

# The quest to measure happiness has missed a key metric—and it's more important than money

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## HOW TO LIVE



Art by Ariel Costa for Quartz

### Where's the happiest place on earth?

Countries that use measures of wealth and productivity to gauge their performance look curiously to Bhutan, which tracks “[gross national happiness](#)” instead. The Nordic nations, with their generous social welfare systems supporting small, homogenous populations, are often trumpeted as somehow *getting it all right*. Ask Icelanders why the country consistently tops happiness charts and some will cite women’s empowerment, while others point to the sense of community fostered by [hanging out](#) in the country’s many municipal swimming pools and hot springs.

But for the most part, happiness isn't experienced at a societal level. Rather, it is individuals' lived experience, day by day, that accounts for the quality of life.

You need to use the right lens—or collect the right data—to see patterns in happiness. For years, a group of economists has tried to judge how countries are faring to this end, both internally and in relation to one another. They're trying to answer the ultimate question: What do we really need to be happy?

## **What's the secret to happiness?**

Last year, Michael Porter, a Harvard economist, led [the launch](#) of the Social Progress Index (SPI), a new tool to measure how societies are doing in comparison to one another and on a range of non-economic measures.

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It's useful to ask questions about how happy people are, he says. But once you know, what do you do with that information? The problem with happiness data is that it's not actionable on its own, Porter says. The SPI project seeks to reveal the building blocks of wellbeing, and how well each country is succeeding at providing them.

“Ultimately, we believe you've got to go backward in the causal chain, and really understand what is driving happiness,” he said. The SPI teases out a range of indicators, from basic human needs like water and sanitation, to more complex ones like access to advanced education. Unlike previous indexes, it strips out economics, trying instead to identify what, apart from wealth, helps people thrive.

Researchers weren't surprised to find that fundamentals like water, food, safety, and shelter were key. What did surprise them was another crucial marker that emerged: opportunity.

## **A case study in wealth without opportunity**

Porter explains this in terms of the Arab Spring, in which social demonstrations and uprisings swept through the Middle East and North Africa in 2010. Despite a decent economic situation in aggregate, on an individual level, people weren't able to pursue their goals, Porter suggested. "The historical assumption was that if you were wealthy, you could have social progress. And what we found was, well, not so fast," Porter said. Countries like Kuwait and Saudi Arabia were making good economic progress, but people were deeply unhappy. He said that the authoritarian nature of many regimes meant that even when people were relatively well-off, there was a lot of discontent.

In 2016, Kuwait scored much lower than many places in the category of personal rights, for example, even though its wealth means that other needs were being met. Saudi Arabia, where women [aren't allowed to drive](#), came 126th out of 160 countries on those same rights despite being one of the richest countries in the world.

Capitalism in the Middle East tends to be "based on a type of competition, which is often around natural resources. But [those countries] have not created opportunity," Porter said.

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“There are a lot of restrictions on opportunity, and as a result those countries, in general, are stagnant. They’re stuck. They don’t progress.”

Traditional economic indicators failed to capture the region’s discontent with a shortage of quality jobs, poor public services, and lack of government accountability, according to a [World Bank report](#) released in 2015.

“On the eve of the Arab Spring, the Arab world was an unhappy place for a variety of reasons,” said Shanta Devarajan, the World Bank’s chief economist for the Middle East and North Africa, in the report. “The old social contract of redistribution with limited voice had stopped working, especially for the middle class, prior to 2011. People wanted a say and real opportunities for economic advancement.”

Providing healthcare and sanitation aren’t enough: If everything is “top down” and only select people can advance, individuals don’t experience happiness in their lives, Porter said. Poorer people suffer most harshly, no doubt. But for many the problem is not simply having the means, but also having the power to use them.

This problem isn’t confined to authoritarian regimes.

## **Populism and its Western discontents**

In 2016, populist votes pushed both the UK and the US onto new and—according to some—dangerous trajectories. Europe saw a surge in support for parties with extreme views on immigration.

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A lack of opportunity, real or perceived, was at the heart of these revolts against the status quo, Porter said. Though by many measures people in the West are wealthy, they felt lack of opportunity—in work or the ability to plan for the future—which led to deep discontent.

“I think *the* issue across many societies now is shared prosperity. And what we’re finding is this polarization, or these gaps forming,” Porter said. Of the key variables connected to social progress, opportunity was the least correlated to GDP per capita. It’s not just about poverty: Gaps in richer societies also figure in.

Income inequality has become a well-recognized global problem in recent years. But the fact that there isn’t a direct correlation between wealth [inequality and unhappiness](#) supports Porter’s view that it’s about a lot more than money.

Understanding how healthy societies work and how they help individuals within them to thrive precedes Porter. Aristotle was concerned with how to live a satisfying life and achieve “eudaimonia”—an Anglicized Greek word that’s been translated as “happiness,” but more accurately means “human flourishing.” Yet the post-industrial Western world got used to measuring social progress using GDP, which led to prioritizing economic effort above most everything else. As economists in the field are keen to point out, the decision about what to measure influences what a society chooses to care about.

(It’s also worth noting that governments don’t necessarily see their job as making citizens happy. Keeping populations safe, making them productive, or controlling them have all been goals of various administrations from far in the past up to the present day.)

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## *live free of pain and worry.*

### **The happiness “mistake”**

The problem of measuring GDP above all was identified in the 1990s, when economists Mahbub ul Haq and Amartya Sen devised the Human Development Index, a predecessor to the SPI which incorporated some economic indicators. Sen “really is the scholar that led this work,” Porter said of his predecessor (ul Huq died in 1998).

Sen, who is now also based at Harvard, said happiness is just one of a multitude of things that go into a successful life and a well-functioning society.

“The world is many different things,” he said, “And trying to weave that all into one indicator... would be a mistake.” He was resolute in not boiling down the “problem” of happiness to one factor above others.

A person’s happiness, and her perception of success or failure, ultimately depends on what measures the individual values over the course of her life—whether that’s providing for a family, fighting climate change, or writing poetry. Wealth is nothing without the opportunity provided by good health to live free of pain and worry. And opportunity itself is important, but is it—or freedom, or love—paramount?

“No. That is the question that Confucius [asked],” Sen said, laughing. “It’s not for me. There’s not one thing that I can say. There are many things.”