

A Department of Homeland Happiness Security? Only if We Want to Be Unhappy!

BY RICHARD M. EBELING



It is more than 230 years since Adam Smith observed that each individual is a better judge of how best to apply his productive efforts than any statesman who would direct the economic activities of the citizenry. Furthermore, Smith said, any such power “would nowhere be so dangerous as in the hands of a man who had the folly and presumption enough to fancy himself fit to exercise it.”

After all the disastrous experiments in social engineering over the last 100 years, we might expect Adam Smith’s words to be a “self-evident” truth of practical politics. Yet in spite of this record of harm and failure, new rationalizations for more of the same keep cropping up.

One of the latest is called the “new happiness economics.” Once more we are offered the illusory promise of social-scientific precision, this time through the measurement of happiness. The happiness economist says he will be able to quantitatively determine how happy we are and how much our current degree of happiness may be raised (or lowered) through the use of government fiscal and regulatory tools.

A leading happiness guru is Richard Layard of the London School of Economics, who wants to make the planning of people’s happiness the primary goal of public policy. In the past, governments have tried to maximize output and income on the assumption that if people can buy more stuff, they’ll be happier.

But it seems that more stuff and higher incomes do not make people that much happier. Oh, certainly, when people are living at or not much above subsistence, adding to their supply of desired material things does make them happier. But according to surveys, after a certain point the increment of additional happiness

resulting from increments of additional income and wealth turns out to be negligible.

Why? First, it is said, people soon take for granted new or improved material aspects of their lives. Introduce cell phones, and the initial “ooh and aah” of being able to telephone from anywhere at anytime for any purpose wears off and becomes part of the assumed order of things. So the extra “happiness” from this improvement in the quality of life rapidly dissipates.

Second, people seem to care less about absolute increases in their material well-being than about their relative income in society. If people experience gains in their standard of living that leave relative income positions

more or less the same, they do not feel any happier. Only in the transition, when one person’s income rises before other people’s incomes do, does he feel happier because he’s gotten ahead of others.

Third, it is asserted that too many individuals pursue false trails in the quest for happiness. Modern man seeks happiness in the passing and superficial pleasures of the flesh and momentary

enjoyments derived from the acquisition of material things. Instead, people should be reeducated by the government to cultivate the higher virtues, and to develop an appreciation for beauty, truth, and goodness—all on the assumption that government knows what they are and how they can be learned.

So what is to be done? If increases in output and income beyond a certain point do not bring any significant gains in happiness, then government policies should foster less work and more leisure so that people will refocus their time and talents on family, friends, community, and nonmaterial self-improvement instead.

Richard Ebeling (rebeling@fee.org) is the president of FEE.

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The unhappiness created by income and social inequalities should be removed through more progressive income taxes. Leveling down will reduce the unhappiness experienced by middle- and lower-income people when they see others better off than themselves, and higher taxes on the rich will reduce their incentives for trying to maintain or reestablish their superior status.

If an activist happiness policy were to be implemented by the government along the lines its proponents suggest, people's choices would have to be reduced. If some are unhappy because others have more or different things, then the range of actions through which individuals are allowed to pursue happiness will have to be curtailed. Not only would the after-tax income of wealthier people have to be reduced, but the types of goods and services offered would also have to be limited. Even with incomes dramatically reduced through taxes, the wealthy might scrimp and buy a luxury car. Some neighbors may be "unhappy" seeing that others have things they lack, possibly because they are unwilling to make the tradeoffs.

Thus a happiness policy holds the potential for a heavily government-directed economy.

In fact we learn what is possible or desirable by seeing what others have attained. It stimulates us to work and create in order to be able to enjoy the kinds of things others have acquired. But the happiness-policy advocates object because of the frustration and "unhappiness" that inequality generates.

This stimulus, however, is often the engine of human progress. As Austrian-school economist F.A. Hayek once observed, most of what we call "civilization" can be classified as artificial since all we really need to survive is some food, an animal skin, and a


cave. Art, music, literature, modern medicine, air conditioning, automobiles, shampoo, toothpaste, washing machines, electric lights, and so on, are artificial, the result of imagination, innovation, savings, and production. And all these and many, many more were often the luxuries of the few before becoming the necessities of the many.

Dropping Out of the Rat Race

No individual needs to remain in the rat race or allow his happiness to be defined by what others do or say. Anyone can give up the stress of urban life for a rural environment with fewer pressures—if he or she is willing to make the unavoidable tradeoffs. One does not have to keep up with the Joneses if one is willing to think of the good life in a different way.

Not surprisingly, many new-happiness advocates insist that all our unhappiness is due to liberal capitalism and its ideology of self-interest and materialism. The cult of individualism and the god of mammon have undermined the possibility of a happier society, or so they claim.

Few supporters of the market economy have ever asserted that greater wealth is the essence of a happier or more meaningful life. What they have argued, however, is that a higher material standard of living removes the constant concern for the essentials of life and provides us with the means, if we so choose, to cultivate other intellectual, spiritual, and cultural pursuits that can and indeed do enrich the human condition.

The new happiness economics would only further undermine all that the free market has been able to do to improve human well-being. A Department of Homeland Happiness Security, if it were established, would very likely lead to a very unhappy society. 

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