

## **Lecture 3**

### **What would make a happier society?**

Some evidence

Policy implications

- Work, job security and stress

- Secure families and communities

- Mental health

- Personal and political freedom

A philosophy of life

- Mood control

- Relations with others

- The moral vacuum

The greatest happiness

Not long ago I was asked to speak at a seminar in the Treasury and to answer the following question, “What difference would it make if we really tried to make people happier?”<sup>1</sup> To my mind that is exactly the right question, so let me share with you my rather inadequate answer. In particular I want to bring out where it differs from the normal answers given by economists, especially from bodies like the OECD.

My main message will be that happiness depends on a lot more than your purchasing power. It depends on your tastes, which you acquire from your environment – and on the whole social context in which you live. So, when we evaluate policies which increase purchasing power, we absolutely must take those other effects into account. Finally I shall come back to the question of our objectives and say why I think Bentham was right and the greatest happiness should be the agreed goal of our society.

## **SOME EVIDENCE**

Let me start with the evidence on what makes people happy. Of course this is still very partial, but there have been huge strides by psychologists and by some economists like Andrew Oswald who has been a major figure in this field, beginning in our Centre and now at Warwick.

Most of the research points to 7 main factors, which I have listed here in no particular order (Figure 1). They are income, work, private life, community, health, freedom, and a philosophy of life. We discussed the significant but limited impact of income yesterday, and today I want to compare the effect of other factors with that of income.

This table (Table 1) is based partly on Andrew Oswald’s work on the Eurobarometer data but mainly on a paper by John Helliwell which used the World

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<sup>1</sup> Precede with story about the Bishop of Lincoln.

Values Surveys of 1981, 91 and 96, which cover 90,000 individuals in 46 different countries. Where the two surveys overlap, they give broadly similar results.

The idea of the table is quite simple. We measure a person's happiness and then we try to explain it by a whole battery of facts about their situation. In each row of the table we are measuring how each factor affects happiness, others factors being held constant.<sup>2</sup> To think about the size of these effects, we compare the size of each effect with the effect of income. So, we choose the units of happiness so that, when family income falls by a third relative to average income, happiness falls by 1 unit.

**Table 1**  
**Effects on happiness**

	Fall in happiness (index)
<b>Income</b>	
Family income down 33% relative to average	1
<b>Work</b>	
Unemployed (rather than employed)	3
Job insecure (rather than secure)	1.5
Unemployment rate up 10 percentage points	1.5
Inflation rate up 10 percentage points	0.5
<b>Family</b>	
Divorced (rather than married)	2.5
Separated (rather than married)	4.5
Widowed (rather than married)	2
<b>Health</b>	
Subjective health down 1 point (on a 5-point scale)	3

Source of all rows except 3-5: Helliwell (2001), Equation 2. To find the effect of a 33% decrease in family income I assume that we move from the 6<sup>th</sup> decile group to the 4<sup>th</sup> decile group – (correct for the UK, see O.N.S. *Economic Trends*, April 2000, p.62).

Source of row 3: Blanchflower and Oswald (1999), Table 7. V. approximate.

Source of rows 4-5: Di Tella, MacCulloch and Layard (2002).

Compared with this, let's start with the effect of personal unemployment, excluding any effect coming through lower income. As you can see, there is a very

<sup>2</sup> Other independent variables come in Table 2. The Helliwell study also controls for education and 7 country fixed effects (Western Europe and US, Scandinavia, FSU, CEE, Latin America, Asia, Other), though dropping the fixed effects makes little difference. The Di Tella et al study covers all EU countries from 1975-97 and controls for country and time fixed effects.

large non-income effect of unemployment. For people in work there is also a big effect of job insecurity, in the next row. And in the row below that we can see that a rise in general unemployment is deeply disturbing, even if you're not unemployed yourself – and more disturbing than an equal percentage point rise in inflation.

Moving on to the influence of private life, our family variables here are a poor proxy for troubled private lives and there is certainly **some** reverse causality – with unhappy people being more likely to divorce. Even so these are huge numbers and confirm how important family influences are, when compared with income. So is the health of the individual. Moreover, as we know from yesterday, if society **as a whole** decreased its income by a third, the happiness of each individual would not fall by 1 unit but by less, due to the fact that everyone was suffering together. So you can see just how important these other influences are.

I think the table is really informative and it is confirmed by other studies using different data. Notice that none of the findings could have been obtained by the standard method of economics, which is to infer valuation from behaviour (via so-called revealed preference). Nor would they have been obtained by the normal psychological method of asking hypothetical questions about how people would value changes. Instead they reflect the most obvious and direct way of establishing what causes X – namely to measure X in this case happiness and see what factors influence it.

## **POLICY IMPLICATIONS**

The findings are pretty devastating in their policy implications. Let me begin with policies towards work.

### **Work, job security and stress**

Whichever country you study, unemployment is for most people a major disaster.<sup>3</sup> This comes not only from comparing people who are currently employed

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<sup>3</sup> Di Tella, MacCulloch and Oswald (2002), Table A.1.

and unemployed, but also from looking at the same people as they move from employment to unemployment, and back again.<sup>4</sup> It is a disaster similar to marriage break-up – in each case you cease to be needed.

This is in marked contrast to the assumptions of many economists who consider the main loss from unemployment to be the loss of income to society as a whole, adjusted downwards for the value of increased leisure. But our analysis shows the huge psychic impact of unemployment on the unemployed person, on top of whatever income the unemployed person loses. That is why low unemployment should be a key goal for any government. It also means that almost any job is better than no job. That is something which you are not allowed to say in France or Germany at present, but the evidence supports it. That is why I believe strongly in welfare-to-work.

If unemployment is such a disaster, it is also not surprising that, even when people are in work, they are much happier if they feel their job is secure. Yet there are powerful voices arguing that we cannot afford to offer the job security which we once thought reasonable. At OECD flexibility is the name of the game. But how can we not afford security now that we are richer, when we could afford it when we were poorer?

One possible answer is that employment protection was bad for employment in the past as well as now. But the majority of economists dispute that.<sup>5</sup> A second answer could be increasing globalisation, which is supposed to have reduced the potential for stable employment. But, as a matter of fact, in the British workforce as a whole, job tenures are as high as they ever were.<sup>6</sup> And, as a matter of principle, a country can always accept lower real wages if that is the price of the security we would prefer.

This choice is not however open to an individual since, if he asks for more security in return for a lower wage, it casts doubt on his willingness to work. So

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<sup>4</sup> Winkelman and Winkelman (1998).

<sup>5</sup> See Nickell and Layard (1999) and references therein.

<sup>6</sup> See for example Taylor (2002), Table 4.

collective action (including legislation) to provide reasonable job security is an important element of a civilised society. But most Americans still consider that European labour relations are far too gentlemanly. It is not surprising that Europeans want to keep their own way of doing things, especially when Continentals north of the Mediterranean have achieved US hourly productivity without US levels of insecurity.

There is also the question of the pace of work. In order to improve performance, workers are under increasing pressure to achieve targets. This is leading to increased stress. For example in 1996 the Eurobarometer survey asked employed people in every country whether in the last 5 years there had been a “significant increase in the stress involved in your job”. Nearly 50% said Yes, it had increased, and under 10% said it had diminished. Figures for Britain were similar to the European average.<sup>7</sup>

Some might argue that this is the pace of work which people have chosen. But not all options are in practice available. For example US lawyers now work harder than they used to, and a survey of associates in US law firms showed that they would like to work shorter hours for less pay.<sup>8</sup> But the problem of the lemon is at work again – the person who first proposes this is felt to show lack of commitment. And the partners in the firm are in fact using work hours as a test of other qualities which they cannot observe.

So we need a new approach to the work-life balance. I discussed a part of this strategy yesterday – it is the simple mechanism of taxation. But we also need a change in cultural priorities, so that performance (i.e. GDP) is put into its proper place.

And how should we regard the standard OECD view that we need more entrepreneurship and risk-taking? Such statements are of course contrary to standard economic theory, which says that no one set of tastes is better than any other. What is however clear is that for most people the desire for security is a central part of their nature. That is why we set up the Welfare State and introduced stabilisation policy in

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<sup>7</sup> Blanchflower and Oswald (2000), Table 19.

<sup>8</sup> Landers et al (1996).

every advanced country. Of course mistakes have been made, and in many countries income is guaranteed to people even if they ignore the work that is available. But, as we become richer, it must be made if, at the same time, we become less secure and more stressed. Both security and a quiet mind are normal goods, which should be increased (not decreased) as people become richer.

Yet the Anglo-American elite glorify novelty. Nothing is good unless “innovative”. Civil servants gaily reorganise every public service, oblivious of how each reorganisation destroys a major channel of personal security and trust. I believe we have a lot to learn from “old Europe”, where the value of stability is better understood.

### **Secure families and communities**

Turning to security in the family and the community, I am no expert. I want to discuss only one factor – geographical mobility. This illustrates the problem which arises when policies are adopted because they increase GDP, even though they may have other effects on happiness which are negative. Economists are generally in favour of geographical mobility since it moves people from places where they are less productive to ones where they are more productive. But clearly geographical mobility increases family break-up and criminality.

If people live where they grew up, close to their parents and their old friends, they are probably less likely to break up. They have a network of social support, which is less common in more mobile situations.

Similarly, if people are highly mobile, they feel less bonded to the people among whom they live, and crime is more common.<sup>9</sup> The evidence shows that crime is lower when people trust each other,<sup>10</sup> and that people trust each other more if fewer people are moving house and the community is more homogenous.<sup>11</sup> These are really

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<sup>9</sup> Glaeser and Di Pasquale (1999); Sampson et al (1997).

<sup>10</sup> Halpern (2001).

<sup>11</sup> On inter-area data for US see Alesina and La Ferrara (2000). On cross-country data see Knack and Keefer (1997, Table VII), though La Porta et al (1997, p.337) show little bivariate relation between trust and ethno-linguistic diversity. At the experimental level Harvard students are less likely to behave in a trusting and trustworthy way towards members of other nationalities or ethnic groups (Glaeser et

important findings. For, if we look at the failures of modern societies, the growth of crime is surely the most obvious failure. And in some countries it is closely linked to a decline in trust, to which I shall return. Similarly, mental illness is more likely if you live in an area where your group is in the minority than if you live where your group is in the majority. If mobility has this cost, it should be taken into account before Europeans are urged to match US levels of geographical mobility, or indeed immigration.

### **Mental and physical health**

Let me then move to a more individual condition - health. Self-reported health is strongly related to happiness. But there is the standard selectivity problem here, and objective measures of health are much less closely correlated with happiness except in cases of severe chronic pain.<sup>12</sup> One conclusion is that the social arrangements for health care should be taken very seriously, relative to the targets for objective health. But, more important, mental health is the health variable that is much the most closely related to happiness. Most of the worst unhappiness is caused by mental disorders, especially depression and schizophrenia.

It is a complete scandal that we spend so little on mental health. Mental illness causes half of all the measured disability in our society and, even if you add in premature death, mental illness accounts for a quarter of the total impact of disease. Yet only 12% of the NHS budget goes on it and 5% of the MRC budget. Roughly 25% of us experience serious mental illness during our lives, and about 15% experience major depression. Such depression can in most cases be helped by a combination of drugs and cognitive therapy. Yet only a quarter of people now suffering from depression are being treated, and most of them just get pills from a non-specialist GP. If we really wanted to attack unhappiness, we would totally change all this, and make psychiatry a central, high-prestige part of the NHS.

Indeed in OECD countries since the War the single most striking improvement in human happiness has been among those who suffer from schizophrenia and

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al, 2000). Note also that a person is more likely to be mentally ill when fewer people in the community come from his ethnic group (see Halpern and Nazroo, 1999).

<sup>12</sup> See Seligman (2002); Brief et al (1993).



depression, who were untreatable before the War and can now be helped. So at this point let me speculate somewhat wildly. Even already, after only 50 years of research, many people are helped by Prozac to “feel themselves” rather than some sub-standard person that they only half recognise. As drug research advances, it would be surprising if more and more people could not be helped to be what they feel is the real them.

### **Political and personal freedom**

What about the bigger community – the system of government and laws under which we live? From our earlier comparison of countries it was obvious that people hated Communism, even apart from its effect on income. The finding is confirmed econometrically in Table 2 which continues the multiple regression analysis which began in our first Table. The index of political standards here involves a measure of the standard of governance in six different dimensions, and the result shows a huge difference in happiness associated with a government like that of post-Communist Hungary as compared with still-Communist Belarus. There are at least three dimensions to freedom: political influence (on government policy); personal freedom (eg free speech); and economic freedom (to do business). All three are at work in these inter-country results.

A recent study of political democracy has produced remarkable results. Bruno Frey has compared happiness in those Swiss cantons with the **most** frequent referenda with happiness in those Swiss cantons with the **least** frequent referenda. The resulting difference in happiness is roughly equal to the effect of a doubling of income.<sup>13</sup> This has obvious implications for the rebirth of local democracy.

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<sup>13</sup> Frey and Stutzer (2002).

**Table 2**  
**Effects on happiness (continued)**

	Rise in happiness (index)
<b>Income</b>	
Family income up 50% relative to average	1
<b>Freedom</b>	
Quality of government improves	
Hungary 1995 rather than Belarus 1995	2.5
<b>Religion</b>	
“God is important in my life”	
You say Yes, holding church attendance constant	2
<b>Trust</b>	
“In general, people can be trusted”	1
You say Yes, not No	0.8
Others saying Yes rise 50 percentage points	
<b>Morality</b>	
Tax morality – “Cheating on taxes is never justifiable”	
You say Yes, not No	1
Others saying Yes rise 50 percentage points	0.7

Source: Helliwell (2001), Equation 2. To find the effect of a 50% increase in family income I assume that we move from the 4<sup>th</sup> decile group to the 6<sup>th</sup> decile group.

### Conclusions so far

So before I come to values, let me summarise the main policy points I have made in this and the preceding lecture.

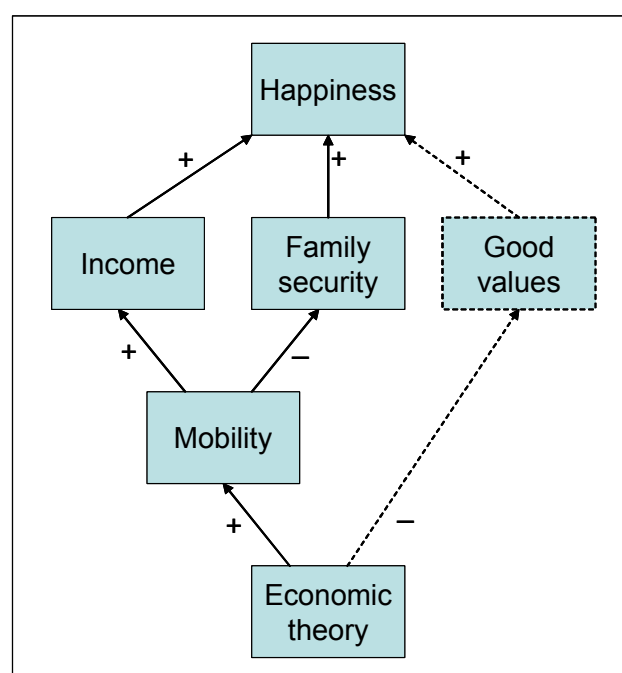
1. Self-defeating work should be discouraged by suitable taxation.
2. Producers matter as much as consumers. They should be incentivated more by professional norms and not by ever more financial incentives.
3. We should not promote the search for status, and we should limit dysfunctional advertising.
4. Income should be redistributed towards where it makes most difference.
5. Secure work should be promoted by welfare-to-work and reasonable employment protection. Secure pensions may require a state earnings-related scheme.

6. Security at home and in the community will be reduced if there is too much geographical mobility.
7. Mental health should receive much higher priority.
8. We should actively promote participatory democracy.

But there is also a more general conclusion about the limited power of economics to resolve policy issues on its own. Almost any policy that affects income also affects happiness through non-income channels, which need to be taken into account in any proper cost-benefit analysis. For example in Figure 1 mobility raises income which increases happiness. But it may also reduce the security of families and communities and thus reduce happiness. We cannot have good policy unless we have a major programme of quantitative research on the size of all the non-income channels affecting human welfare. Economic theory cannot have the only say, as it does in this diagram.

And then there is a second point about the effect of economic theory – via its effect on values. Economic theory assumes that people are normally selfish. As I shall show, such teaching can adversely affect people's values, and people's values have a major influence on the happiness of society. I want to end these lectures by discussing the role of values.

**Figure 1**



## A PHILOSOPHY OF LIFE

### **Mood control**

There are two aspects to a philosophy of life – how you interact with yourself and how you interact with others. Obviously people are happier if they are able to appreciate what they have, whatever it is; and if they do not always compare themselves with others; and if they can school their own moods. I think David Goleman is right about emotional intelligence: it exists and it can be taught by parents and teachers.<sup>14</sup> You probably know Sir Henry Wootton's description of the happy man, which ends:

That man is freed from servile bands  
Of hope to rise or fear to fall,  
Lord of himself though not of lands,  
That having nothing yet hath all

But the clearest statement I know is in Victor Frankl's book on Man's Search for Meaning when he wrote about his experiences in Auschwitz and concluded that (quotes) "everything can be taken from a man but one thing, the last of human freedoms – to choose one's attitude in any given set of circumstances".<sup>15</sup>

Different people have different ways of disciplining their minds and their moods – from cognitive therapy, to Buddhist mindfulness, to the 12 Steps of Alcoholics Anonymous, to the spiritual exercises of St Ignatius. People find comfort from within, in all sorts of ways, but these generally include some system of relying for help on the deep positive part of yourself, rather than on the scheming ego.

Some people call this God, and Table 2 reports one of the most robust findings of happiness research: that people who believe in God are happier. But no research has sorted out how far belief causes happiness or how far happiness encourages belief, and in any case no one should believe if it goes against their reason.

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<sup>14</sup> Goleman (1996).

<sup>15</sup> Frankl (1985) p.89.

## Relations with others

So happiness depends on how you interact with yourself, but it also depends on how you interact with others, and on how you perceive them. People are much happier if they feel they live in a friendly and harmonious world. In many countries surveys have regularly asked, ‘Would you say that most people can be trusted? – or would you say that you can’t be too careful in dealing with people?’<sup>16</sup> As Table 2 shows, those who say they trust people are happier. In addition people are happier when surrounded by people who are trusting.

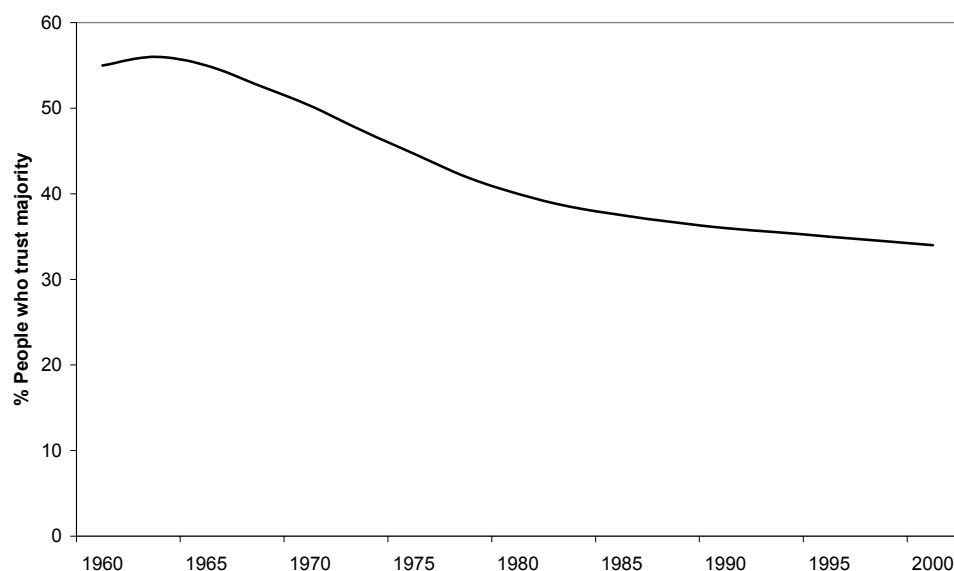
Yet, depressingly, on these measures trust has been declining sharply in both the US and Britain. Here are the figures.

**Table 3**  
**Percent who think most people can be trusted (Britain)**

1959	56
1981	43
1995	31

Source: Hall (1999), p.432 and World Values Survey 1995.

**Figure 2**  
**% who say “most people can be trusted”, US**



Source: Putnam (2000) p.140.

<sup>16</sup> Glaeser et al (2000) give behavioural evidence that Harvard students who express trust are in fact more ‘trustworthy’ than others (but only marginally more ‘trusting’).

They show that in Britain in the late 1950s near 60% of people felt that most other people could be trusted. By the 1990s this had fallen to around 30%. There was a similar fall over the same period in the US.<sup>17</sup>

I do not want to sound like an old fuddy duddy, and certainly not to be one. And there have always been Cassandras who said that things are going to pot. But the following evidence seems to me to be extremely important. In 1952 half of all Americans thought people led “as good lives – moral and honest – as they used to”. So there was no majority for the view that things are going to pot. But by 1998 there was a 3-to-1 majority for precisely that view.<sup>18</sup>

**Table 4**  
**% saying that people lead “as good lives –**  
**moral and honest – as they used to”, US**

1952	51
1965	43
1976	32
1998	27

What has caused these changes is not at all clear. Increased mobility and increased family break-up may have contributed. But there were surely intellectual influences, especially through the assumptions which people imbibe in childhood. In this context it is interesting that the downward trend in trust in the US is not because individual people have become less trustful over their lifetime – but because each generation has started their adult life less trustful than their predecessors did.<sup>19</sup> This suggests that we urgently need to reinforce moral education in the curriculum of our schools. But what moral philosophy should we espouse?

### **The moral vacuum**

If we look at the last hundred years, the most obvious change in our ideas has been the decline in religious belief, caused by the progress of Darwinian science.

<sup>17</sup> In 1976 Europe and Japan we only have comprehensive figures since 1980 (World Values Survey). These show no country with a decline in trust and some with an increase over that shorter period.

<sup>18</sup> Putnam (2000) p.139.

<sup>19</sup> Putnam (2000) p.141.

This removed the sanction of the after-life. However for some time the effect of this change was masked by the rise of socialism or quasi-socialism as a moral code involving mutual obligation. But the failure of socialism-in-action left a vacuum which has been filled by relatively untrammelled individualism.

As Robert Putnam has documented, this individualism has become the dominating ideology in Western culture since the late 1970s. Economists support it by the Smithian argument that the pursuit of self-interest will lead via the invisible hand to the social optimum. All that society has to do in the extreme model is to establish property rights and a strong legal framework.

Yet all our experience shows that this is wrong – that contracts cannot be specified fully enough and courts cannot operate efficiently enough to produce good outcomes, unless most people already have a taste for good behaviour. More important, the pursuit of individual self-interest is not a good formula for personal happiness. You will be happier if you also obtain happiness from the good fortunes of others. In fact the doctrine that your main aim must be self-advancement is a formula for producing anxiety.

In this context the role of economics teaching is truly problematic. We tell people that they are selfish and it is not surprising that they become more so. Robert Frank asked students at Cornell whether they would report it if they were undercharged for a purchase, and whether they would return a lost addressed envelope which contained \$100. They were asked in September and again in December after one term's work. Students who took introductory economics became less honest, while astronomy students became more honest, and the difference was significant.<sup>20</sup> Similarly, when playing the Prisoners Dilemma game, economics students were less likely to cooperate than other students and the gap widened the longer people studied economics. As time passes, economics teaching is seeping increasingly into our culture. This has many good results but also the bad one, of justifying selfishness.

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<sup>20</sup> Frank et al (1996), p.190, and Frank et al (1993). See also Rhoads (1985).

## BACK TO BENTHAM

So we are in a situation of moral vacuum, where there are no agreed concepts of how unselfish a person should be, or of what constitutes a good society. I want to suggest that the right concept is the old Enlightenment one of the greatest happiness. The good society is the one where people are happiest. And the right action is the one which produces the greatest happiness.

This is not a currently fashionable view among philosophers. But they do not offer any alternative overarching theory which would help us to resolve our moral dilemmas. Instead they support various separate values: promise-keeping, kindness, truthfulness, fairness and so on. But what do we do when they conflict? What should I do if I have promised to go to my daughter's play and my father is taken to hospital – keep my promise or be kind to my father? I see no way in which conflicts between principles could be resolved without reference to some overarching principle. And that principle would surely focus on the feelings of the people affected. The question is how strongly each of them would feel if I did not turn up.

As I see it, moral philosophy is not about a limited set of moral dilemmas, but about the whole of life – how each of us should spend our time and how society should allocate its resources. Such issues cannot be resolved without an overarching principle. 'Do as you would be done by' might seem to be one such principle but it provides little guidance on how the state should treat anyone, be he a criminal, a minor or a taxpayer. And, even in private morality, it seems to require an excessive disregard of the person one knows best, which is oneself.

So I want to propose the principle of the greatest happiness. First let me deal with some of the objections<sup>21</sup> and then attempt to justify the principle.

Some people object that the concept of happiness is too vague or too hedonistic – which I hope I dealt with in the first lecture. Others object to the fact that actions are judged only by their consequences, as if this meant that the nature of the

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<sup>21</sup> See for example Williams in Smart and Williams ( ).



action itself is immaterial. But of course the feelings produced at the time of the action are as much a part of its consequences as the whole stream of feelings thereafter. Others argue that you cannot become happy by trying, so it is inconsistent to consider happiness the goal. Even if it were true, it is a non-sequitur since we have all kinds of goals that can only be pursued indirectly. And finally there is the argument that utilitarianism does not imply any basic rights, which I would deny since people become so miserable without them while the rest of society gains less.<sup>22</sup>

If the critics offered a convincing alternative ideology for public and private morality, we could argue about which was better. But, since none is offered, we have the choice between a society with no comprehensive philosophy or one that embraces utilitarianism.

Even so, why **should** one accept the utilitarian objective? I would base it on 5 propositions, which show that it is a logical development of our nature. Let me state the propositions first and then try to justify them at more length.

1. It is in our nature to want to be happy. On Monday I explained how this acts as a basic motivational mechanism, which has led to our survival.
2. We also want our relatives to be happy, a parent's love being the strongest example.
3. As regards relationships outside the family, humans are innately sociable and in varying degrees helpful to each other. We know genes are involved in this because twin studies show that the trait of cooperativeness is partly heritable. This trait provides the emotional support for the development of a moral theory.
4. So does our next trait, which is an inbuilt sense of fairness, which requires at the very least the equal treatment of equals.
5. To these ingredients we bring the power of reason, which reasons about moral issues in much the same way that it reasons about the working of the natural world. In both cases it seeks a unified theory. In natural science this has paid

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<sup>22</sup> Many critics have objected to the principle of simply adding up different people's happiness, see Sen (1999). Here some other method of combination could be adopted if a convincing case were made. It would mean giving more weight to a gain in happiness if the person's happiness was low. The problem here is that we ought also to have regard for the feelings of animals, yet their level of happiness is probably low (due to their lower level of awareness). Should we therefore give more weight to improved happiness in non-humans than in humans?

off handsomely and made us masters of the earth. In moral philosophy there has been less progress but, if we persevere, we surely have a chance to better master ourselves.

Let me end this lecture by discussing these various steps.

### **Man's partial unselfishness**

Humans naturally seek the good of more than themselves. At least they seek the good of their kin. But fruitful enterprises with non-relatives also require cooperation. Natural selection will punish those who cannot cooperate with others, and who instead seek only their short-run gain. So natural selection will select cooperative people, and it will also select those societies which educate their people to be cooperative.

It's convenient to discuss this in the standard context of the Prisoners' Dilemma, involving two people. If we both cooperate, we both do better than if we are both selfish. But how can I ensure that, if I cooperate, you do not cheat? In a series of simulations Axelrod showed that, if I had to deal with you a lot, whatever strategy you followed, I would on average do best to follow Tit for Tat.<sup>23</sup> This means that I would start off cooperating but, if you acted selfishly, so would I, until you started cooperating again, when I would then again cooperate. Thus, in the struggle of life, people would do best who were initially cooperative, but also ready to protect their back.

We humans are roughly that sort of people and this could well be because natural selection operated like a series of Axelrod's simulations, from which people with our kind of strategy emerged victorious. In the lingo of geneticists Tit-for-Tat is an evolutionary stable strategy which will see off personality types who operate differently.<sup>24</sup>

However our instincts for interacting with each other have also been **refined** by upbringing and the values we have been taught. And the result of this joint

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<sup>23</sup> Axelrod (1984).

<sup>24</sup> Nesse (2002). Frank.

product of nature and nurture is that we cooperate to an important extent because it makes us feel better. Here is a little evidence from an experiment in which people's brains were monitored while playing the Prisoners' Dilemma game. When they made cooperative moves in the game, their brains showed the standard signs of pleasurable activity, and not otherwise.<sup>25</sup> And this happened before they knew the outcome of the game and whether the other player had cooperated. To that extent virtue is its own reward.

Notice that I am not here talking about reciprocal altruism – giving favours in expectation of favours returned. I am talking about something that goes beyond that, and explains why we help many people we will never meet again. We tip taxi-drivers, vote in elections and even dive after drowning people that we do not know. These social feelings are deep inside us and can even lead us to sacrifice our lives. But they have survived the stringent test of natural selection because people who are made like that are liked by other people and used for rewarding activities. They are liked because they do not always calculate.

That said, we do also watch our back. In repeated interactions with people we withdraw cooperation if they behave badly. And in one-off interactions, we take care to find out about the person's previous reputation.

So people who behave badly do generally get punished, and good behaviour springs not only from natural sociability but also from the fear of being caught. Both are necessary since natural sociability is not universal. But natural sociability should not be underestimated – and it can of course be encouraged further by good moral education, provided there is a clear moral philosophy to be taught.

So now we come to the conscious formulation of our morality. We seem to have an inherited instinct for fairness, as shown by a whole host of psychological experiments and by the existence of the concept in every known human society. So if we value our own happiness, it is only fair if we value equally the happiness of others. This is harder for some people to do than for others and it is certainly easier the more

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<sup>25</sup> Rilling et al (2002). They did not distinguish between the first play and subsequent plays.

naturally benevolent we are. But, stepping outside ourselves, it seems extremely natural to say that the best state for society is where the people are happiest – each counting for one. And, going on, right actions are those which promote that state of society.

You could of course argue that rather than look for a clear philosophy we should just stick with our various different moral intuitions. But that was not the way we progressed in our understanding of nature. We did not stick with our partial intuitive concepts of causality. We sought desperately for a unified theory which could cover all kinds of disparate phenomena – the fall of the apple **and** the rotation of the moon, and so on. It is surely in our nature to make moral progress by the search for an overarching moral principle, and by its widespread adoption.

I do believe such progress is possible.<sup>26</sup> In the West we already have a society that is probably as happy as any there has ever been. But there is a danger that Me-First may pollute our way of life, now that divine punishment no longer provides the sanction for morality. If that happened, we should all be less happy. So we do need a clear philosophy. The obvious aim is the greatest happiness of all – each person counting for one. If we all really pursued that, we should all be less selfish, and we should all be happier.

So my conclusion is: bully for Bentham. Let me end with these words from a birthday letter which he wrote shortly before he died to the daughter of a friend. He wrote: ‘Create all the happiness you are able to create: remove all the misery you are able to remove. Every day will allow you to add something to the pleasure of others, or to diminish something of their pains. And for every grain of enjoyment you sow in the bosom of another, you shall find a harvest in your own bosom; while every sorrow which you pluck out from the thoughts and feelings of a fellow creature shall be replaced by beautiful peace and joy in the sanctuary of your soul’.<sup>27</sup> I call that pretty good advice.

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<sup>26</sup> Wright (2000) argues convincingly that the properties of the universe makes probable the eventual emergence of conscious beings , capable of love.

<sup>27</sup> Written 22 June 1830 and found in the birthday album of a friend’s daughter. Quoted in B Parekh (ed.), Jeremy Bentham Critical Assessments, Vol.I, p.xvii.



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