



Happy for How Long?

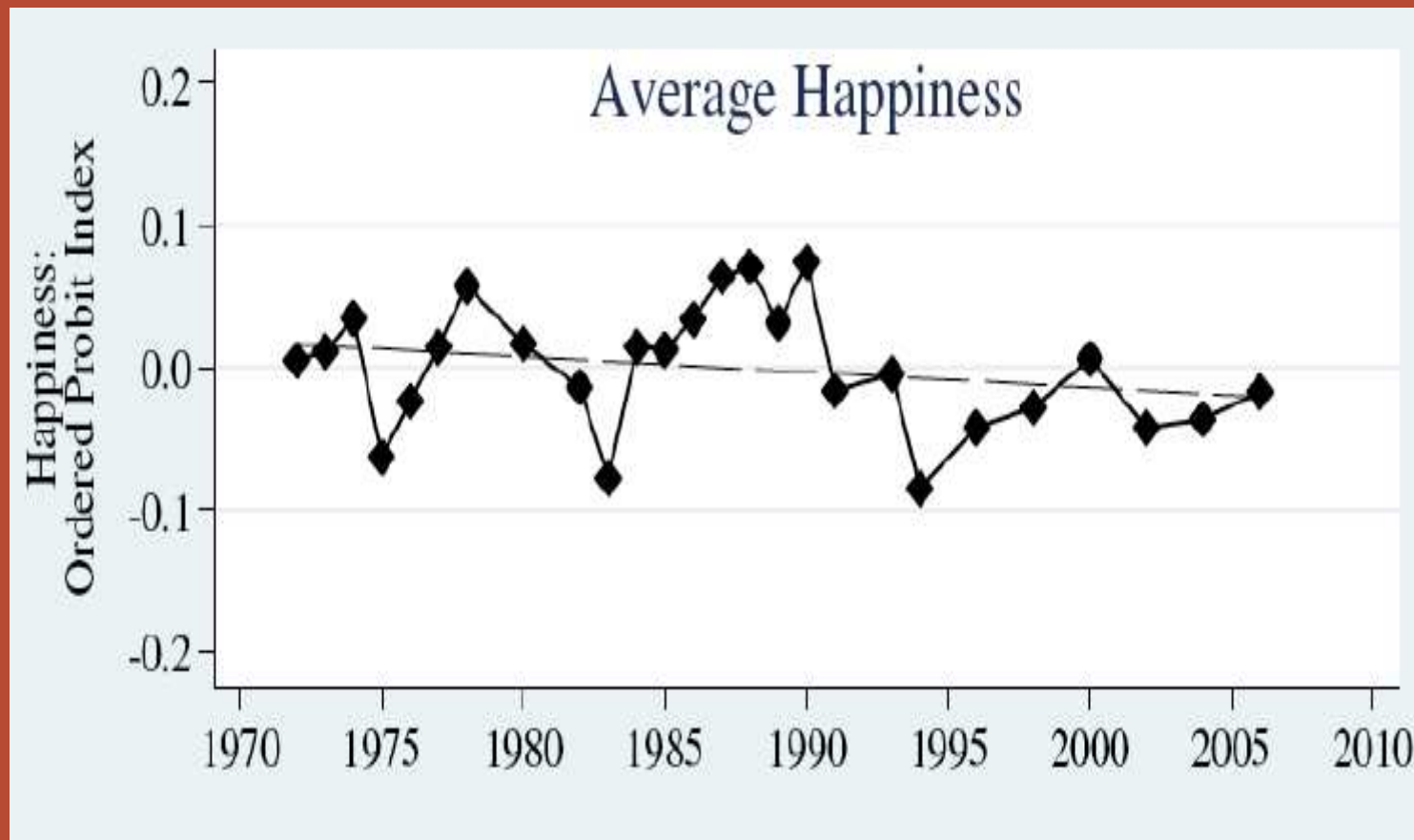
How Social Capital and
GDP relate to Happiness
over Time

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International differences in the trends of SWB

- The trends of Subjective Well-Being (SWB) show a substantial heterogeneity across countries.
- In the last thirty years SWB has increased in some countries and decreased in others, (Stevenson and Wolfers, 2008; Inglehart, 2009). For instance: US vs. EU

Declining Trend in US happiness

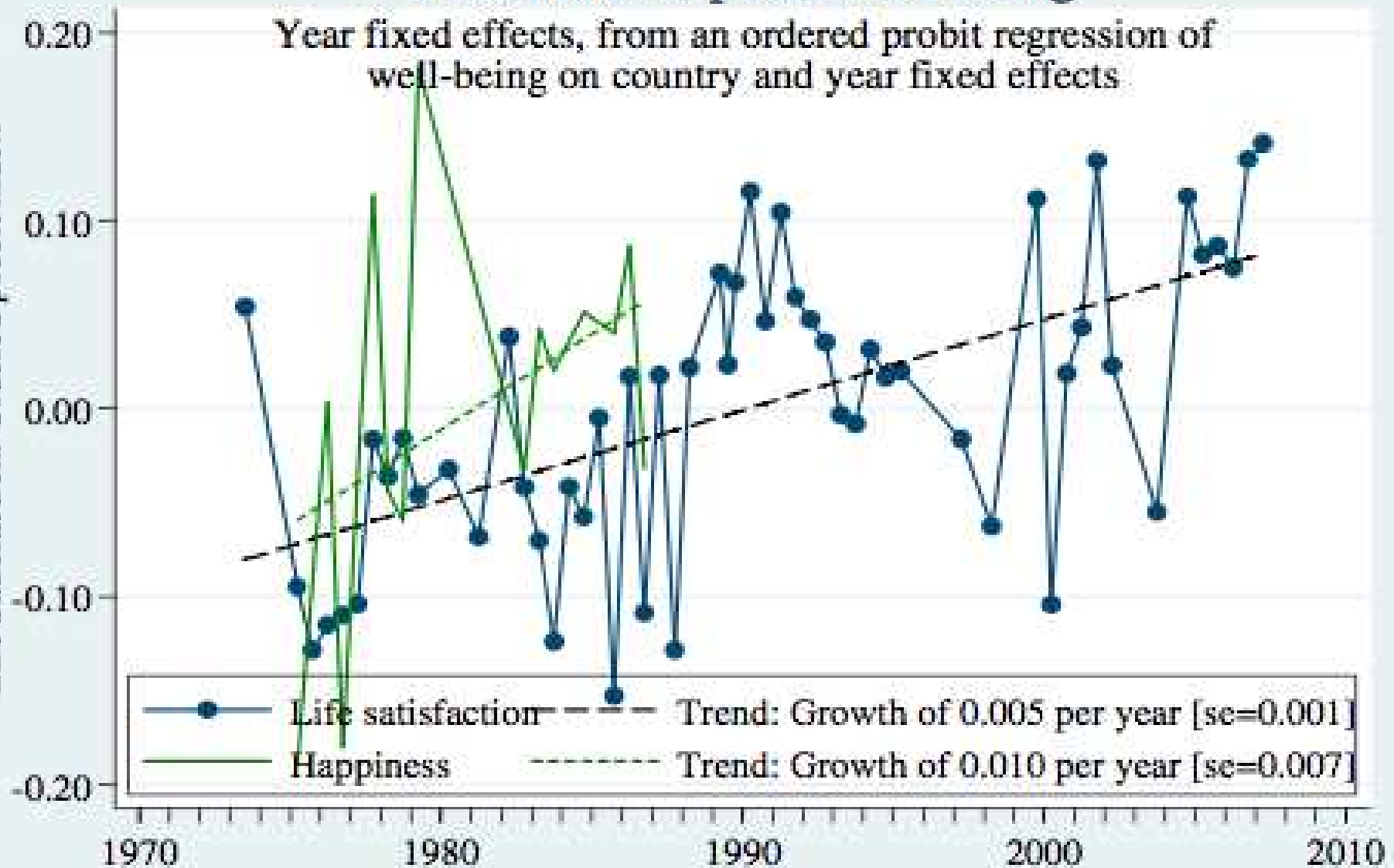


Source: Stevenson and Wolfers 2008, GSS data

Trend in European Well-Being

Year fixed effects, from an ordered probit regression of well-being on country and year fixed effects

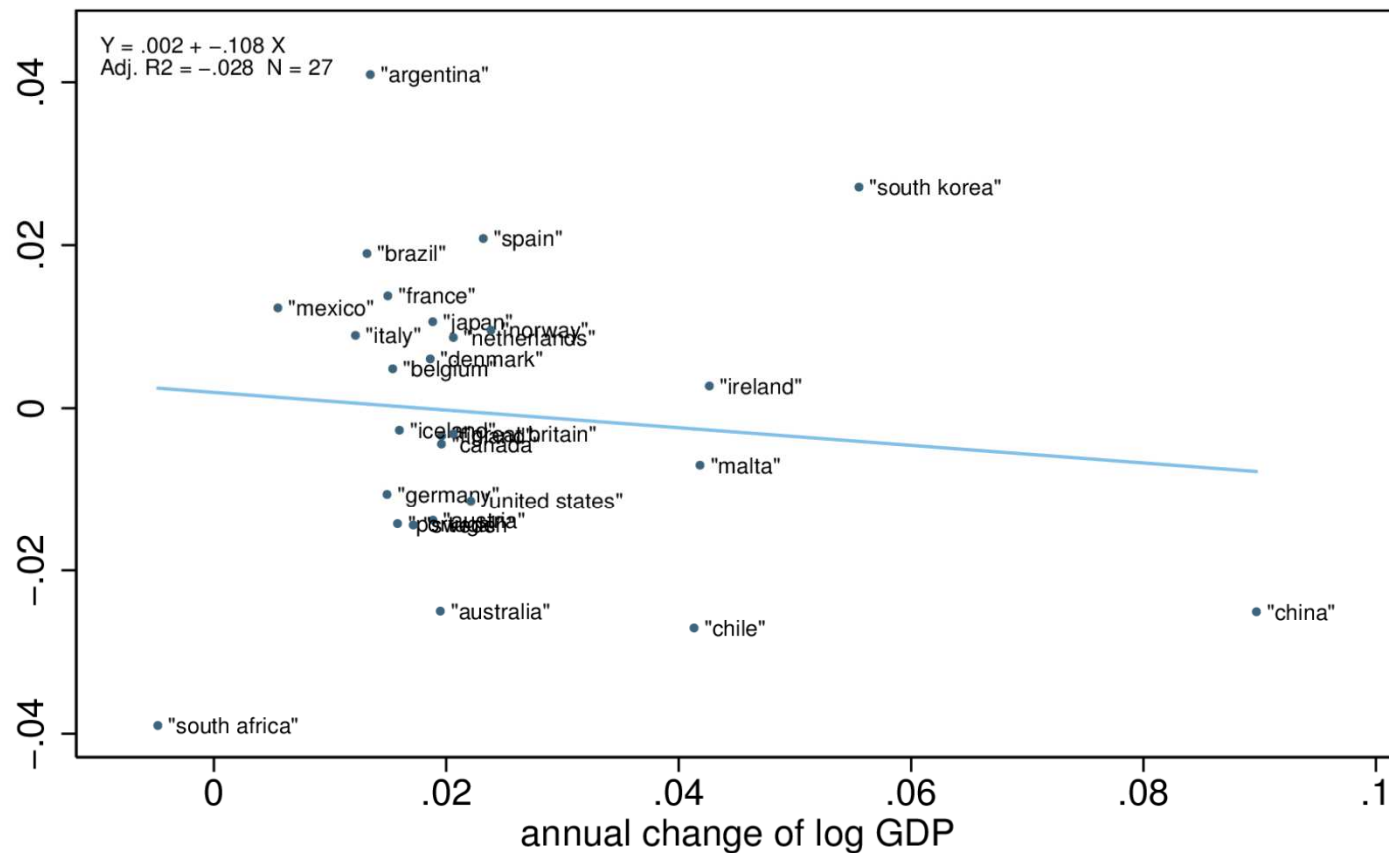
Life Satisfaction: Ordered probit index



Source: Eurobarometer, 1973-2007.

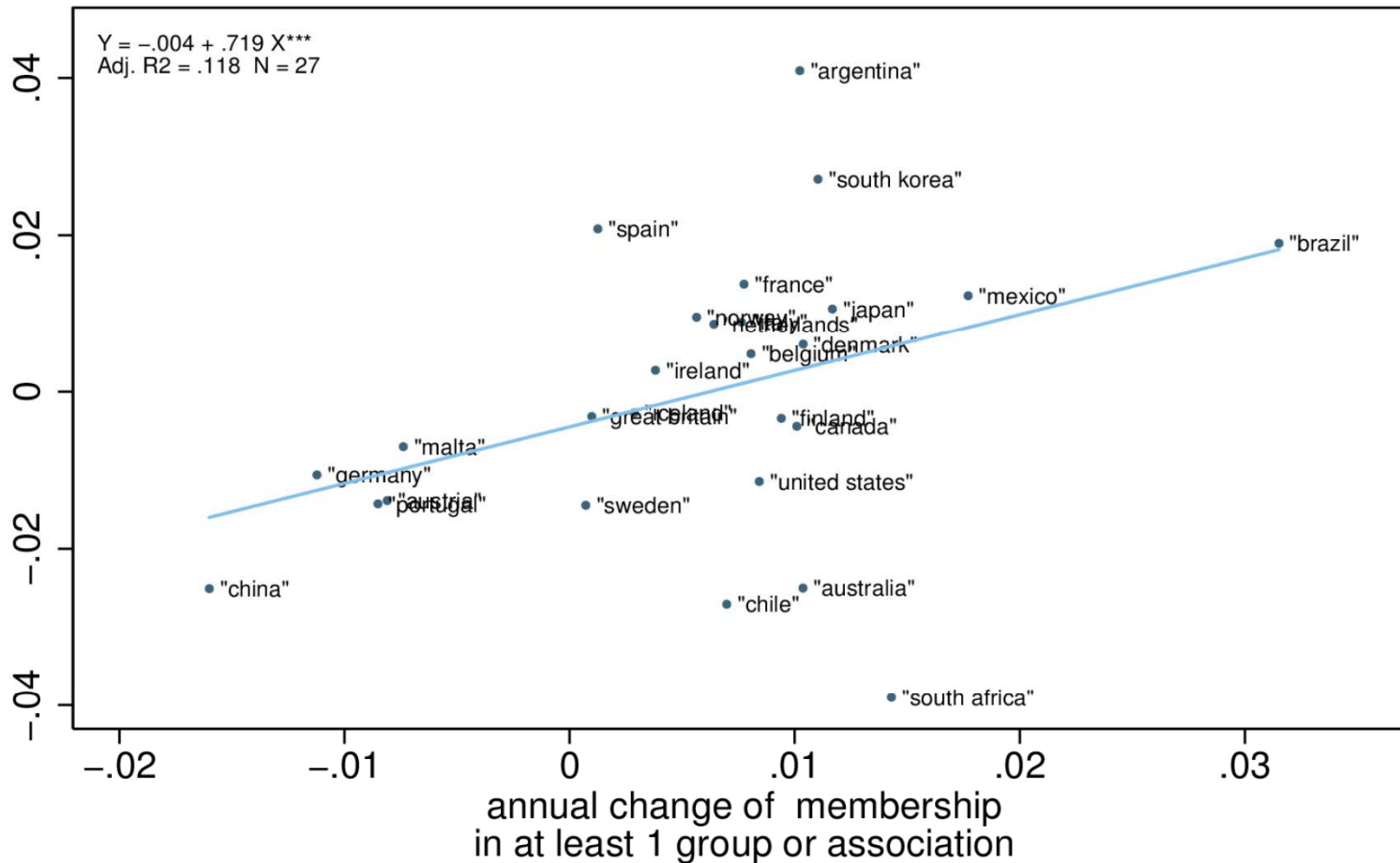
Source: Stevenson and Wolfers 2008

Life satisfaction and GDP over at least 15 years WVS data (Bartolini and Sarracino 2012a)



• annual change of life satisfaction (absolute amount on a 1 – 10 scale) — Linear prediction

Life satisfaction and membership over at least 15 years WVS data (Bartolini and Sarracino 2012a)



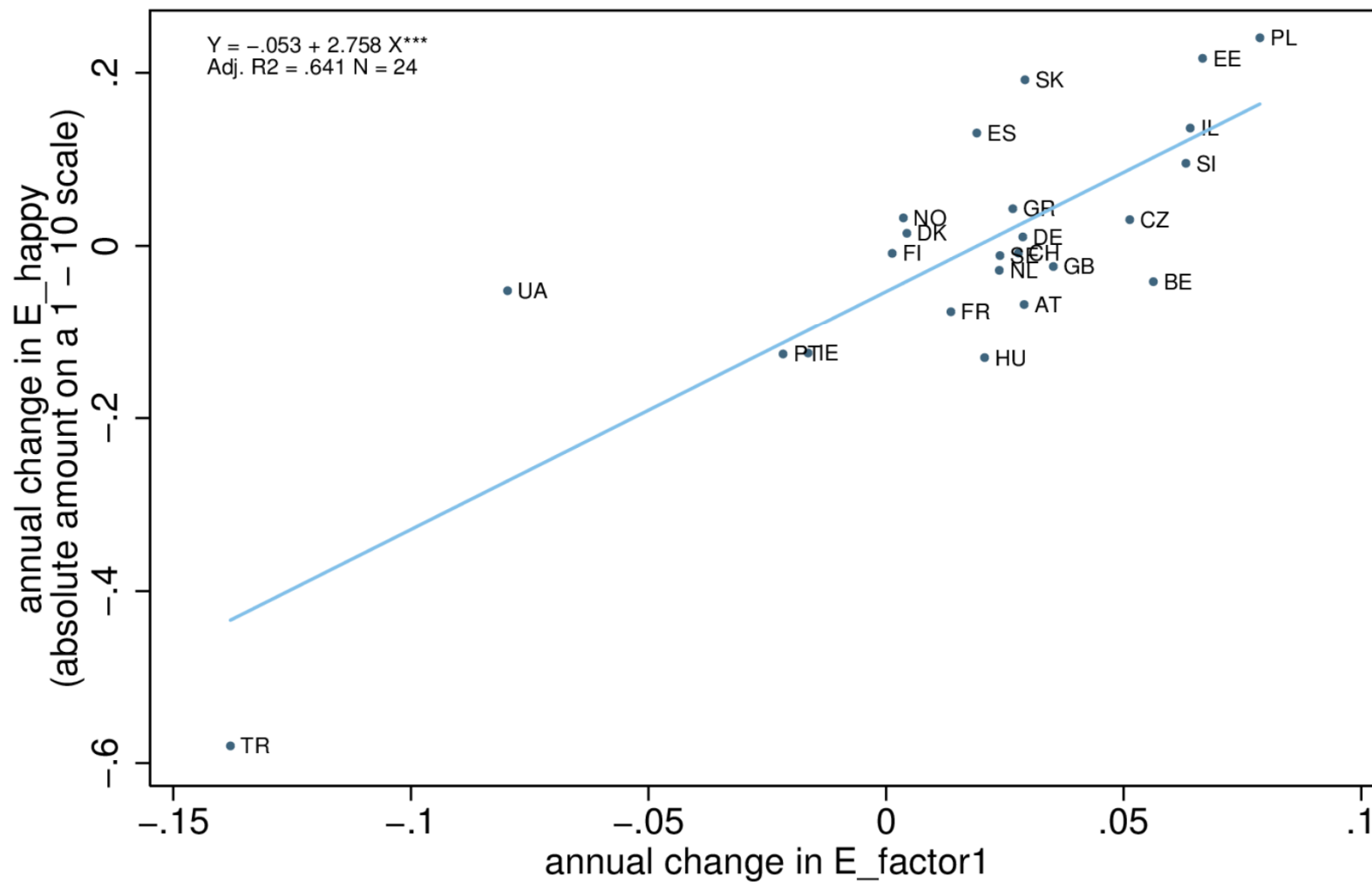
• annual change of life satisfaction
(absolute amount on a 1 – 10 scale) — Linear prediction

Groups and associations

- Social welfare service for elderly
- Religious organizations
- Education, arts, or cultural activities
- Labour unions
- Political parties
- Human rights
- Conservation, the environment, ecology, animal rights
- Youth work
- Professional associations
- Sports or recreation
- Women's group
- Peace movement
- Organizations concerned with health
- Consumer groups
- Other groups

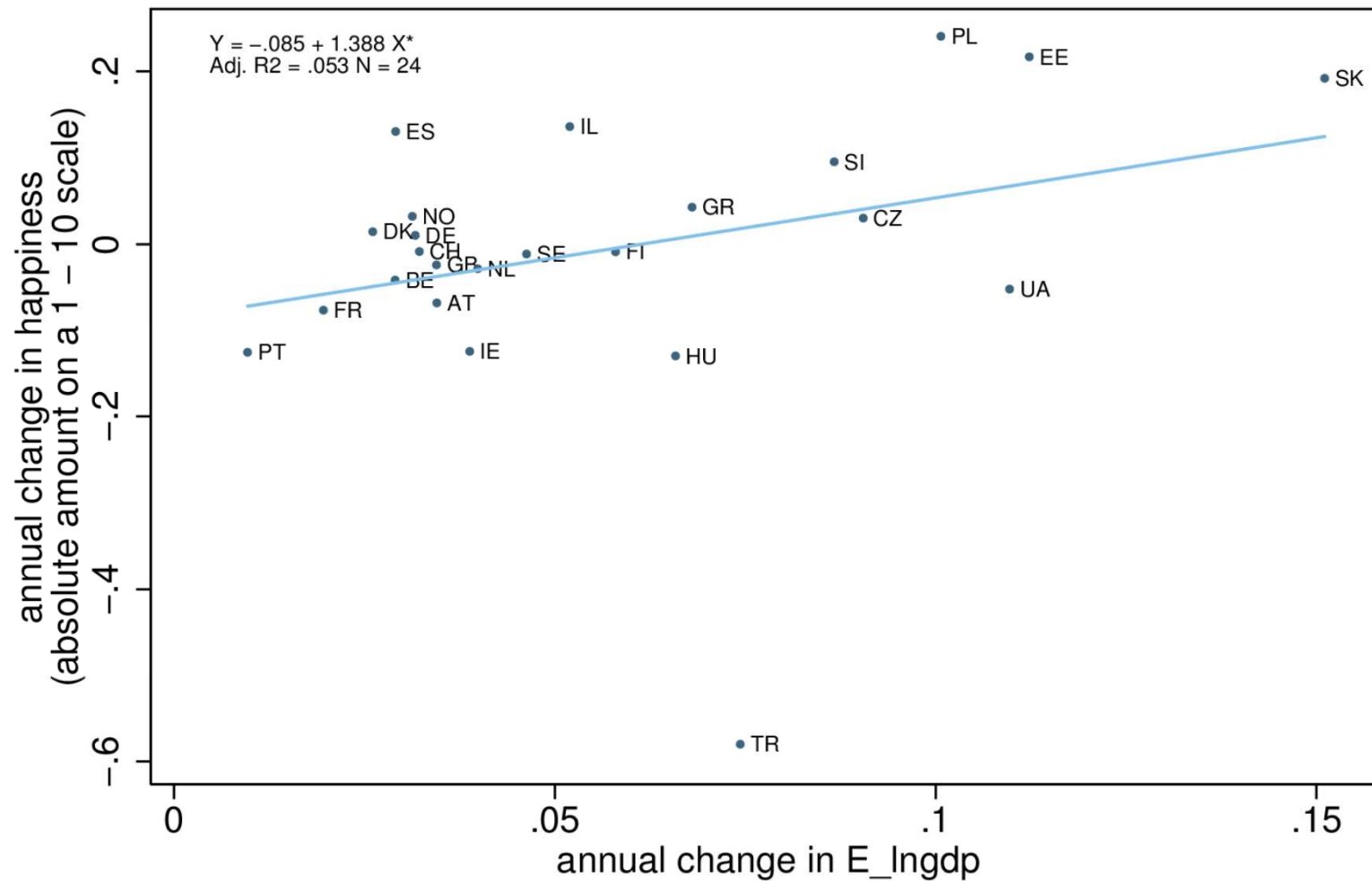
• Trivariate regressions do not alter these results

Happiness and trust over 6 years. ESS data (Bartolini and Sarracino 2012a)



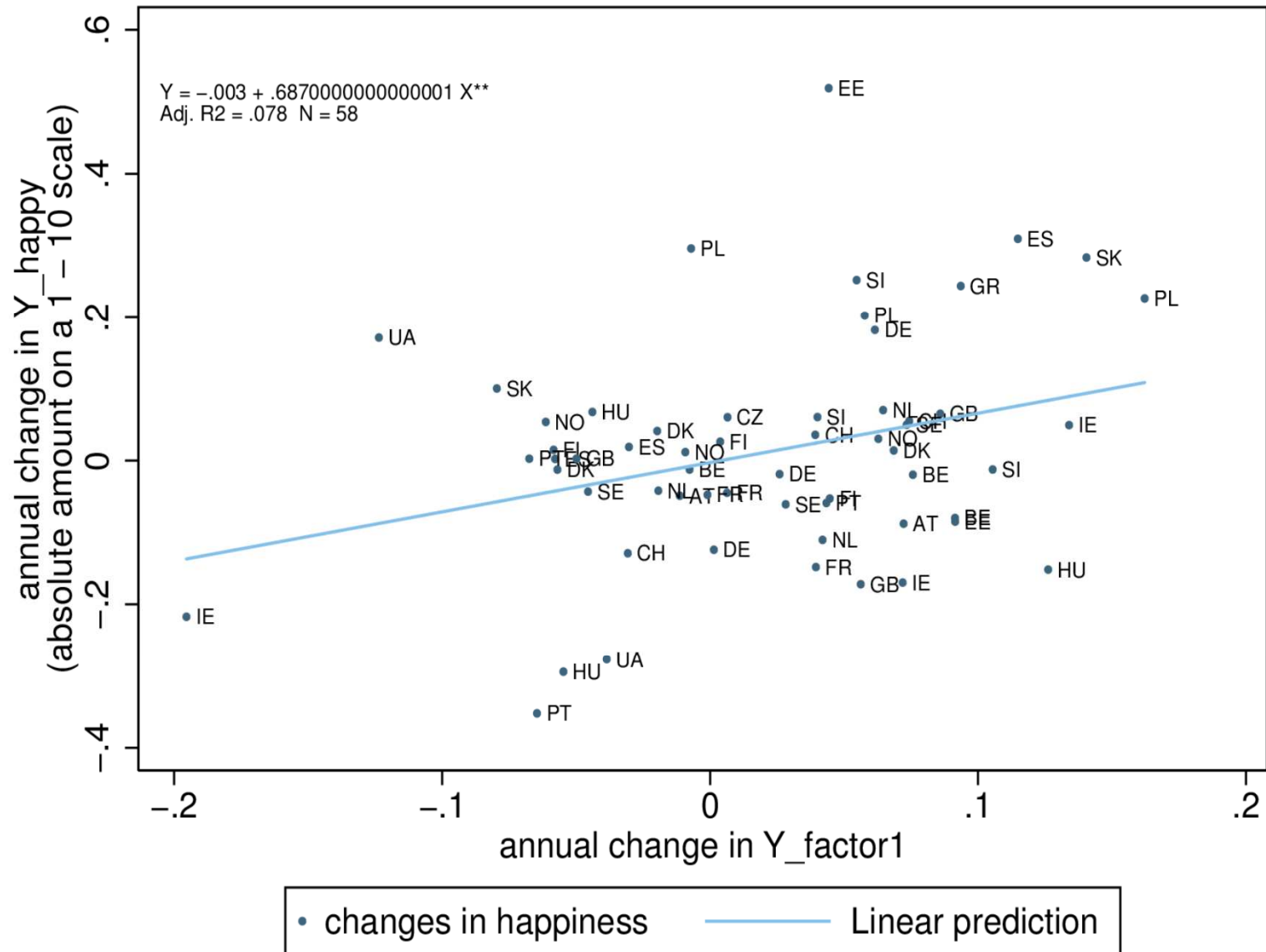
• trend of happiness — Linear prediction

Happiness and GDP over 6 years. ESS data (Bartolini and Sarracino 2012a)



• trend of happiness — Linear prediction

Happiness and trust over the short run (2 years)



Medium and short run compared

Short run

Medium run

| | (1) happiness | (2) life satisfaction |
|---------------------------|----------------------|--------------------------|
| index of social trust | 0.569** (2.18) | 0.563 (1.58) |
| changes in log GDP (2yrs) | 2.092*** (4.69) | 2.286*** (4.73) |
| Constant | -0.108*** (-4.45) | -0.0943*** (-3.51) |
| Observations | 58 | 58 |

t statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.001$

| | (1) happiness | (2) life satisfaction |
|-----------------------|----------------------|--------------------------|
| index of social trust | 2.713*** (4.03) | 2.681*** (8.06) |
| trend of log GDP | 1.209** (2.41) | 1.574* (2.02) |
| Constant | -0.121*** (-3.98) | -0.111** (-2.55) |
| Observations | 24 | 24 |

t statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.001$

Declining Trend

in US happiness (1975-2004): Why?

The trend of US happiness is predicted by forces that drive such a trend in opposite directions (Bartolini, Bilancini, Pugno 2011, GSS data)

- Increase in income
- Decline of relational goods
- Decline of trust in institutions

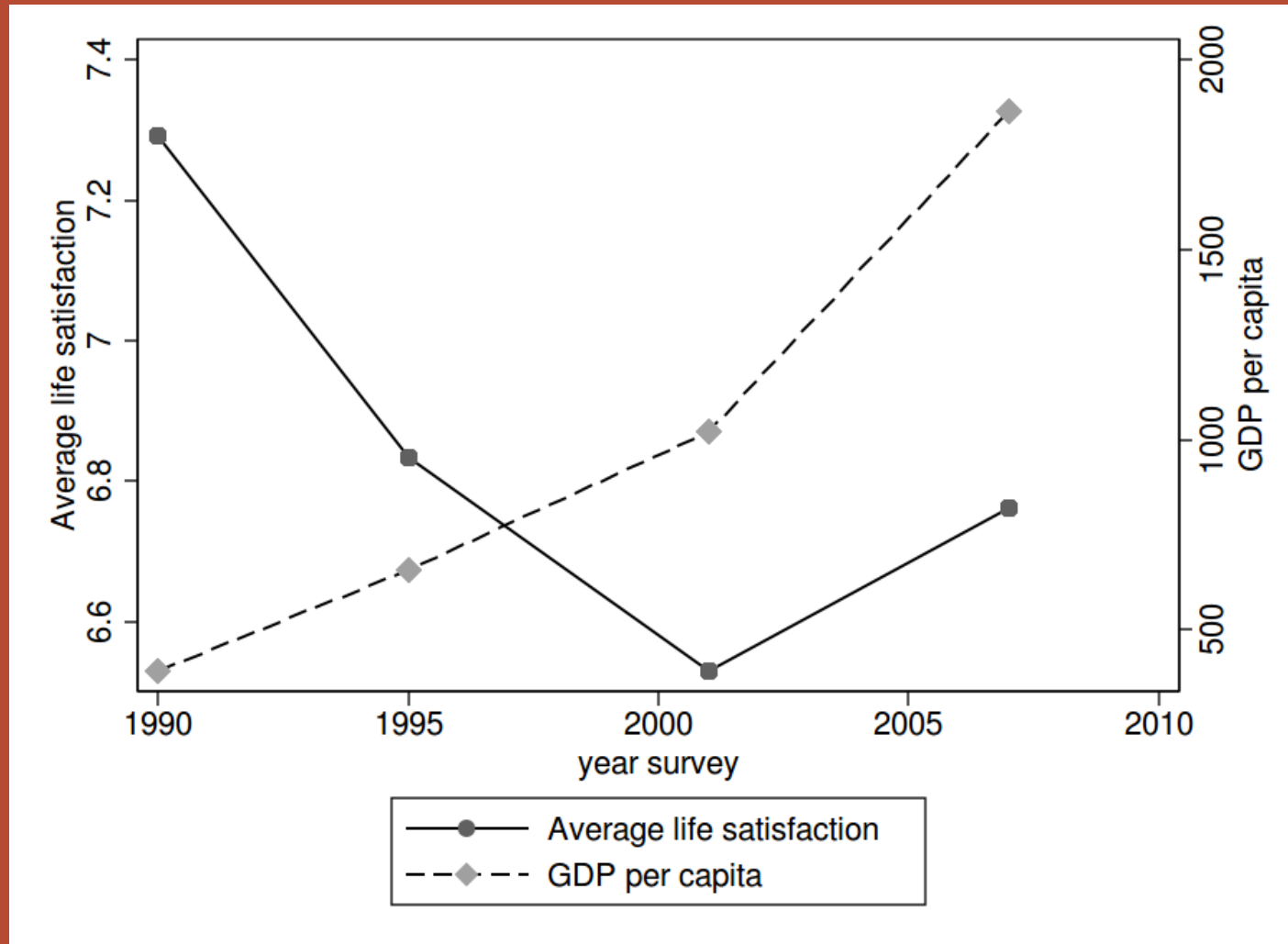
Relational goods and trust in institutions:
components of social capital

The decline in relational goods

The trends of the various indicators document:

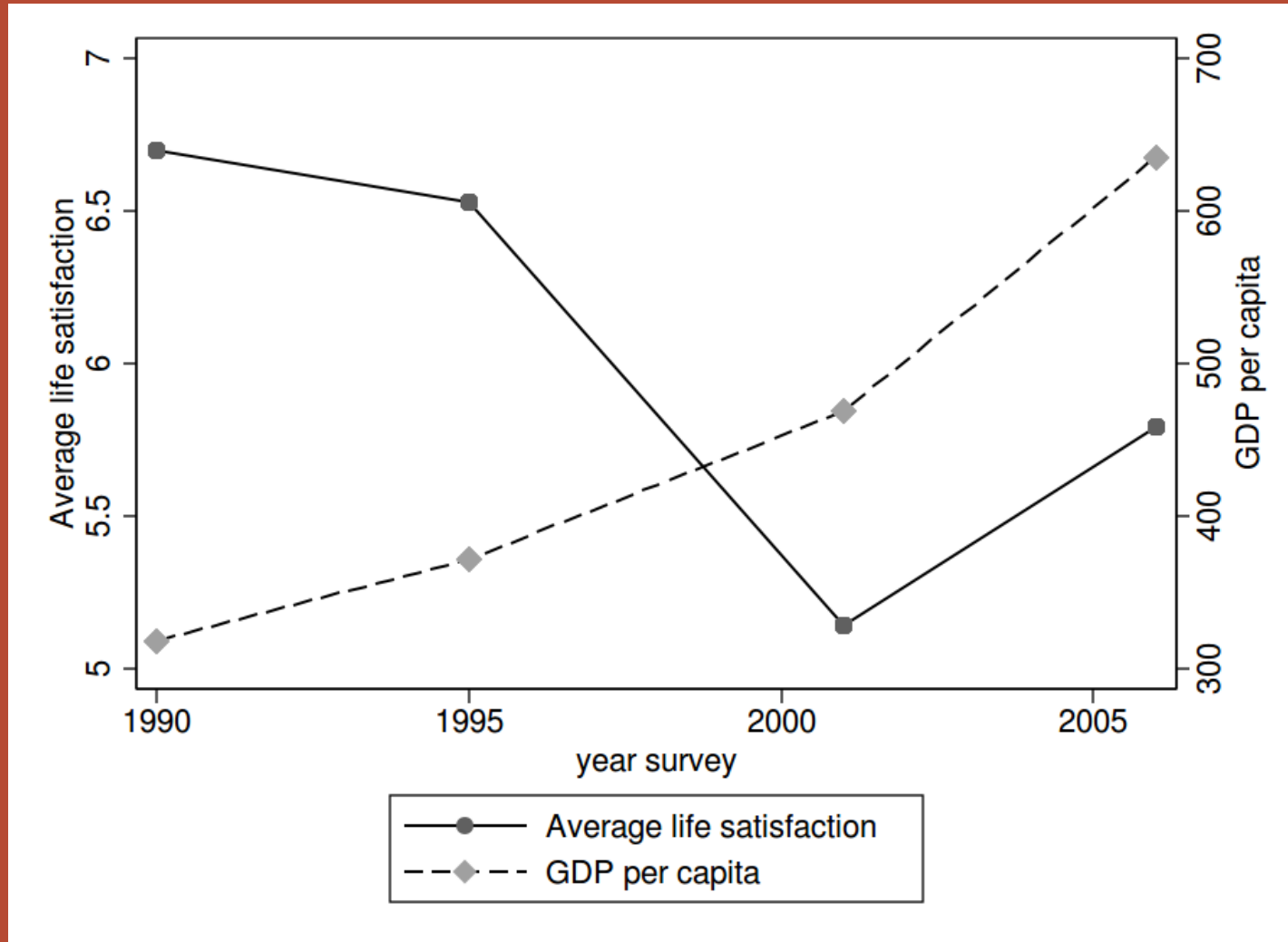
- An increase in: loneliness, sense of isolation, instability of families, generational cleavages, mistrust
- A decrease in: social contacts, honesty, solidarity, social participation, civic engagement

The decline of life satisfaction in China



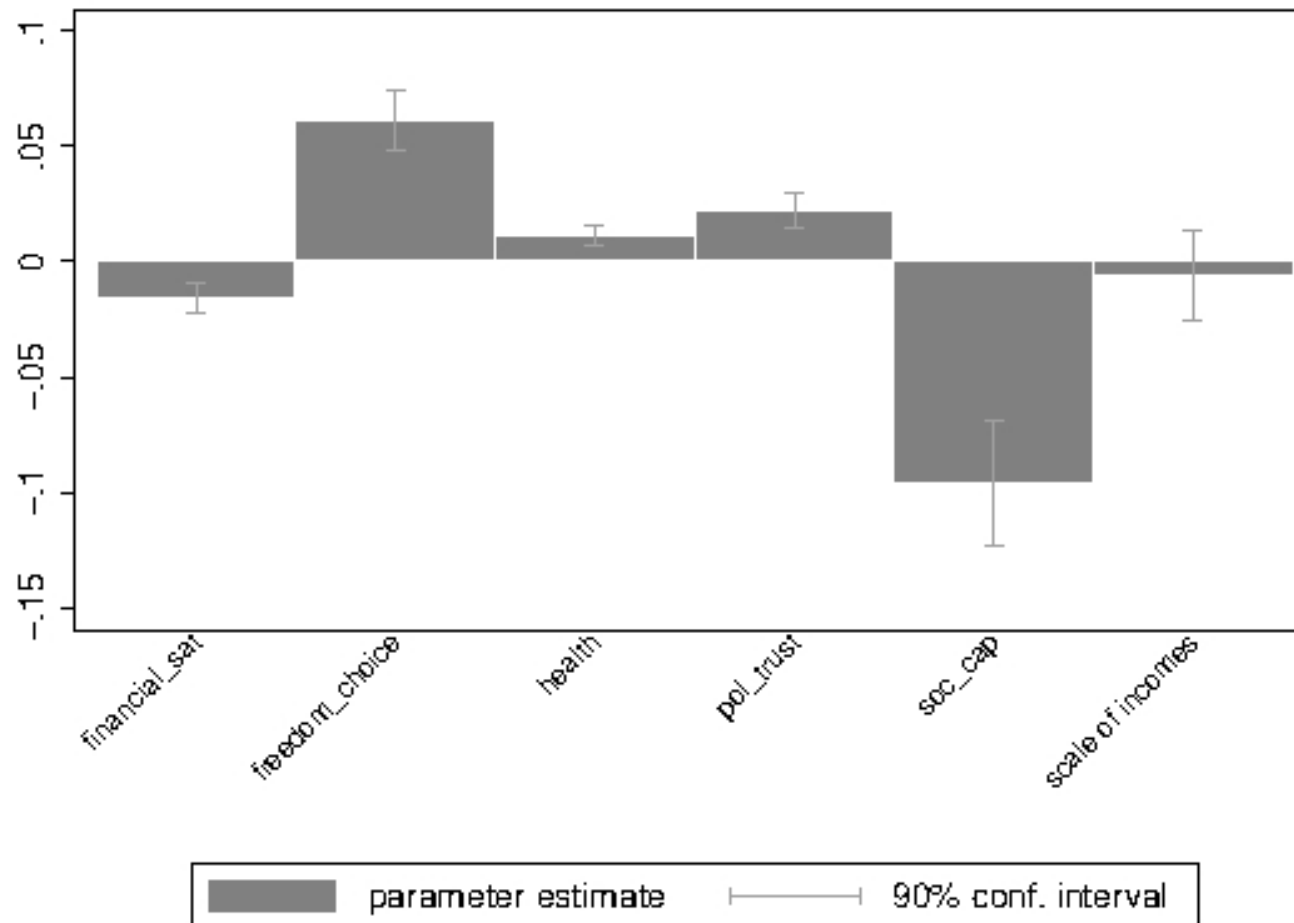
Source: Bartolini and Sarracino 2012b, WVS data

The decline of life satisfaction in India



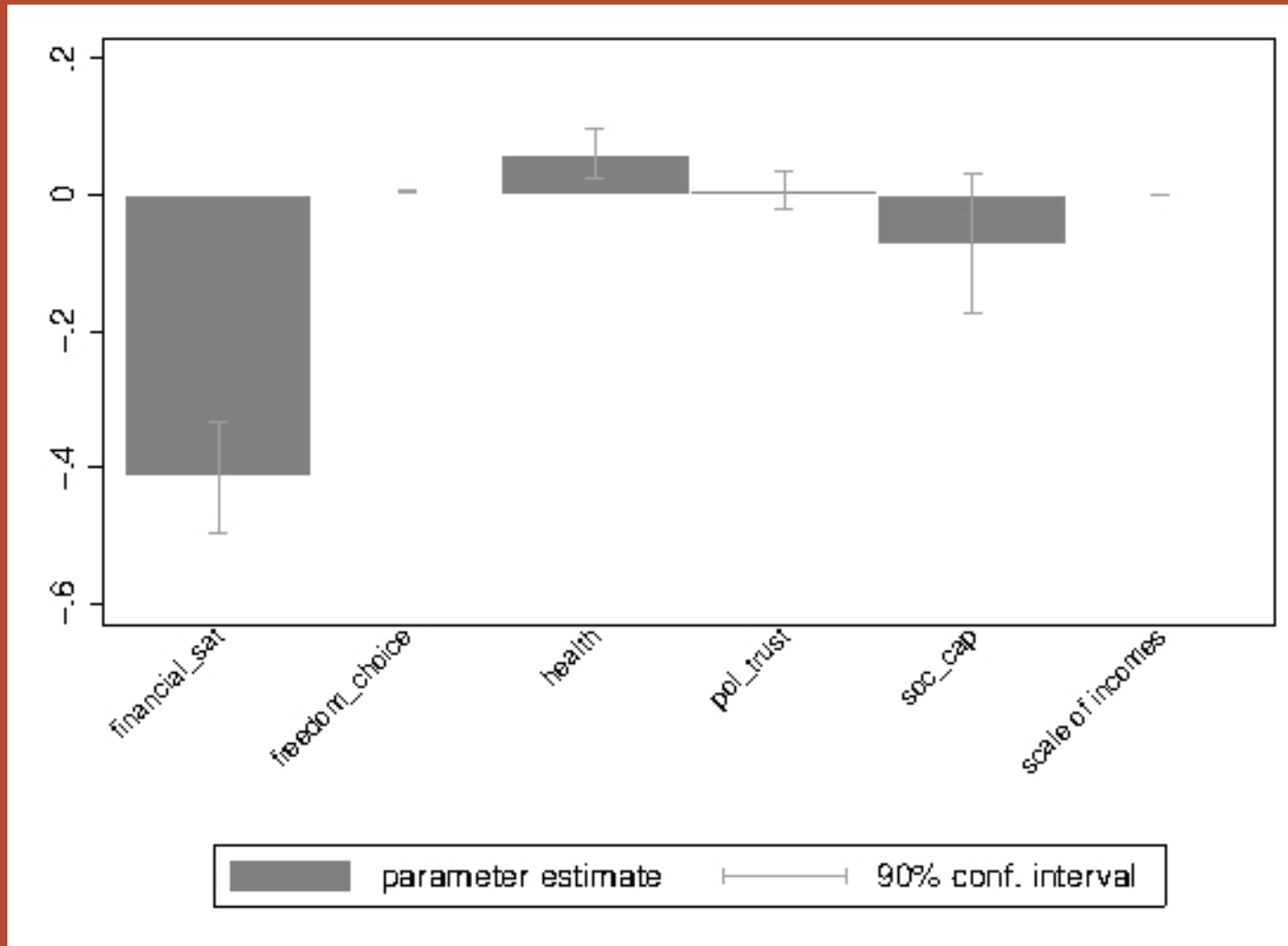
Source: Bartolini and Sarracino 2012b, WVS data

Decomposition of the decline in life satisfaction in China, 1990-2007



Source: Bartolini and Sarracino 2012, WVS data

Decomposition of the decline in life satisfaction in India, 1990-2006



Source: Bartolini and Sarracino 2012, WVS data

Private affluence





Poverty of
relationships



Conclusion

We are facing a serious problem of sustainability of social resources which seems to be a major threat for well-being

Should we dedicate to “something else” - at least in part - some of the enormous attention and policy efforts that contemporary societies pour into economic growth?

The answer crucially depends on the time span considered

Therapies: Policies for Relational Goods

How can we build an economy and a society that are more attentive to the relational aspects of life?

It is necessary and possible to change our:

- Cities
- Health system
- Work
- Schools
- Media
- Democracy
- Culture

Changing our cities

- For 5000 years, cities have been conceived as a place where people can meet

- Recent evolution:

- The decline of relational areas

- Traffic: the city for cars

- Commercial malls as relational areas

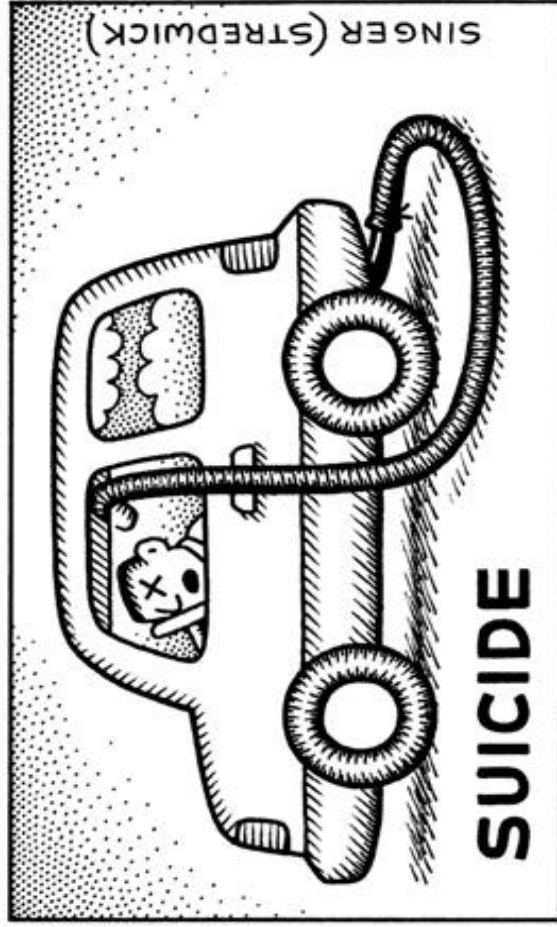
- The modern city is a place where people can meet only for production and consumption

- The main victims: generational inequalities

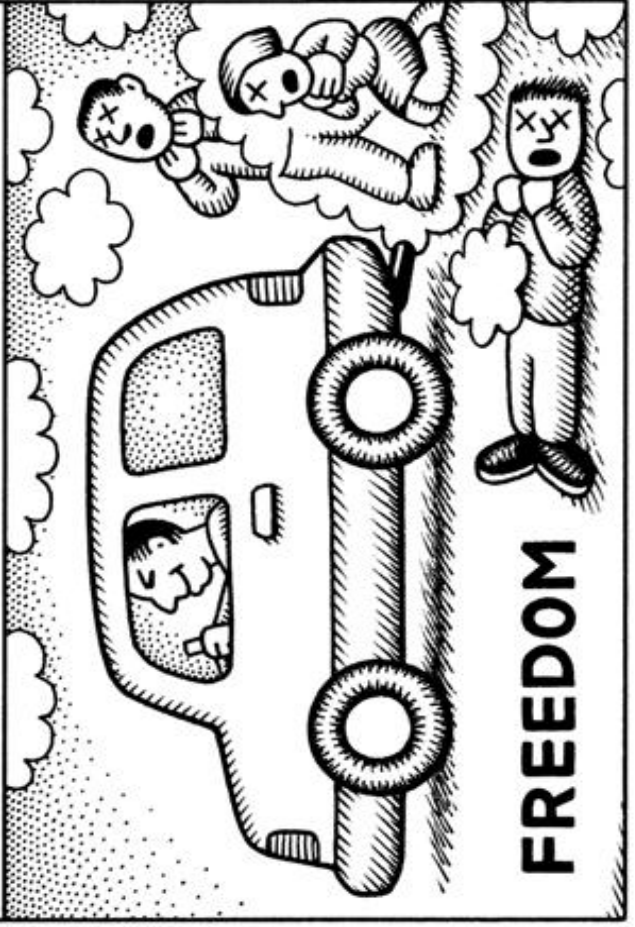
Changing our cities: space and transportation

- The crucial points are the organization of public space and of transportation
- Relationships require quality pedestrian public areas
- Relationships needs to be protected from traffic

NO EXIT © Andy Singer



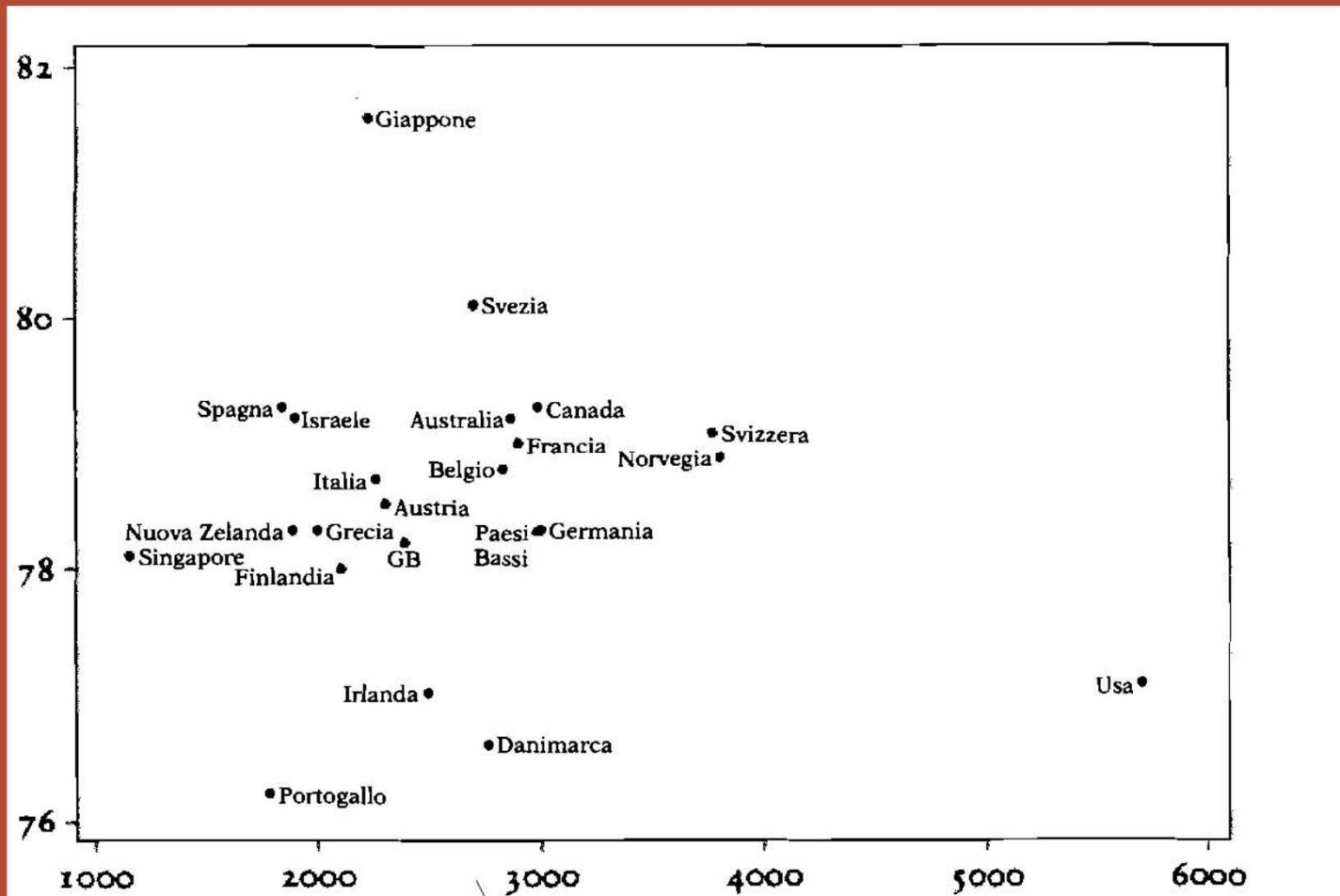
SINGER (STREDWICK)



Changing the health system

- How can people's health be improved?
- The spontaneous answer of most people generally is: what matters most is the income of a country and how much of it is spent on healthcare.
- It is a wrong answer

Life expectancy and health care expenditures p.c.



Source: Wilkinson and Pickett (2009)

Results from epidemiology

- Healthcare expenditure is only one of the elements that influence health and longevity
- Happiness plays a dominant role in the health of individuals and populations
- Example: **the nuns study**. In the 30s a group of nuns was asked to write brief auto-biographies. These latter have been recently analyzed measuring the positive emotions expressed.
- 90% of the quarter of nuns that expressed the most positive emotions were still alive at the age of 85. Only 34% of the quarter that expressed the less positive emotions were still alive.

Results from epidemiology

- Epidemiologists are also perfectly aware of the link between relations and well-being.
- Health, mortality and life expectancy are strongly correlated with the relational experience.
- Having friends, love affairs, participating in groups and associations, having an identity, support and social integration, trust in others, all these protect the health of individuals and populations (Wilkinson and Pickett 2009, Jetten, Haslam and Haslam, 2010)

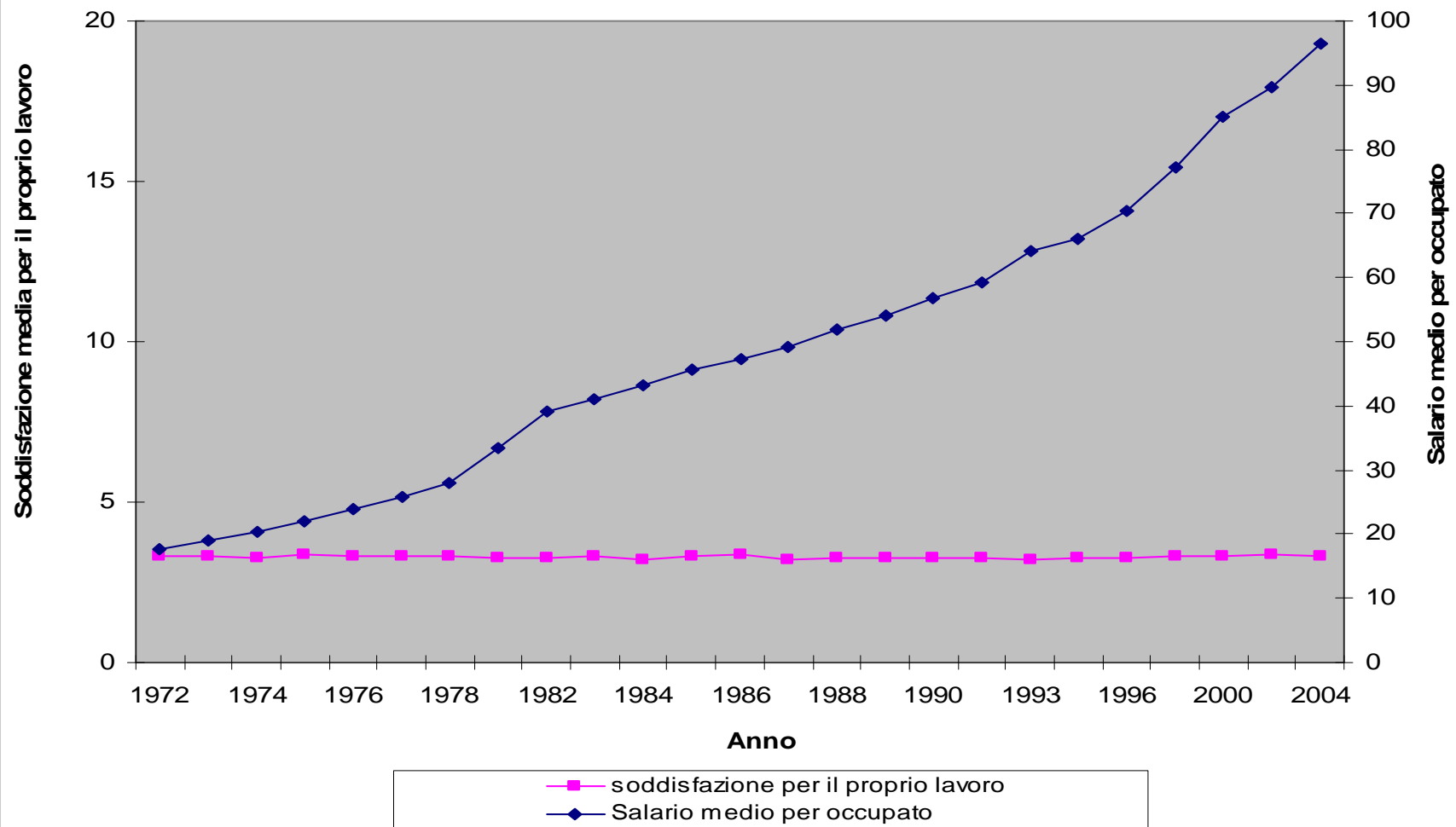
The prevention of diseases

- We over-spend in cure and under-spend in prevention
- The most important kind of prevention takes place outside of healthcare systems and it is achieved by promoting relations.
- Moreover: Importance of the relationships between medical personnel and patients. Doctors cure the illness, not the ill

Changing work experience

Well-being in the workplace

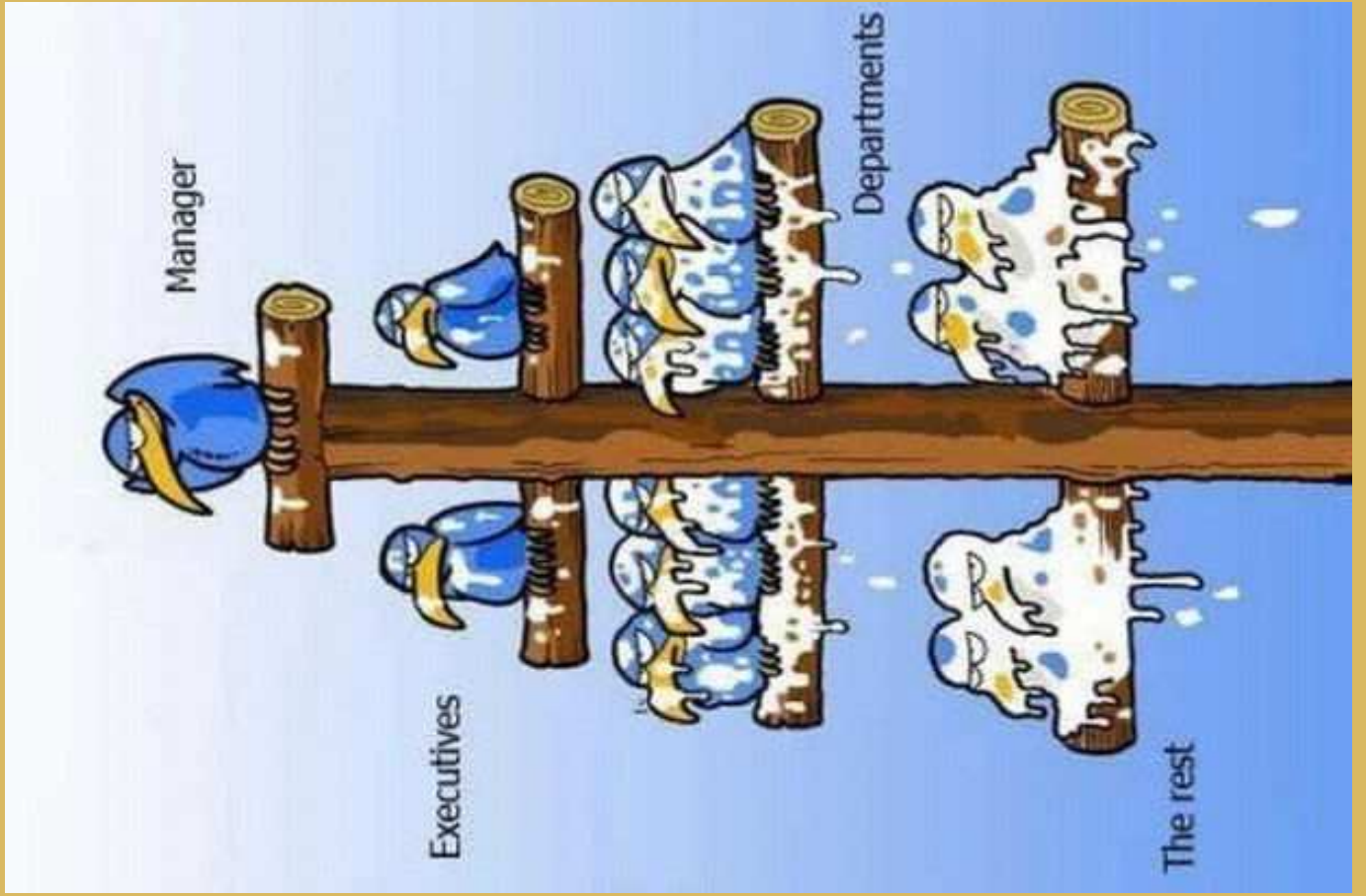
USA: Satisfaction in one's job has not increased in the past 30 years despite an increase in wages



Changing work experience

Satisfaction in one's job increases with:

- the quality of relations on the job (trust)
- the perception of control over one's work
- the opportunity to express one's abilities
- the variety of tasks carried out



Changing work experience : what should we do?

- Redesign the content of work processes so as to make them more interesting (e.g. job redesign, job rotation)
- Increase the degree of discretion and autonomy of workers
- Increase the compatibility between work and other aspects of life.
- Improve the relational content of working life.
Entrepreneurial culture
- Reduce those aspects of occupational organization that produce stress: pressure, controls, incentives

Happier but less productive?

- According to many economists, stress, dissatisfaction, pressures, tensions, competition, conflicts and difficult relations, repetitive and boring tasks are the price to pay for high production
- But psychological studies of the organizations do not confirm this belief
- Workers who are more satisfied have a higher “organizational citizenship”, that is the capacity of cooperation with others and with the organization in which they work in ways that are not strictly connected to their assigned tasks

Satisfaction on the job and productivity

Studies on “organizational citizenship” document that workers who are more satisfied :

- are more practical, collaborative and friendly
- change their jobs less frequently
- are less absent, more punctual and willing to help their colleagues
- the well-being of workers predicts also the satisfaction of clients
- these correlations are stronger in relatively complex occupations

The limits of incentives

- Incentives tend to shift the efficiency of the performance to that which can be measured to the detriment of that which cannot
- Incentives work well when performance is highly measurable and when the task is extremely boring and repetitive
- But this is not the general case
- **The message: it is not possible to build an efficient economy completely free of incentives. But we must invert the tendency of considering them as all that matters.**

Changing our schools

Schools teach:

- The time for production is not the time for well-being
- Passivity with regards to one's education
- Haste
- Competitiveness
- A relation with power
- That intrinsic motivations are not important

A school that functions: Liberal Arts Colleges

- “Knox's unique penchant for self-expression, conversation and tolerant debate Students are encouraged to take on their own research projects, participate in off-campus programs, even design their own majors.Knox is also an engaged place, where students actively participate in the governance of the College, and the issues of the day are openly—though respectfully—debated in and out of the classroom. You'll acquire the freedom to flourish.you'll develop your own personal educational plan uniquely suited to your educational goals and aspirations in life... (This will) give you complete ownership of your education “.

Conclusion: intrinsic motivations and the culture of stress

- The entire economic and social organization is based on the underestimation of intrinsic motivations and this is based on our culture.
- Once these intrinsic motivations have been forgotten, we are left with the **culture of stress**. It tells us that stress is a way of managing situations, guiding people, resolving problems. It is the same culture that directs the education of children, the organization of labor, as well as the entire socio-economic organization.

Advertising and children

- *“Advertising at its best is making people feel that without a product, you are a loser. Kids are very sensitive to that ... You open up emotional vulnerabilities and it is very easy to do with kids because they’re the most emotionally vulnerable (Nancy Shalek, president of the Shalek Agency)*
- “There are only two ways to increase customers: either you switch them to your brand or you grow them from birth”, (James U. Mc Neal, professor of marketing at Texas A&M)

Advertising and children

- All of these people understand something that is very basic and logical, that is if you own this child at an early age, you can own this child for years to come. Companies are saying: Hey, I want to own the kid younger and younger and younger.” (Mike Searles, president of Kids ‘R’)
- When it comes to targeting kid consumer, we at General Mills follow the Procter and Gamble model of “cradle to grave”. We believe in getting them early and having them for life”, (Wayne Chilicky, executive at General Mills).

The origins of the theory of marketing

- “In order to capture the attention of the audience” marketing “must be limited to a small number of assertions, constantly repeated”; “no change must modify their shape”; “the success of any form of marketing, either in business or politics, is based on its duration”; “its action must stimulate sentiments and not the reason”; “its spiritual level must be lower the greater it is the audience targeted”
- (***Adolf Hitler, Mein Kampf***, chapt. 6)

Reducing advertising

- In Sweden tv-ads targeting children (under 12) are forbidden. Tv programs targeting children cannot be longer than half an hour per day
- Ban tv-ads targeting children
- Reduce tv programs targeting kids
- Heavy taxation on advertising