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### Income and happiness: why isn't research acted upon?

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### Abstract

According to extensive research, greater income - above a basic minimum - has a relatively small impact on happiness. This finding has radical implications for individuals, groups and societies, yet is seldom considered in decision-making. We explore the reasons why the social and political implications of this research are not acted upon. We outline five arenas with potential obstacles to personal and institutional change responding to happiness-income research: lack of information; denigration of alternatives; contrary arguments; lack of authoritative endorsement; and structural conditions. Understanding the obstacles provides some guidance for efforts towards alternatives to the dominant economic model.

### Keywords

happiness, acted, why, upon, isn, t, research, income

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## **Income and happiness: why isn't research acted upon?**

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## **Income and happiness: why isn't research acted upon?**

### **Abstract**

According to extensive research, greater income — above a basic minimum — has a relatively small impact on happiness. This finding has radical implications for individuals, groups and societies, yet is seldom considered in decision-making. We explore the reasons why the social and political implications of this research are not acted upon. We outline five arenas with potential obstacles to personal and institutional change responding to happiness-income research: lack of information; denigration of alternatives; contrary arguments; lack of authoritative endorsement; and structural conditions. Understanding the obstacles provides some guidance for efforts towards alternatives to the dominant economic model.

**Keywords:** happiness; income; wealth; social change; economics

Research into the relationship between income and happiness, or between wealth and happiness, shows a consistent pattern: when income is above a basic minimum, further increases in income have a relatively small impact on perceptions of well-being (Easterbrook 2003; Frey and Stutzer 2002; Frey et al. 2008; Lane 2000; Layard 2005; Scitovsky 1976).

One of the striking findings from the research is that average self-rated happiness, or satisfaction with life, in entire countries has hardly changed over decades, despite significant increases in the per capita income. In essence, the country is getting richer but people aren't getting any happier, on average (Frey and Stutzer 2002; Layard 2005). The modest increments in average happiness observed to be correlated with income may be due primarily to social comparison: those whose incomes increase, while peers' incomes do not keep pace, are more satisfied because they are better off in comparison with others. This phenomenon can be referred to as a social limit to growth (Hirsch 1977) or more colloquially as a consequence of trying to keep up with the Joneses.

Cross-country comparisons of happiness levels show that people in impoverished countries are less likely to be happy, but there are striking inconsistencies, with some poorer countries showing higher happiness levels than richer ones.

Comparing happiness levels between countries is problematic because of cultural differences. Our focus here is on affluent societies.

Researchers find that happiness is consistently increased by a range of thoughts and behaviours, including having personal relationships, expressing gratitude, being optimistic, entering a state of flow, being forgiving, helping others and being mindful (Lyubomirsky 2007; Seligman 2002). None of these factors depends heavily on a high material standard of living. One overall finding from happiness research is that external conditions such as income (and possessions, climate and good looks) have a relatively small impact on happiness compared to thoughts and behaviours.

This finding is potentially subversive. Many people strive for more money under the illusion that this will bring greater happiness, only to be continually frustrated. Although the capitalist system can increase the standard of living and improve welfare, it also fosters selfishness, acquisitiveness and inequality, none of which are conducive to happiness. Most governments try to promote economic growth and pay little attention to measures that might promote happiness at the expense of growth.

Happiness research shows there is an alternative to the usual ceaseless striving for money and power that preoccupies so many in business and government, as well as individuals. The question then arises: why isn't this research acted upon? Our aim here is to outline some of the obstacles to significant personal and social change in directions that research suggests would increase happiness. We explore why it is that the limited interests of particularistic social groups are placed above the apparently universal goal of happiness.

In essence we are taking as given answers to the question of what makes people happy and looking instead at what is blocking action. To discuss obstacles to the uptake of happiness research findings, we canvass five arenas: information, values, arguments, credibility, and the exercise of power. These arenas are adapted from the backfire model used by Martin (2007) and others. Martin observes that powerful groups deemed responsible for something seen as unfair or unjust — for example censorship, police beatings, torture or massacres — commonly use five methods that inhibit public outrage: they cover up the action, devalue the targets, reinterpret what happened by lying, minimising, blaming and framing, use official channels like courts to give an appearance of justice, and intimidate or reward people involved. When these methods of outrage management fail, the injustice can backfire on the perpetrators. Here we adapt

the models' five methods of inhibiting outrage to be more generic, coming up with the five arenas of information, values, arguments, credibility, and the exercise of power.

We begin by spelling out some of the implications of income-happiness findings for individuals, groups and societies, asking what the world might be like if more people acted on the research. This sets the stage for analysing the obstacles to acting on income-happiness research findings.

### **The implications of happiness research for economic issues**

What would the world look like if individuals and groups acted on happiness research? What are its implications for social and economic policy? Broadly speaking the research suggests that greater economic and social equality fosters happiness.

Since the 1980s, western governments have adopted neoliberal economic policies in pursuit of greater wealth. The pursuit of economic growth has been the holy grail of politicians and the benchmark against which electorates judge them. This economic growth has been accompanied, especially in English-speaking countries (Irvin 2008), by a dramatic rise in economic inequality which research suggests would reduce well-being (Wilkinson and Pickett 2009).

Frank (2007) argues that increasing economic inequality in the United States is lowering happiness for the majority of people. Conspicuous expenditure by the wealthy leads to efforts by those below them to upgrade their houses, cars, clothes and other possessions, in part to obtain advantages for their children. This leads to a number of behaviours with negative consequences for happiness, including longer working hours, longer commuting times and sleep deprivation.

In contrast, policies that advance equality and thus happiness would include progressive income and wealth taxes, health care and social aid to all sectors of society irrespective of income, generous educational and social support for the disadvantaged, and a wages policy that reduces income differentials.

Since the Global Financial Crisis of 2008–9, the large bonus payments made to bank executives have been the subject of public discussion, including outrage, most visibly in the Occupy movement. Research would suggest that the happiness of more people would be furthered by preventing such payments, not because this would make much material difference to the average person's life, but because such bonuses increase perceptions of inequality.

Perhaps the strongest finding of happiness research is that social interaction and

social cohesion, with their allied sense of belonging, are keys to happiness. This would suggest the need to reduce work hours so people can enjoy more time with their families and friends, and/or workplace changes to enable more satisfying social interaction on the job.

Many people work long hours in alienating jobs to earn more money to buy more things, in part because of the effectiveness of advertising in making them desire consumer goods. The issue is not so much that advertising persuades people to buy this or that item or brand but that it feeds the overall desire to acquire possessions. The irony is that those possessions are not likely to increase happiness in the long term. The implication is to use policy tools to limit advertising and reduce shopping hours (Gittins 2010).

Research suggests that social inclusiveness and participation are significant factors in increasing happiness. A society geared to that goal would surely seek to increase participation at work and in the community. Happiness, it can be argued (Pacek 2009; Phillips 1967; Stutzer and Frey 2006), is increased by democracy and vice versa. This includes greater involvement in decision making at work with flatter more participatory structures.

The policy directions suggested by happiness research are pretty much opposite to the broad neoliberal policies adopted in Australia, Britain and the US since the 1980s. Indeed, happiness research would suggest the need for equality-promoting social policies more vigorous than ever attempted by social democratic governments.

The implication of the research is that people would be much happier if society were organised rather differently than it is now. So what is preventing change towards a happier world? We now turn to obstacles to this sort of change, in five arenas: information, values, arguments, authority and power.

### **Information**

If people do not know about research findings concerning happiness and income, they are hardly able to act on them. To begin an analysis of obstacles to acting on happiness research findings, the first step is to look at access to information.

The research is hardly a secret. It is openly published, readily available for anyone who wants to look for it. Furthermore, in the past decade a huge number of popular books about happiness have been published, many of them reporting findings

about income, in turn fuelling popular media reports. However, this information is set within an environment that is not conducive to its positive reception.

An overwhelming amount of information, especially in the media, contains the traditional message that more money is good for people. Newspapers contain entire sections on business, and finance stories are often published as breaking news. On television, the state of the economy is a mainstay of news and current affairs reporting, with the implicit assumption that economic growth is good for everyone.

As well as looking at availability of information, it is also necessary to examine the wider information environment. There is an overwhelming amount of material, especially in the media, containing the traditional message that more money is good for people. Newspapers contain entire sections on business, and finance stories are often published as breaking news. On television, the state of the economy is a mainstay of news and current affairs reporting, with the implicit assumption that economic growth is good for everyone.

Even more pervasive is advertising, a large proportion of which is about the value of buying things. The aim of much advertising is to make people dissatisfied with themselves and their lives — this is hardly conducive to happiness — for which the solution is purchasing a product or service. Consumerism is also reinforced through shopping malls and displays of consumption by neighbours and friends, for example houses, cars, clothes and electronic gadgets (Miles 1998).

In this wider information context, happiness research findings have a low profile. This can be made more obvious by imagining a different sort of information environment in which happiness outcomes are trumpeted on the front pages of newspapers while economic growth figures are relegated to a small lifestyle feature. Imagine a world in which people regularly visit palatial well-being emporiums but purchase material necessities in plain unadorned shops.

The voluntary simplicity movement has been around for decades (Simple Living Collective 1977); E. F. Schumacher (1973: 48–56) wrote about Buddhist economics, a combination of simplicity and nonviolence. However, few people know about voluntary simplicity. They are much more familiar with fashionable brands of food, clothing and cars. Voluntary simplicity might be a more reliable path to happiness than consumerism, but few people receive equal amounts of information about these options.

In summary, happiness research findings are readily available and media stories have even made some findings widely accessible, but even so the information

environment is still overwhelmingly tilted towards consumerism. Happiness researchers and popularisers are adding their contributions, but have seldom joined forces with those challenging the overwhelming consumerist-oriented information environment.

## **Values**

One of the exciting aspects of happiness research is that it provides empirical evidence about actions that help make people happier. However evidence alone is not enough: needed as well is a politics of happiness that can create a new vision for living — a new language of economics and politics — deploying empirical research evidence in support of values and ways of life that increase happiness.

The first value of a politics of happiness is the value of happiness itself. Most people say they want to be happy. Happiness can therefore be taken as a core value of our culture. And yet many people do things, such as working long hours in an alienating job away from family and friends, that research says are unlikely to increase it. People often interpret happiness as meaning short term pleasure, whereas research suggests that long term contentment is more likely to be found in meaningful activities. Valuing happiness then requires a shift in perspective whereby people value, for example, relationships over work and money, the need for which is driven by consumption habits — and act accordingly. Happiness research suggests the need for a simpler life involving fewer consumer goods and more time with family and friends.

The problem is that affluent people live for the most part in promotional cultures (Wernick 1991) that seek to sell happiness in the shape of a new car or a large-screen television. Acculturation teaches the value of owning things; contemporary media culture is filled with signs of consumption (Crook et al. 1992). People don't have to be told to buy things to be happy because the message is implicit in the symbolic environment.

Happiness research, to have an impact, needs to resonate with people's values. The problem is that values are shaped by the surrounding society, notably its consumerist features. However, given that most people say they want to be happy, "happiness promotion" could argue for radical change in social and economic policy on the grounds that it furthers cultural values.

## **Counter-arguments**

In the category “arguments” we include both logical challenges to happiness research findings and other ways of contesting the results. At the more logical end of the spectrum are a number of critics of positive psychology. For example, Barbara Ehrenreich (2009: 147–176) in her book *Bright-Sided* argues that happiness researchers have hyped their findings in an unscientific way and that a number of the findings are not as well supported as suggested. However, the number of people familiar with criticisms by Ehrenreich and others is so small that it cannot be held accountable for the lack of action in relation to happiness research.

Of much greater significance are ad hoc ways of dismissing happiness research, usually developed to be able to justify rejecting the findings without serious engagement with them. Dismissal through anecdote appears to be common. By citing a single apparently happy rich person, or the suicide rate in some country, the body of findings can be ignored. Then there is the joking approach. In response to the claim that “You don’t need to be rich to be happy,” a listener might respond “I’d rather be rich and unhappy than poor and unhappy.” Because people have their own experiences of happiness and unhappiness, they are less likely to treat research findings as authoritative, especially when they conflict with personal observations, compared to research in less familiar areas such as electrical engineering or Serbian linguistics.

Our comments here are based on conversations with friends and our casual experience with the media. To our knowledge, no one has systematically examined either logical or informal ways of responding to happiness research findings — this is an area that needs much more study. Our guess is that the embedding of pro-growth thinking as cultural common sense impedes change more than shortcomings of the research or any particular criticisms of it.

## **Authority and credibility**

Happiness researchers have considerable credibility through their credentials and scholarly achievements, but few have positions with formal decision-making power. In the wider society, most authority figures support the conventional economic agenda. Leading politicians and business leaders almost uniformly encourage a preoccupation with economic growth, jobs and profits. The only government to endorse a happiness agenda has been that of Bhutan, hardly an influential player internationally.

Even more important for most people are authority figures in their own lives. For those working in organisations, bosses are crucial. If the boss sets an example of emphasising happiness over efficiency or profits — either for workers or customers — this undoubtedly has an impact, but very few bosses are able or willing to take such a stand. More commonly, they emphasise profit, efficiency and competitiveness, often at the expense of relationship-building, gratitude and other factors conducive to well-being.

Friends, co-workers and neighbours are also influential. They provide “social proof” concerning lifestyle choices such as housing, transport, clothes and leisure. If enough friends start making different choices, this can be highly influential. The potential exists for a life oriented to different values.

There are some authority figures with a different message. Traditionally, some religious leaders have emphasised spiritual virtues rather than material success. But this challenge has been muted, with most mainstream religious organisations adapting their message and behaviour to be compatible with standard economic growth. In the US, some evangelical Christian leaders proclaim that seeking wealth is quite compatible with salvation (Ehrenreich 2009: 123–146). It would seem that overall the influence of religious and spiritual values that promote love, gratitude, social care and other pro-happiness values has declined.

## **Power**

The move to a simpler happier society driven less by consumerist imperatives is opposed by power in a number of forms. Sometimes power is exercised overtly, but in many cases power relations are built into social arrangements that benefit privileged groups, so people misperceive what would be, according to research, in their interests (on the faces of power, see Lukes 1974).

In consumer societies, powerful corporate interests and media organisations fill the culture with signs and messages that promote consumer spending (Barker 1997; Mattelart and Mattelart 1992). Although audiences are active and knowledgeable in relation to media practices (see for example Liebes and Katz 1991; Morley 1992), this activity does not necessarily prevent them from adopting the values they see enacted with the media. The media are a site for a struggle over values, but one largely stacked against happiness.

The power structures of contemporary society provide few opportunities for

living simply or reducing commitments to paid employment. For example, happiness research with its stress on the importance of social interaction suggests the value of “cohousing” projects that design collective living spaces that maximise interaction (McCamant and Durrett 1994). Cohousing models involve private ownership — they are not communes — but they do involve community commitment and a degree of communal land ownership. They are intentional communities. Private building corporations do not promote cohousing; they are more interested in separate dwellings. In most countries, building regulations obstruct rather than promote cohousing.

Perhaps the deepest source of resistance to change is the huge social investment in physical infrastructure and human skills, including housing, agriculture, transport, factories, security, trade and financial services. In these and other sectors, the current way of doing things is built into technological systems and in learned human capacities and modes of interaction. In that context, those with a heavy stake in current social arrangements would see a major decline in consumer spending as a crisis to be solved, not a reflection of the wise pursuit of well-being.

Social movements for greater economic equality have the potential to increase happiness levels, but they may be opposed with the full force of the state. Governments support private property at the expense of equality: squatters are evicted from vacant properties and indebted farmers evicted from their land. Radical workers’ movements have been strongly opposed by owners and governments (Root & Branch 1975); when workers seek to take over running of workplaces, they are subject to attack (Hunnius et al. 1973). Attempts to develop local economies, including setting up local currencies (Douthwaite 1996), are regularly sabotaged by central governments.

In short, power is often exercised against the promotion of happiness when this challenges vested interests.

### **Conclusion: towards a happiness social movement**

Most people want to be happy and there is substantial empirical research that shows how to be happier. This research suggests that the contemporary stress on economic growth and social inequality does little to increase average happiness, and that policies promoting equality, social interaction, relationships and thus happiness are sidelined. We have suggested a number of reasons for this: lack of information, adoption of values that run counter to happiness, the adoption of neoliberal economic thinking as common

sense, the lack of cultural credibility given to happiness research, and the operations of power.

A common assumption is that the solution lies in bringing about change in government policies (Bok, 2010; Layard 2005). However, governments have a heavy stake in many policies that inhibit improvements in happiness. They have a vested interest in continued economic growth because it provides the basis, through taxes, for the existence and power of the state, and hence are susceptible to corporate lobbying. So, although government policy is undoubtedly important, it should not be assumed that convincing politicians is an effective way to bring about change.

When mainstream institutions are unreceptive to alternative agendas, change can be promoted by social movements. However, at present there are only inklings of a separate happiness social movement. Perhaps more promising is to link happiness activism with other campaigns, such as for simplicity, co-housing, community gardens, yoga, and, more generally, self-reliance (Galtung et al., 1980). People involved in these sorts of areas are more likely to be receptive to ideas from happiness research and can translate the ideas into everyday practices or campaigning skills relevant to the issue or focus.

Another option is to link happiness research ideas to campaigns with a more critical orientation to consumer society, for example culture jamming (Lasn 1999). Campaigns with supportive group dynamics, a humorous component and a positive attitude are more likely to attract participants. Research offers ideas for what might be called happy campaigning, which can be targeted, in part, towards creating a world that supports happiness-promoting practices.

These ideas are necessarily preliminary because there has been little discussion, much less research, on building a happiness-oriented social movement. By outlining obstacles to taking seriously research on income and happiness, we have indicated some possible arenas for action. In the future, much will be learned by analysing and reflecting on practices, campaigns and outcomes.

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