

Happiness matters!

An introspective analysis and the role of government in the pursuit of well-being

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"Does money bring happiness? No, go get me some!" This (anecdotal) maxim has some truth to it, but is far from being representative. Whether on an individual or collective level, if it were true, countries with higher GDP per capita would be at the top of the list as the happiest when, in fact, according to numerous surveys, this is not the case. But, obviously, the population's perception of well-being and satisfaction has increasingly become the focus of governments and the direction of their public policies. As the concept varies for each individual, with objective and subjective questions, the logic is not trivial and the intent must therefore be common and have positive impact and scope for everyone.

If happiness is elusive, the search for it has become, for many societies, the main reason for living. The path, not the end, seems to matter more. The trade-off among "goods" that bring us satisfaction (utility) are dynamic, changing according to context, age and perspectives. But if this indifference curve of happiness that promotes maximum well-being changes over time, perhaps some things, for many people, could have a more perennial nature. This being true, in addition to psychologists and other specialists, economists have dedicated themselves to the variables of economic science that deeply relate to the state of well-being of the population. As it is virtually an incommensurable concept of utility in traditional ways (some techniques have already been developed to this effect), the reliability of research is "low" and, therefore, identifying factors that positively or negatively influence our feelings – especially if with identification of importance – gains extreme relevance.

Promoting of a thriving economy, with decent jobs and wages, a healthy environment and freedom with clear and enforceable rules, is a determining factor and directly influences people's feelings of happiness. In this line of reasoning, governments also need to deliver healthcare, public education, infrastructure and social protection, as well as strong institutions and fight against corruption. Policymakers know this, follow academic research and have become increasingly engaged in this purpose, notably in so-called first world countries. The [World Happiness Report 2023](#) itself attests to this evolution over the last ten years, including measurements of average satisfaction in

different countries and the factors accounting for any differences. Governments can help!

As a public policy, therefore, the promotion of well-being needs to reach society in the most equitable way possible, as inequality is greater among the poorest. Thus, the distribution of happiness must be such that the availability of factors (basic human rights) is widely accessible, and people can make use of them as, how much and when they need. In this way, the definitions of democracy and freedom need to be consolidated, regardless of context and ideologies. Furthermore, it is necessary to think about and guarantee these rights to future generations – hence sustainability – after all, "no one" wants to be happy alone, or even disregard leaving a legacy for their descendants.

Moving from macroeconomic policies to an individual perspective, various domains of our lives can be related to concepts and events beyond a fleeting sense of well-being. According to research, these factors' influence, as a rule, imply that some components – including money (with its decreasing marginal gains) – face a lower relative weight. Social relationships and altruism, for example, stand out as having a very high correlation with higher levels of happiness. Therefore, if it is already difficult to discover an individual's utility function in practice, perhaps the best way is to identify our preferences – how we spend our money and time. In fact, the allocation of time to work, leisure, etc., is an indicator of what influences us, be it by necessity or choice. In maximizing utility, once the components that bring quality of life and well-being have been identified, they then must face minimum restrictions, even if in this case a sub-optimal situation is theoretically achieved.

The pursuit for long-term well-being matters, a lot. Achieving happiness, especially in Aristotle's broader concept of *Eudaimonia*, seems to reflect the best we can be and have. In any case, it is clear that much of what we aspire to as happiness is within our control – thus, once again, we are protagonists of our lives and, as the Economics of Happiness "teaches" us, we can maximize our utility (satisfaction) to the best of our abilities. The decision is solely ours!

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