see why supporters of a minimal state should not want to base government upon it.

As we know from welfare economics, if we take tastes as given, private voluntary exchange will produce the most efficient possible outcome unless there are economies of scale, information problems or external effects (where one agent affects another directly and not through voluntary exchange.) This powerful theorem implies correctly that any effective society must rely heavily on the unfettered choices of self-determining agents.

But the assumptions also underline where state activity is needed. These conditions include the huge variety of cases where agents affect others directly (e.g., through crime or advertising) or where public tastes could be improved to the benefit of all (e.g., through moral education). This raises the spectre of an overactive state regulating much of our life.

But here we should immediately go back to psychology and the causes of happiness. People do not like regulation as such – it makes them miserable. Almost certainly bureaucrats obsessed with objective standards already interfere in the name of those standards beyond the level that is justified in terms of happiness. But, equally true, there are some areas where the state could manifestly do more to promote a happy lifestyle. Let me end with a few examples.

Public policy implications

Taxation and redistribution

In almost any political philosophy, redistribution is one role of the state. The greatest happiness principle bases the case for redistribution partly on the diminishing marginal utility of income. If there were no efficiency cost of redistribution, this fact would argue in favour of total income equality. But there is an efficiency cost, since taxes (spent on services) do discourage work effort.

But happiness research puts work effort into a new perspective. Individuals work partly in order to raise their income relative to others. But it is impossible for the average person to raise his income relative to others. So some of the work effort is wasted. It is like an arms race. Thus, if taxes somewhat discourage work effort, they are orchestrating a desirable arms-limitation agreement. They are reducing the unnecessary sacrifice of family life and social life that excessive work entails.

Existing knowledge shows this is a serious issue, but does not offer a precise figure for policy use. So I am not saying that taxes should be higher than they are – but they should be higher than if you had not considered this point.

Expenditure on mental health

When it comes to expenditure, there is one obvious area of shameful neglect. One in six Britons is currently a diagnosable case of clinical depression and/ or chronic anxiety disorder. Only a quarter of these people are in treatment. For most the only available treatment is pills prescribed by a non-specialist GP. This is in flagrant contravention of NICE Guidelines which say these people should also be offered modern evidence-based psychological therapies, which are at least as effective as drugs. They are what the majority of patients want, and, if they cannot have them, many patients prefer to go untreated. This volume of untreated suffering is especially scandalous when it turns out that treating it would involve no net cost to the Exchequer – due to the savings on incapacity benefits (Layard, Clark, Knapp and Mayraz 2007).

So why does this situation persist? I believe it reflects a deeply-rooted form of materialism or what one might call "objectivism" – a belief that the subjective world is too fuzzy for us to take it seriously. Yet the subjective world is what we experience each moment of our lives. In truth the severity of depression and anxiety states can be measured quite accurately, and the best therapists are as dedicated as physicians and surgeons (or more so) to measuring the impact of their treatments.

Building character in childhood

It would of course be much better to prevent mental illness than to have to treat it. This ought to be a major role of our educational system – to implant the seeds of a happy life and of one that brings happiness to others.

Most schools pay too little attention to this. It is not easy to teach but well-tested materials are becoming available at an encouraging rate. (One example is the Penn Resiliency Programme now being used in three of our local authorities). Teachers should be taught to use these materials, and in secondary schools Personal Social and Health Education (PSHE) ought to be a specialist subject in which teachers can specialise in their post-graduate certificate in education.

Parenting

Another obvious area where the state has to become more involved is the quality of parenting. If bad parenting produces crime and bad behaviour – let alone personal misery – the state must act at many levels.

Parenting should be taught in schools. Above all people should recognize the huge responsibility involved in having children well before they decide to have their own. Then parenting classes should be offered to parents around their first pregnancy, and these should cover not only biology but also the emotional side of child-rearing – including its impact on the relations between the parents. And finally there should be high quality services available when parents run into trouble. There exist evidence-based interventions which should be readily on offer. Here as elsewhere, what is different from the past is that the new interventions rely less on the few people of great wisdom and more on the findings of science which can be implemented by ordinary mortals.

Advertising and gambling

Finally I want to take two examples where tastes are clearly affected by public policy. Advertising is clearly meant to change our tastes, so we are entitled to ask, Is the change for the better? Undoubtedly some advertis-

ing provides valuable information. But a lot of advertising makes us feel we need things we previously didn't need. The advertiser may have only wanted us to buy his brand rather than another. But the overall effect is to make people want more. This means that we are less contented with what we have. The most serious effect is on children, who put parents under intolerable pressure to buy the latest doll or the coolest make of footwear. The waste is extraordinary, and children get the idea that they need this vast array of spending just to be themselves. That is the reason why Sweden bans commercial advertising directed at children under twelve.[2] Every country should learn from this example.

Similarly in the case of gambling. Laissez faire economics says, "If people are willing to pay, let them spend their money as they want." But the expansion of gambling can so easily produce addicts. Under existing gambling laws there are at least 150,000 gambling addicts in this country, and this addiction blights both them and their families. If gambling laws are eased, some people might gain a little extra enjoyment at the cost of increased misery for others. It is hard to see how this could be justified.

Conclusion

We are at the beginning of a major revolution in public values, reflecting two main forces. One of these is our historical experience. Increasingly people realise that ever-increasing affluence brings less enhanced satisfaction than they expected. There is also a major revulsion against many blinkered forms of managerialism that appeal only to self-interest. People are looking for something more in life – involving less selfishness and more devotion to a common cause.

At the same time there is the new science of happiness, which provides a more accurate account of what makes people happy than the cruder forms of elementary economic theory. It shows for example that people who are mainly concerned with their own welfare are less happy than those who are more concerned with others. And it shows that these attitudes can be affected by public policy.

This points the way for a revolution in political philosophy. At present we have no coherent political philosophy that inspires our society. Rampant individualism has filled this vacuum and contributes to alienation from the political process. But individualism is inherently inconsistent. It appears to promote the interest of individuals but it cannot do so, because the other individuals we would like to encounter are not individualistic.

Instead we need a political philosophy which is intrinsically defensible but also internally consistent. Consistency means that, if people use the philosophy in their individual lives, the result will be the society which the philosophy advocates. The principle of the greatest happiness satisfies this requirement. We want a society where people desire to produce as much happiness in the world as they can. If everyone thinks like that, they will all end up happier. This is a consistent philosophy.

It would, of course, involve reversing a trend, and many people assume that trends go on forever. That is not how I read history. In many areas I see something more like cycles. For example we can observe clear ups-and-downs in the extent to which social responsibility has been stressed in our national lifestyle. In the early seventeenth century it was de rigueur; while the eighteenth century was more easy-going. The nineteenth century saw increased social responsibility; while the last forty years have seen increasing individualism. It is quite possible that the current trend will be reversed again in the coming decades, as it was two hundred years ago.

We do not need a return to Victorian values, some of which were pretty gloomy. Instead, we need a philosophy which fully values happiness and enjoyment, but at the same time enjoins us to strive for the happiness of others. And that is the philosophy of the Greatest Happiness.

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[2] For the definition of the law, see www.konsunentverket.se