

RECENZII

Carol Graham, *The Pursuit of Happiness. An Economy of Well-being*, Brookings Institution Press, Washington, D. C., 2011, 164 p.

Happiness is one of the mainstream subjects for many scholars from different areas of social sciences (e.g. economy, psychology, sociology). This is not a new preoccupation; traces can be identified up to Aristotle. But from 2008, from the first plenary meeting in Paris of the “Commission on the Measurement of Economic Performance and Social Progress” (<http://www.stiglitz-sen-fitoussi.fr/en/index.htm>) chaired by Joseph E. Stiglitz, the importance of incorporating the subjective measures of quality of life into the evaluation process of societies performance can not be denied no more. Current measures of economic performance (e.g. GDP) are not sufficient when one wants to describe and track societal well-being. An example of alternative practice is the *Gross National Happiness Index* developed by The Centre for Bhutan Studies (Ura et al., 2010). This is not a singular initiative; *The Gallup U.S. Healthways Well-Being Index* (<http://www.well-beingindex.com/default.asp>) or *Measuring National Well-being Life in the UK* (<http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/index.html>) can be cited.

Happiness is the term preferred by laymen. Academics sometimes use it

synonymously with life satisfaction, affect etc. Even if theoretically those terms designate different facets of subjective well-being, many researchers prefer to use the word „happiness” in their papers given its larger spread in common language. Happiness generally means an evaluation made by the individual to his or her overall life.

In the field we can find several micro and middle range theories of happiness. Gender, age, health, living conditions, all are influential predictors of happiness. There are also biological explanations for happiness variation (Grinde, 2012). A crude classification can distinguish between the livability and social comparison sets of explanations. The livability general theory, represented especially by Ruut Veenhoven (1993), state that happiness asks for the satisfaction of basic needs. It is difficult to be happy in an absolute manner if one lacks food, shelter or security. That’s why governments should focus on increasing the living conditions from their countries. The social comparison theory, represented especially by Richard Easterlin (1974; 2010) and Alex Michalos (1985), state that happiness is relative. We hardly can speak about absolute happiness given the natural tendency of humans to “Keep up with the Joneses”. An increase of aspirations and redefining of standards of a good life almost immediately accompany gains in wealth. These two theories, at the

beginning, seem adverse but, in reality, they can be combined and used to better understand why some people are happier than others.

Graham and Pettinato (2006), Graham et al. (2010), Graham and Markowitz (2011) or Graham (2011) contribute to this debate in a substantial manner. This book is mainly a summary of her previous work but with special attention given to the utility of subjective measures for policymakers. Written in an easy to read style, the book has five chapters. The first one, "Happiness: A New Science" clarifies the terminology used in the book and introduce us into the economics of happiness approach. In the second chapter, "What We Mean by Happiness: A 'Theory' of Agency and Well-Being" puts us in front of two philosophical perspectives of happiness understanding: Aristotle versus Bentham. The third chapter, "Happiness Around The World. What We Know", summarize the main research results of the author and her colleagues until now, focusing on transition economies like Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan), Cuba (pilot-survey in Santiago de Cuba and Havana), Africa (using Afrobarometer data), and Afghanistan. The fourth chapter, "Adaptation and other puzzles", introduces the theoretical contribution of the author to the field of happiness research. She proposes two explanations of happiness variation in terms of paradoxes: *happy peasants and frustrated achievers*, respectively *unhappy crisis*. She concludes her paper with a fifth chapter, "GNH versus GNP?", discussing the feasibility of a universal measure of well-being.

The paradox of *happy peasants and frustrated achievers* rise from a peculiar situation noticed in her studies from Latin America, Russia and already named countries: those that increased their standing in a specific time frame tend to report lower levels of happiness than

expected, while those that didn't do that report similar or higher levels of happiness than expected given their precarious position. The achievers become frustrated because they acquaint better ways of living while the community seems to develop in a rather slow pace than expected. Also, they change their reference points for a better life: they look up to those that already were in their current social position, and try to achieve similar lifestyles even if those can be unrealistic. They become blind to their own progress and, thru upward comparison, they feel as underachievers. On the other hand, those that didn't increase their welfare and have little chance to do so adapt to the hardship and found contentment in their simple life. By this token, happy peasants can report higher scores on happiness scales than frustrated achievers. But the policy makers should not look at the situation of "happy" peasants as a goal of their policies. This does not mean that they are happy with less in the sense of downshifting or frugal lifestyle. Simply put, they dree with one's weird.

So, according to this theory, one of the most important predictors of happiness is (positive) income mobility, at least for short-term periods. But, beside it, we have to take into account the subjective processes that take place simultaneously and after someone reached some standard of living. Amos Tversky and Daniel Kahneman (1991), for example, among other theories, discuss about *loss aversion*, people's tendency to strongly prefer avoiding losses to acquiring gains. For example, in post communist countries from Europe, the gain of freedom and democracy is counterbalanced by the high social costs of transition to market economy.

The paper has also several interesting methodological discussions. Among them is one about the different response style generated by two modes of asking someone about one's happiness level: the classical

indicator of happiness with overall life versus the ladder-of-life question introduced by the sociologist Howard Cantrill used by Gallup World Poll. Being a more framed question, the latter one correlate more closely with income than the former one. This observation can contribute to the going debate about the validity of Easterlin paradox.

I want to conclude with what Carol Graham considers that we can learn from happiness surveys: "They facilitate the measurements of the effects of broader,

non-income components of inequality, such as race, gender, and status [...] can be used to examine the effects of different macro-policy arrangements on well-being [...] also shows that political arrangements matter" (p. 15).

This book is a must-read for those researching happiness given, among other arguments, the interplay between economical and social perspective regarding happiness variation.

Marian Vasile

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