

# **The “What, Why, and How” of Happiness Measurement in Buddhist Economics**

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## **Abstract**

In recent years the science of happiness has been accepted as a legitimate field of study and has led to a new sub-field within economics. The concept of happiness is no less important to Buddhist Economics. In this article I present a brief overview of the definition of subjective well-being, the gold standard in the psychological study of happiness. I also provide a rationale for studying happiness founded on the research suggesting that happiness is widely beneficial for individuals and societies. Finally, I present an overview of specific measurement issues related to happiness and discuss implications for Buddhist Economics.

## **The “What, Why, and How” of Happiness Measurement in Buddhist Economics**

The last several decades have seen the formation and growing popularity of the field of Buddhist Economics. Buddhist economics is an intellectual counterpoint to the utilitarian economics that forms the foundation of most Western production, currency, and trade practices. According to Schumacher (1989) Buddhism offers a unique understanding of work and organized labor that includes an emphasis on personal meaning and development, harmonious collaboration, and sustainable business practices. This new science is in accord with modern notions of sustainable environmental development and Buddhist Economics, therefore, ought to be seen as more than a fringe movement within the larger social science of economics. Instead, it should be viewed as a legitimate indigenous science that offers viable alternative models and responsible methodologies. By employing sophisticated measures (a largely Western tradition) to Buddhist concepts (a largely Eastern tradition), Buddhist Economics offers a holistic approach to understanding current economic issues and setting a research and policy agenda for the future. It is an example of a solution to the problem that Mahatma Gandhi called “science without humanity” (Eswaran, 1993).

Of primary concern for Buddhist Economics is the concept of happiness. Studies show that happiness is an outcome that is highly prized throughout the world (Diener & Oishi, 2000). Setting issues of the definition of happiness temporarily aside, this

emotional Holy Grail has been of interest to religious pundits, philosophers, and social scientists for the entire span of written human history. Aristotle (1986/4th Cent. BCE), for instance, spoke about the concept of eudaimonia, a positive subjective state that arises from acting in accord with virtue and reaching one's own potential. Similarly, in recent years the scientific study of happiness, or subjective well-being (SWB), has grown both in popularity and sophistication. For the first time in history, scientists are able to define (Diener, 1984), and measure (Pavot, 2008) happiness in a way that leads to counter-intuitive and representative results (Myers, 1992). Happiness is now the focus of academic books, university courses, and research grants (Seligman et al., 2005).

The legitimization of a science of happiness has influenced traditional economics. This professional sea-change has been brought about by different factors. First, the conception of behavioral economics has provided a recent challenge to business-as-usual economic science. Second, Daniel Kahneman, the Nobel Laureate widely credited with pioneering decision science and behavioral economics, is—more recently—a happiness researcher (e.g. Kahneman, 1999), thus bridging the two fields. Finally, the question of the relationship between money and happiness has received the lion's share of research attention (e.g.s, Blanchflower & Oswald, 2004; Diener & Biswas-Diener, 2002; Inglehart, et al., 2000). This means a great deal is now known about the ways in which income, income change, unemployment, national economic development and other money related variables affect happiness. Buddhist economists can learn important lessons about the measurement and study of happiness while applying these insights to variables of local interest.

In this paper I seek to some of the major methodological advances and research findings from the science of SWB. In particular, I hope to provide a justification for studying happiness in a Buddhist economic context, and offer suggestions for the effective study of happiness.

The “what” of happiness measurement

Perhaps the primary obstacle to effectively studying happiness is the sticky problem of defining this subjective concept. The gold standard definition in psychological research is that of subjective well-being (SWB; Diener, 1984). According to SWB researchers, happiness is comprised of pleasant emotions, a relative lack of unpleasant emotions, and a cognitive evaluation (life satisfaction). This broad definition neatly sidesteps the problems associated with both very specific interpretations of happiness and so-called objective definitions (e.g. Eudaimonic happiness; see Ryan & Deci, 2001). Because SWB takes a wide range of positive emotions into consideration it is as viable in Asian collectivist countries which aspire to low-arousal positive emotions such as peace and connectedness (Tsai, 2008) as it is in Western individualistic cultures which aspire to high-arousal positive emotions such as enthusiasm and excitement (Napa-Scollon et al, 2004). SWB also has the advantage of being atheoretical, and therefore suitable for use in the Buddhist Economics context. SWB makes no claims that happiness need be anchored in pleasure or result from material concerns, although these are conceivably possible.

When assessing an individual’s level of happiness the most common, and

commonsense, approach is simply to ask “How happy are you?” This straightforward question taps the relative degree of positive emotion experienced. However, because culture has been shown to affect the experience of emotion (e.g. s, Markus & Kitayama, 1991; Oishi et al., 2004) it is necessary to ask about specific emotional experiences. From the Buddhist perspective it might make sense to ask research participants about such affectively relevant variables as “peace,” “calmness,” “harmony,” and “connectedness,” in addition to “joy,” “eagerness,” “enthusiasm” and more high arousal positive emotions. It is also advisable to measure a broad swath of negative affective states including “sadness,” “anxiety,” “anger,” “shame,” and “fear.” Measuring multiple affect variables helps researchers tap a wide range of subtle emotional experiences and also allows them to compute “affect balance” scores (E.g., Biswas-Diener, Vitterso, & Diener, 2005). It should further be noted that these variables can be evaluated in terms of both frequency and intensity (Schimmack, 2008).

By many definitions happiness also includes a cognitive component (Diener, 1984). Ricard (2006) defines it as “a deep sense of flourishing that arises from an exceptionally healthy mind” (p. 19). To this end it makes sense to measure cognitive variables such as life satisfaction. It is possible to parse satisfaction judgments into broad and narrow concerns. Satisfaction with one’s “education,” for instance, is a global evaluation while satisfaction with one’s “lectures,” “textbooks,” and “class schedule” are more narrow concerns. Past research has suggested that not only does measuring broad and narrow satisfaction provide rich results but, in some cases, discrepancies between broad and narrow satisfaction measures also offer valuable insights into happiness

(Diener et al, 2000).

As a concrete example of this approach to happiness metrics consider a study aimed at better understanding the subjective quality of life of the destitute (Biswas-Diener & Diener, 2001). I conducted interviews with dozens of men and women living on the streets and in the *bustees* (slums) of Kolkata. I collected demographic information as well as information regarding their living situation (e.g.s number of people living together, monthly income, death or sickness of children, medical problems). I also collected data on life satisfaction and positive and negative affect. This allowed me to later analyze the relationship between variables of interest—such as income, health, and objective housing—with subjective measures of happiness such as positive and negative affect. Most importantly, taking a scientific approach enabled me to skirt popular or political notions of poverty and give voice to the poor themselves (for broader discussion see Narayan, 2000).

#### The “why” of happiness measurement

Even if one accepts that an operational definition of happiness is possible it still is worth considering the question of whether or not we ought to measure happiness. Some people believe that happiness is a fleeting feeling, or that it is base pleasure, or that it represents an unrealistic “Pollyanna” attitude (Diener & Biswas-Diener, 2008). For these skeptics happiness is not a moral or important variable. The Buddhist economic framework, on the other hand, values happiness because it represents individual growth, empowerment, and connection. Although some critics claim that evil people can be made

happy through evil deeds (Annas, 2004) the research evidence suggests that people are more often made happy through social connection (Diener & Seligman, 2002), altruism (Piliavin, 2002), and gratitude (Emmons & McCullough, 2003).

As it turns out, the Buddhist point of view enjoys the support of a wealth of research pointing to the conclusion that not only does happiness *feel* good, it *is* good. A number of studies have shown that experiencing positive affect is widely beneficial (Lyubomirsky, King, & Diener, 2005). For instance, frequent positive affect is associated with greater altruism, better marriages, more creativity, better organizational citizenship at work, and better health. In fact, happiness appears to be so beneficial—for individuals, families, and societies—that, in recent years, there have been a number of calls for “happiness policies” (Frey, 2008) and “national accounts of well-being” (Diener, 2000).

The “how” of happiness measurement

The crux of happiness research lies in the measurement of this fascinating concept. Fortunately, our collective knowledge about happiness metrics is far greater and more sophisticated than it was during the advent of this science (Pavot, 2008). For happiness to be studied effectively in a Buddhist economic context it requires responsible measurement. Below is a brief guide to measuring happiness:

*Self-report measures.* Self-report measures have long been the mainstay of well-being researchers. International surveys and laboratory studies alike have relied heavily on this form of assessment because they are inexpensive, easy to collect, and reasonably accurate. Self-report assumes the research participant is the “expert” on their

own subjective experience and is able to convey this experience meaningfully. Although self-report is often criticized as a flawed methodology, results from studies suggest that this is a valid means of measuring happiness (see Pavot, 2008; Eid, 2008 for further discussion). Skeptics often question whether self-report measures might be biased by response artifacts such as socially desirable answering. In one multi-method study, Sandvick and colleagues (1993) tested the possible effects of a variety of response artifacts on self-reports of happiness. Interestingly, socially desirable responding was not an issue of concern. Current mood, on the other hand, did affect self-report ratings of happiness. Other studies have shown that situational variables such as being in a social setting (Oishi et al, 2004) and contextual effects such as weather (Schwarz & Strack, 1991) play a small but significant role in self-reporting. Self-report of life satisfaction through instruments such as the Satisfaction With Life Scale (SWLS; Diener et al, 1985) have shown very good internal consistency and temporal reliability (Pavot & Diener, 1993).

*Peer report measures.* Although self-report is a reasonable way to measure happiness its minor limitations-- especially its susceptibility to current mood—suggest that multiple methods for measuring happiness will help researchers triangulate on this elusive subjective experience. One of the most common, but somewhat more laborious, methods of providing a “checks and balances” system for self-report is through peer report measures. In the peer report method friends and family members—people who know the target research participant well—report on that individual’s happiness. Results from studies employing this method have shown good reliability and significant

correlations between peer- and self- report assessments (e.g. Biswas-Diener, Vitterso, & Diener, 2005; Napa-Scollon et al, 2004).

*Daily reconstruction and experience sampling.* The Daily Reconstruction Method (DRM) and Experience Sampling Method (ESM) are two relatively recent innovations in the measurement of happiness. In DRM research participants are asked to reconstruct daily events and attendant affective experiences using a protocol designed to minimize potential memory biases (Kahneman et al, 2004). In the related ESM, research participants are supplied with a palm-top computer which rings alarms at random times throughout the day and presents in-the-moment surveys. ESM, although expensive, intrusive, and relatively difficult to administer has many advantages including the fact that it is far less susceptible to current mood because the data can be aggregated over time. Sandvick and colleagues (1993) have found that ESM data show moderate to strong correlations with the other measures of happiness.

*Memory measures.* Memory measures have also been effectively employed in the study of happiness. Memory measures require research participants to rapidly recall, in a timed 30 second session, as many positive (and negative, counterbalancing to control for order effects) memories from a discreet period of time such as “yesterday.” This is accepted as a measure of saliency of positive memories and the predominance of positive versus negative memories. This method has been used in cross-cultural happiness research (e.g. Balatsky & Diener, 1993; Biswas-Diener, Vitterso, & Diener, 2005).

*Biological measures.* Recently, advances in technology have made biological measures of happiness possible. Notably, fMRI imaging techniques have been used to

locate neural activation associated with positive affect (Urry et al, 2004). Other techniques, such as EEG asymmetry and Event Related Potential (ERP), have been used to measure brain activity associated with positive and negative psychological processes (Ito & Cacioppo, 1999). Relatively simpler measures, such as startle response (as measured by muscular activation of eye blinks; Vrana, Spence, & Lang, 1988) and facial EMG (which measures minute muscular changes associated with facial expressions), have been used evaluate physiological responses to positive and negative stimuli. Although these measures promise advances in our collective understanding of biological and psychological processes, they are expensive and poorly suited to field research. They are important in that they provide data from a new level of analysis, can be used to validate other measures of happiness, and serve to further legitimize the science of happiness for the public and policy makers.

*Issues.* No method of measuring happiness is, by itself, perfect. Each has certain advantages and limitations. For this reason I recommend, where possible, using multiple methods to assess happiness across a wide range of research participants (where appropriate). One lesson well-being researchers have learned from past studies is that too much abstraction can lead to inaccurate data. For example, Robinson and Clore (2002) found that when people were asked to recall happiness over spans of more than a month they relied heavily on heuristic processes to arrive at their answers. Similarly, Diener and colleagues (2000) found that members of some cultures—notably western individualists—tend to use cultural norms rather than actual experience to arrive at satisfaction judgments of broad versus narrow life domains. Thus, care should be taken to avoid

overly broad or abstract questions related to happiness, unless these are used frequently with the same research participants, or in tandem with more specific questions.

### Implications for Buddhist Economics

As Buddhist Economics gains popularity, especially in Asian nations, it will become increasingly important to set a research agenda that is grounded in scientific methods, lest this professional endeavor be dismissed or marginalized. Perhaps more importantly, in today's global economy, it is in the interests of Buddhist economic theorists to employ methods that are comparable to those used in the West. That said, Buddhist economists are poised to benefit from the methodological advances of traditional psychological and economic sciences while establishing locally relevant research agendas and making policy recommendations that take Buddhist values into consideration. Fortunately, the construct of happiness represents a potential common ground between Eastern and Western traditions such that Buddhist economists can use subjective well-being as a culturally appropriate concept of interest while still employing rigorous Western measurement.

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