

INDEX APPROACH
VS.
PROBLEM ORIENTED APPROACH
to
WELL-BEING AND DEVELOPMENT POLICY

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Intensive discussion

“Put happiness at the centre of development”

- Countries
- International organizations
- Commissions
- Declarations
- Conferences

Important

- No repetition needed

Look forward

1. INDEX of Well-being

2. Focus on REAL ISSUES

⇒ Achieve happiness indirectly by good policies

INDEX APPROACH

Happiness Indices as guide to development policy

- Good intension
- Two major problems
 1. Explosion in numbers
⇒ Useful guide?
 2. Systematic distortions
⇒ Useful information?

Distortions of Well-being INDICES

As soon as they become politically important!

- a) Strategic answers by survey respondents
- b) Incentive to manipulations by governments

see

- GNP
- Unemployment
- Inflation

PROBLEM ORIENTED APPROACH

- Focus on
 - Problems
 - Issues
 - Shortcomings
- Use insights from happiness research:

What are the DETERMINANTS of happiness?

MAJOR INSIGHTS FROM HAPPINESS RESEARCH

Economic determinants

- Income
 - Level
 - Variability
 - Asymmetry: up, down
 - Distribution
 - Upward mobility
 - Shadow economy
- Employment
 - In firms
 - Self-employed

MAJOR INSIGHTS FROM HAPPINESS RESEARCH

Social determinants

- Family
- Social relationships
- Health
 - Physical
 - Psychic

Political determinants

- Bureaucracy
- Participation rights
- Decentralization

CONCLUSION

- INDEX Approach
 - Valuable
 - Major problems
 - Too many
 - Information distorted
- PROBLEM ORIENTED Approach
 - Targets specific issues
 - Much knowledge from happiness research
 - Economic
 - Social
 - Political