

Happiness and Well-Being : From the Viewpoint of the Analysis of Value

Takenori Inoki

Director-General, International Research Center for Japanese Studies,
National Institutes for the Humanities, Japan

We need to direct our attention anew to the concept of welfare as it has been problematized in traditional economics and to **questions such as how are human feelings of happiness associated with intellect and moral values.**

If a precise notion of well-being does not exist in the social sciences, then we cannot measure it, and however rigorous an unmeasurable concept might be, it is not very useful for understanding and evaluating our actual life. We must, however, be attentive to the fact that this problem is not a denial of conventional income-based measures of well-being. Rather, it pays more attention to such concepts as subjective satisfaction, happiness, and social well-being, and this is done from a standpoint that understands the concept of utility more broadly than conventional economics.

In the advanced industrial nations of the postwar world, although GDP has increased quite rapidly, the degree of “happiness” has increased only a little (Oswald (1997)). If we look at the example of a single nation, although on average the most affluent stratum of society feels more “happy” than the poorest stratum, when we make international comparisons or look at feelings over time, we cannot discern an exact correlation between per capita income and “happiness.” We suppose that people in wealthy nations are “happy” more than people in poor nations, but the relationship between happiness and income is not so self-evident. Is it a matter of conditions that go into meeting basic needs, or is it a matter of a higher level than that?

There is also the argument that what determines “happiness” is a relative, not an absolute, level of income above the amount required to satisfy basic

needs. If we knew the factors that determine people's "happiness," we might be able to devise standards of judgment of what economic policies are effective with respect to "happiness" and what are not effective. But if we take a long view, we see that judgments about this "happiness" are subject to considerations about how conditions might change in the future. At that point people begin to assert that well-being is not a matter of income alone, but such things as health, marriage, work, and civic trust have much to do with it, and need to be analyzed more thoroughly by large scale survey data.

Yet it is obvious that the problems of measures of well-being cannot readily be solved by this approach. Clearly there would be areas where the survey data was skewed because some traits of individuals cannot be observed, and of course it is an endemic problem that survey data contains some bias.

Then again, in the analysis of issues of how inequality of incomes influences individual well-being, perhaps "the economics of happiness" can give an answer of sorts—although it is probable that the answer would differ from country to country, depending on their systems of political economy. Moreover, there is research (Frey and Stutzer (2002)) that shows that political participation (e.g., the direct democratic politics of Switzerland) has a high positive correlation with "happiness."

The stability of social institutions and progress of democracy are deeply interrelated with education and the development of human intellect. And human feelings of happiness are not just economic variables like income or consumption. **Then one hypothesis is that happiness and well-being can coincide and be sustainable when human intellect and moral values are fully developed. Only when there is an intellectual understanding of the relationship between self and the environment, and only when moral values including virtues both public and private are fully maintained, can those feelings have true substance.**

Incidentally, Fukuzawa (1875) discusses the nature of intellect and virtue as foundations for civilization. He writes that morals, as a kind of manner of the heart, have an internal function. Intellect is a function for thinking about

things, explaining them and understanding them. Here, he creates another distinction, this time between “public” and “private.” With virtue and intellect, public and private, he has a pair of binaries. But what exactly is he trying to demonstrate with these four components? Private virtue is a function corresponding to values such as fidelity, purity, modesty, integrity; public virtue to a sense of shame, justice, fairness, courage; private intellect to thoroughly investigating the logic of things. Public intellect corresponds to a function for dividing human affairs according to their relative importance, then determining priorities based on circumstances. Of supreme importance to Fukuzawa was public intellect, which he called “the wisdom of great knowledge.” Public intellect is a capability to judge and choose which value is most important under certain circumstances.