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How Should Happiness Guide Policy?

Why Gross National Happiness is not opposed to Democracy

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1 Introduction¹

Gross National Happiness (GNH) as a political program carries with it the ambition to make a difference to real policy decisions. Whatever the precise understanding of GNH, it was always intended to be more than a purely theoretical concept and to make a direct difference to policy making and, what is more, to actual development paths. Yet, whatever policy recommendations we derive from our reflections on GNH, the question arises as to how these recommendations may legitimately find their way into reality. Certainly nobody suggests to forcefully impose any policy recommendations against universal public resistance, however sensible the policy in question might be.

In the context of GNH, two problems in particular arise. First is the question of whether a happiness-based policy in particular and policy recommendations in general do not conflict with democratic principles. Second is the question of whether the claims GNH makes on each individual's personal attitudes and behavior are not illusory and/or illegitimate. I will treat these two questions in turn in this essay and will try to show that neither is the case.

2 Does a happiness-based policy conflict with democratic principles?

For good reasons, debates about policy interventions, however controversial they may be, nowadays take place under the premise of democracy. The literature that does not subscribe to this premise is outdated or marginal and cannot hope to get any substantive public approval. This seems to apply also to Bhutan where a democratic spirit and democratic practices have a long history (Galay 2001) and where the draft constitution contains an explicit commitment to fundamental democratic principles in its very first two clauses.² At the same time, democracy is a very general idea that can be specified in many different ways. However, to the degree the name speaks for itself (from its Greek origin, "rule by the people") it means that political decisions, institutions etc. must ultimately originate from, and be justified in terms of, the will of the people.

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² The draft constitution as published on 26 March 2005 begins thus (after the preamble): "Article 1. Kingdom of Bhutan. 1. Bhutan is a Sovereign Kingdom and the Sovereign power belongs to the people of Bhutan. 2. The form of Government shall be that of a Democratic Constitutional Monarchy. Any other form of Government shall be unconstitutional and is prohibited."

With such a conception, it may appear at first sight that the formulation of policy recommendations by social scientists would be (ethically) illegitimate and (factually) ineffective. After all, those elected into power are supposed to execute the electorate's mandate and not to implement policy recommendations that some more or less brilliant scientist has been able to convince them of. And since people naturally know what is good for them—and what will make them happy—democracy would simply demand that political representation mirror people's preferences and that economic activity take place on free markets (since these would maximize total happiness). Against happiness policies in particular it might be argued that they have anti-liberal tendencies because they are illegitimately interested in people's private lives.

Many writers on GNH would disagree (cf. the contributions in Ura & Galay 2004). They might argue, for example, that those elected into political offices should be inspired and conscientious leaders, not only mirrors of the median voter's preferences,³ and that completely free markets often have a negative overall effect on people's happiness.

Whatever the precise stance and the underlying arguments, it seems clear that one needs a somewhat more refined concept of democracy before such arguments can be settled. While the space, and the author's competence, do not permit a comprehensive elaboration of such a concept on these pages, a convincing concept of deliberative democracy as developed by political philosophers shall be briefly presented and defended here.

2.1 Deliberative democracy

Deliberative democracy can be roughly characterized as “a system that combines accountability with a measure of reflection and reason-giving” (Sunstein 2002:123). In other words, its most distinctive feature as a concept of democracy is that it bases democracy on reflective deliberation. In contrast, other views of democracy, such as that of the social choice theory, starts from the—allegedly value-free—premise that people's tastes, opinions, preferences etc. are not to be questioned and that the good social choice mechanism is the one that produces the most consistent aggregation of preferences that satisfies some common sensical conditions of justice, in whatever way these preferences have been formed.⁴ Deliberative democracy demands that choices must be made after a process of deliberation in which people ex-

³ The “median voter theorem” is based on the scenario of a binary decision (for or against a specific proposal) and says that the preferences of the median voter—i.e., the voter who has as many voters to his right as to his left in the distribution of approval intensities—will prevail as long as decisions reflect majorities.

⁴ Cf. the voluminous literature sparked by “Arrow's impossibility theorem” (Arrow 1951).

change and justify their respective reasons for their preferences. Such a process makes it possible, without of course guaranteeing, that the preferences people will ultimately state (by vote, protest, acquiescence, or active affirmation) are better reflected and more sensitive to other people's moral rights and interests. Deliberative democracy should not be understood as a procedure leading to, or requiring, consensus. It is rather the very process of reflecting and justifying competing interests that should be considered an intrinsic procedural benefit of deliberative democracy.

It may of course be argued that, since consensus is not required nor expected, deliberative democracy would boil down to the same thing as an aggregation of unreflected preferences to the degree that the participants of such deliberations fail to be impressed by the arguments of others. While this is perhaps technically correct, the premise that people will never change their stated preferences upon reflection and consideration of others' moral rights and interests would be problematic. First because, as an empirical matter, people do regularly adjust their stated preferences upon reflection and after being exposed to opposing (or indeed supporting) arguments (cf. e.g., Sunstein 2002). Second and more important, assuming purely self-interested citizens who will never change their mind (that is, who never change their mind for *moral reasons*, as opposed to *strategic* ones) would be quite absurd for a number of reasons, the most important being that any discourse on good decision procedures—including social choice theory itself—would become quite pointless and self-contradictory under this premise. There is little virtue to be expected from even the imaginably best decision procedures that are not complemented by any sense of morality on the side of the citizens. I will have to say more about this below.

Another critique that has been directed at this model of democracy is that extensive deliberation is too costly as that it would ever be possible or desirable to submit each single decision to public deliberation. Apart from decisions restricted to a tiny community, the large majority of decisions will always be taken without much or any public deliberation. At most, a small subset of the (potentially) affected population will be able to participate. Due to this "constraint of deliberative economy" (Dryzek 2001:652), opponents argue, deliberative democracy is an unfeasible model for actual decision making. Ultimately, only more efficient authoritarian models of democratic decision making would be viable alternatives.

Fortunately, we do not have to choose between these two alternatives only (universal and permanent deliberation vs. authoritarianism). The critique just presented should be understood as a critique against a caricature of deliberative democracy, not against its spirit. Well understood, the criterion of deliberative democracy should not be whether each single decision is preceded by actual public deliberation, but rather whether deliberation *can* take place as and when the need arises and whether decisions anticipate, and are responsive to, contestation. Authority, in this conception, is not in itself antagonistic towards democracy. To the

contrary, “democratic authority” (Warren 1996:47) must be a constitutive element of any conception of deliberative democracy that does not ignore people’s right to freedom from constant involvement in public deliberation. In particular, “democratic authority can exist when an institutionalized possibility of challenge allows individuals to suspend judgment” (ibid.).

In this conception, then, policy makers or, more generally, all those that have been entrusted by society with decision making powers are not simply legitimized by fair procedures (of election, appointment etc.) to do whatever they deem right once they are in office. Rather, even when they have taken an office in a legitimate process, they should continue to remain under the scrutiny of the public and be under an obligation to justify their decisions. Paradoxically, it is precisely this continuous potential challenge that confers democratic authority: the very possibility to challenge judgments and decisions of officeholders—and the experience that they are in principle responsive to such challenge—lays the basis for a trust of the citizens in officeholders that allows the citizens to partially suspend their judgments on specific decisions (Warren 1996:57). It is not that citizens surrender their judgment to officeholders between elections, which would be pretty much the end of deliberative democracy. It is only that they suspend their judgment on individual decisions, but their trust (or its absence) in decision makers is of course in its turn a judgment, as is their decision when to realize the possibility of challenging authority. It is these judgments that permit citizens to partially suspend judgment on specific issues (ibid.). Thus, authority is not antagonistic towards deliberative democracy, but, to the contrary, a constituent element of it.

2.2 Policy recommendations and deliberative democracy

Before this background we can now see how policy recommendations are after all reconcilable with deliberative democracy. The important thing to understand is that there is a place for policy recommendations *within* this concept of deliberative democracy, not in addition to it. In other words, expert policy recommendations must not bypass the democratic procedures that legitimize political decisions, they must become an input to the same. This implies that decisions based on policy recommendations must be open to contestation by the public, as all other decisions must be.

Of course the roles of different actors would be differentiated in deliberative democracy. While all actors would be equally legitimate participants of the public discourse and would therefore be entitled to advocate or challenge specific decisions, some actors would have special privileges and responsibilities. To begin with, legitimately elected officeholders (including those appointed by elected authorities, such as ministers or judges) would have certain privileges that derive from the simple fact that they have been entrusted with decision making on behalf of the electorate. Again, this does not mean that, once elected, they are entitled to do whatever is just not illegal, but it does mean that they are entitled to take decisions

without the need to seek explicit approval for every single decision, provided that they give a chance of challenge to potential opponents. Furthermore, special powers of decision or of influence should be accompanied by special responsibilities. Thus, a researcher who has extensively studied a particular societal issue will rather easily make her voice heard in the media or by counseling politicians directly, and there would be nothing illegitimate about her giving advice to politicians on what she personally believes would be the best policy—as long as the public has a chance of challenging her advice. Similarly, newspaper editorial writers with considerable influence on public opinion have an obligation to particular prudence in their published judgments, but the exertion of their influence is not as such undemocratic or otherwise illegitimate as long as a proper degree of media independence and plurality is warranted.

In short, what deliberative democracy requires is that any policy recommendation or, more generally speaking, any constructive political opinion is an input into, and not a substitute of, the democratic process, and that any decision taken by officeholders (which will almost inevitably be based on one or another policy recommendation) will in principle be responsive to public challenge.

This characterization of the institutional preconditions for the reconciliation of democratic principles and policy recommendations also indicates the limits to form and content of policy recommendations that may be submitted to the democratic process. First of all, policy recommendations whose aim, or incidental effect, is to seriously undermine deliberative democracy would not be admissible in the same way as an unconstitutional political party would not be admissible in a multi-party democracy. “Not admissible” is of course meant in the sense of not being morally admissible rather than in the sense of being illegal. As long as such undemocratic policy recommendations are covered by the right to freedom of expression, they should not be suppressed by legal sanctions. Being not morally admissible should rather imply that such policy recommendations stand no chance of being seriously considered in a functioning deliberative democracy.

Second, when a particular policy recommendation is advanced, it should be justified by giving reasons why the society should want to adopt that particular policy, rather than by purely mechanical arguments based on alleged natural social laws. For example, it would be problematic to recommend a particular measure, even if it concerns the extension of democratic participation rights, based simply on statistical evidence that such a measure tends to increase citizens’ happiness (as in Frey & Stutzer 2002). Such a justification reflects a view of citizens as happiness functions and of policy makers as social engineers that have to fulfill some independent objectives. It fails to address the reasons the citizenry may or may not have to make the recommended cause their own (cf. Thomä 2003:155). One does not need to deny the existence of causal effects of certain policies on people’s wellbeing to demand that

such policies always need to be justified *also* and ultimately in terms of the specific, contextual reasons people should have to advocate such policies in public deliberation.

In addition to (i) the institutional preconditions and (ii) the formal and substantive criteria of admissible policy recommendations, the reconciliation of policy recommendations with deliberative democracy—indeed, deliberative democracy itself—requires (iii) an ethical predisposition—or simply: morality—on the side of the participants of public deliberation, including citizens, experts, multipliers and legitimate officeholders. While any democratic constitution of society must be able to withstand undemocratic and immoral attitudes of a minority, it cannot be built upon the assumption of the complete absence of morality. I shall try to explain what this implies for policy recommendations in general and for GNH related proposals in particular.

2.3 The imputation of morality

Saying that deliberative democracy requires morality does of course not mean that citizens must always do the good and never the bad, or that they must be always motivated by pure benevolence. It does not, in other words, mean that citizens must be saints. It just means that they respect others' moral rights for other than strategic reasons, i.e., to judge and act from the moral point of view. Morality, in this sense, simply means that I do not (ab)use the other only as a means in my strategic calculus, but that I care also about him or her as a vulnerable human being. The criterion is not whether I protect another person's specific interest at any cost to myself, but whether I sincerely care about that person's interest and allow it to become, in principle, a reason for me to act against my immediate interests. What is necessary in deliberative democracy, therefore, is a general readiness to critically revise one's private preferences and/or to act against them in the light of others' justified interests.

Such a conception of democracy is not for the first time proposed here, but it may attract criticism from two sides. First, it may be criticized that it is *unrealistic* to expect that a significant portion of the citizenry is willing or able to take this moral point of view. Whatever the exact arguments of such a criticism, it will be either misdirected or simply wrong. It would be misdirected if it was meant to criticize the view that people would generally sacrifice their own interest for those of another. After all, morality in the sense just described does not at all imply that the pursuit of one's own interests would in any way be illegitimate as such or that one should sacrifice one's wellbeing for that of others. All it says is that the pursuit of one's interests must be conditional upon its respecting the moral rights of others. In other words, the pursuit of one's interests is *prima facie* legitimate and only needs to be justified, and possibly revised, when others' legitimate interests are compromised. The criticism would be wrong if it was claimed that, as a matter of fact, people have no moral sense. This should be clear once the implications of such a claim are understood. The widespread absence of any

morality would mean, e.g., that we could only communicate and interact strategically and would have to suspend any trust. The very business of science—defending theories and hypothesis by reasoned argument—would become pointless in such a world—in fact, the very justification of the view that morality does not exist would become a performative contradiction, i.e. it would be an exercise of communicative (as opposed to strategic) rationality that is denying its own existence. The absurdity of such a claim has been nicely caricatured by Amartya Sen (1983:p.96): “‘Where is the railway station?’ he asks me. ‘There’, I say, pointing at the post office, ‘and would you please post this letter for me on the way?’ ‘Yes’, he says, determined to open the envelope and check whether it contains something valuable.” We certainly do not live in a world without morality. It would of course be futile to attempt to ascertain the exact degree of the prevalence of morality. Yet, in the absence of such estimates, we will certainly fare better being optimistic about human morality than pessimistic, preferring to impute rather a little too much morality than too little.

Second, it may be criticized that it is *illegitimate* to require that people change their preferences. This criticism may be expected to follow from the standard dogma in economic theory that preferences are sacrosanct and not to be criticized. As long as negative externalities are internalized through the price mechanism, the argument goes, nobody’s preferences should be questioned since “a taste for poetry is no better than a taste for pushpins” (Frank 1997:1844, citing Bentham). This critique, too, is mistaken on several accounts.

First, the very view that people *have* given preferences is highly implausible and problematic. Rather, human beings appear to be *constructing* their preferences themselves all the time, albeit not from scratch and within limits (Hirata 2003:108). This implies that there usually exists no “genuine” preference from which an individual is manipulated away through outside influence. Rather, the construction of preferences will unavoidably be influenced by communication and interaction, and as long as the person is the master of her judgments, there should be no reason to fear that she is unduly manipulated.

Second, it is not only that outside influences are not necessarily manipulative. People in fact actively seek outside orientation for the sake of rightly choosing their preferences. Most people want to live well and responsibly without having a complete and ready-made conception of either the good life or of legitimacy. Asking themselves how they want to live, who they want to be, and what their values should be, they often welcome the open-ended deliberation with others even if their preferences are challenged in the process. As a reflected economist once said, “life is at bottom an exploration in the field of values, an attempt to discover values, rather than on the basis of knowledge of them to produce and enjoy them to the greatest possible extent. We strive to ‘know ourselves,’ to find out our real wants, more than to get what we want” (Knight 1964:1).

Third, declaring the questioning of others' preferences illegitimate would mean doing away with the idea of ethics, of responsibility, rights, and duties altogether. The mere fact that a person compensates others for the damage he inflicts on them (i.e., the idea of paying for negative externalities) does not in itself legitimize the underlying preferences. As Brian Barry (1991:264) vividly argues in an analogous context,

“We will all agree that doing harm is in general not cancelled out by doing good, and conversely that doing some good does not license one to do harm provided it does not exceed the amount of good. For example, if you paid for the realignments of a dangerous highway intersection and saved an average of two lives a year, that would not mean that you could shoot one motorist per year and simply reckon on coming out ahead.” (quoted in Neumayer 1999:40)

The same case can be made for most negative externalities. A rich person may have no difficulties to compensate, say, a community of indigenous forest dwellers for their resettlement in a different location in order to build a weekend residence for himself. Yet, considering the alternatives, one might question whether he should not *want* to put his fortune to a different use and content himself with a less “unsettling” weekend destination. Indeed, “the way people allocate money is not always optimal from a social point of view” (Thinley 1999:20). Similarly, we do not only condemn sadistic practices but also the *desire* for such practices, and it is for the same reason that the law prescribes harsher punishment for homicide when it was committed with “malice aforethought” (murder) than when it was committed out of recklessness or negligence (manslaughter). The point I want to make is that preferences are not morally irrelevant and that we are right to demand justification for questionable preferences.⁵

When it is recognized that moral demands can (realistically) and may (ethically) be made on citizens, there should be no reason to exempt policy recommendations from making moral demands. In fact, any policy recommendations that does not exclusively address purely opportunistic interests of the addressees—i.e., practically all serious policy recommendations—will automatically make some moral demands. After all, policy recommendations need to be justified by reference to some social benefit, not to the private advantage that politicians, or indeed voters, may expect to reap (“we recommend to abolish eco-taxes in order to make more profitable use of defenseless future generations' assets”). Even the public choice school that portrays policy makers as purely self-interested agents does not seem to go that far in its own policy recommendations.

⁵ Furthermore, the very concept of externalities requires some moral concept of legitimate preferences. For example, I may find that factory noise is an illegitimate nuisance but that the noise of playing children should not be disliked in the same way.

Happiness-based policy recommendations potentially address people's private ethos (i.e., prudence *and* morality) much more explicitly than policy recommendations based on other research, and Gross National Happiness in particular takes persons' attitudes explicitly into the equation, as a key passage from Lyonpo Jigme Y. Thinley's Millenium Meeting address emphasizes:

"The knowledge of the self is important to attain individual liberty and freedom, to gain happiness. ... I attach a slightly different meaning to concepts like freedom and liberty than is customarily done. We can gain freedom fundamentally through the destruction of delusion, aggression and desire. ... Happiness depends on gaining freedom, to a certain degree, from this particular kind of self-concern [of 'paying excessive attention to our selves, our concerns, needs and likes']." (Thinley 1999:17-18)

Yet, criticizing this as a weakness of the GNH approach would again be misguided. As I have just argued, every policy recommendation will rightly make some demands on the addressees' ethos—so why not extend the audience to all citizens, rather than restricting them to policy makers? Indeed, it seems rather inconsistent that most policy recommendations—and their underlying theories—do *not* articulate any moral exigencies demanded from citizens. To be sure, moral demands alone will hardly make any difference, and there exists a danger in overestimating people's receptiveness for moral demands, especially when not backed by "institutional backrests" (Ulrich 2001/1997:319) that reduce the private costs of socially responsible behavior. Yet, just as policy makers are usually called upon to design good rules of the game (by appealing to their responsibility, not to their private advantage), so should ordinary citizens be called upon to act virtuously within these rules, and be it only for consistency (i.e., not arbitrarily excluding citizens from moral demands). Many citizens may in fact be eager to understand what virtuous action would exactly mean in the context of the recommended rules of the game, and explicitly addressing these concerns would enrich, rather than patronize or manipulate, public debate.⁶ Complementing recommendations for better rules of the game by explicitly addressing the role of people's private ethos should therefore be no reason for embarrassment, but rather a natural feature of any comprehensive political program or policy recommendation.

⁶ Moreover, many collective action problems seem to depend precisely on the public articulation of behavioral norms as a precondition for universal understanding. If a municipality puts up glass disposal containers for recycling purposes, for example, there would be little use if this measure was not complemented by a publicly justified articulation of the citizen duty to cooperate with glass recycling. The failure to communicate this expectation may undermine people's confidence in general cooperation which in turn may stifle a latent readiness to cooperate on the side of each single individual.

3 How exactly may happiness be expected to influence development?

In light of the conception of deliberative democracy outlined above, one should not expect a simple “application” of GNH to societies that bypasses the democratic decision making process. Yet, the question of how GNH ideas may be expected to be transmitted into real-world decision making shall not be evaded here with a formal reference to the democratic decision making process. While deliberative democracy is a rather formal concept, it should be part of the theorist’s job to point out how this form might be filled with substance in different contexts or scenarios. While I shall not go very deep into this issue at this point,⁷ I will highlight four specific ways on different levels in which the concern with happiness, in particular as understood in GNH, may be expected to make a difference to development.

3.1 Institutional level: provisions to reduce the frame-of-reference effect

Both empirical evidence and theoretical reasoning strongly support the notion that poverty is relative and that, as a corollary, wellbeing depends on some social frame of reference. In particular, I suggest that this frame-of-reference effect is driven by at least three distinct social dynamics:

(1) *Positional competition* (Hirsch 1976) leads people to spend money on a positional arms race for status or otherwise for a high position in a socio-economic hierarchy that alone can provide a valuable (“oligarchic”) privilege. Since the total supply of positional goods cannot be augmented by productivity gains, however, such competition is, from a social welfare point of view, a zero-sum game, and expenditures made for positional goods are thus social losses.

(2) *Secondary inflation* makes a given functioning (Sen 1985:10) more costly in terms of goods, just as primary (i.e., monetary) inflation makes a given good more costly in terms of money units. For example, the deterioration of public transport in Los Angeles brought about by the surge in the number of private cars now practically obliges families to possess a car to function normally in society. Doing one’s grocery shopping, e.g., was once a matter of paying for a bus ride, but now involves the much higher cost of owning and operating a car.

(3) *Adaptive aspirations* have the effect of reducing the satisfaction a person derives from a given functioning because exposure to superior goods lead to rising aspirations. For example, a state of the art personal computer from five years ago would not at all satisfy consumers today because they have come to expect better functionality. Similarly, our ancestors would not have considered themselves unhappy for not having a hot morning shower, but once we

⁷ A more elaborate discussion of this question can be found, in German language, in Hirata (2005 [in print]) and, in English language, in Hirata (2006 [forthcoming]).

got used to it we take it for granted and do not derive any positive satisfaction from this comfort.

All these effects may be tackled to some degree by smart rules of the game, and in fact are already being partially addressed (Frank 1999, Layard 2005). Positional competition, e.g., may be slowed down by limiting the hours people work; secondary inflation might be addressed by long-term policies (e.g., urban planning) that expose the secular choices societies confront rather than relying on piecemeal decisions of individuals (Hirsch 1976, Mishan 1979/1967, Schelling 1974); and adaptive aspirations can be addressed by limiting exposure to superior consumption goods (by reducing income inequality or by banning advertising towards children below the age of twelve, as Sweden has done).

3.2 Individual level: educational effect of knowing about cognitive fallacies

Apart from the just outlined social dynamics which occur even if, or precisely when, individuals decide rationally, happiness may be compromised by irrational behavior. Psychological research has gathered firm evidence that people frequently commit cognitive fallacies when it comes to predicting happiness. For example, they often fail to anticipate that, and how rapidly, they will adjust to better performing computers or hot showers (Frederick & Loewenstein 1999). They overestimate the effect of a given change in their living conditions for the simple fact that their attention is drawn to them (“focusing illusion”; Schkade & Kahneman 1998). They also tend to overestimate their taste for diversity when anticipating future choices (Read & Loewenstein 1995). Publicly debating happiness may raise people’s awareness of these effects, and once people know about these cognitive fallacies they may be expected to make more prudent decisions, just as knowledge about nutritional features of different foods has been making a difference to people’s diets.

3.3 Societal level: giving weight to (inter-) subjective arguments

Prevalent discourses tend to selectively establish legitimizing justifications. Our modern time’s veneration of, some would say obsession with, objectivity, for example, obliges people to justify their judgments and decisions by reference to some objective arguments. What is more, people find it prudent in terms of their own interest—not only just with respect to others’ interests—to base decisions on objective rather than subjective criteria. For example, a majority of respondents in an experiment said that they would be *more satisfied* earning US\$33,000 when their equally qualified colleagues earn US\$30,000 than earning US\$35,000 when their colleagues earn US\$38,000. At the same time, however, 84% (of another group of respondents) said they would *choose* the latter scenario (Tversky & Griffin 1991:114). Apparently, people do not consider their resulting subjective satisfaction to be a legitimate reason to act upon, perhaps because “the market culture teaches us that money is the source of well-

being, [and people,] lacking privileged knowledge of the causes of their feelings, ... accept conventional answers" (Lane 2000:70) Here, publicly and seriously debating happiness might help do away with the stigma of subjective arguments so that reasons are evaluated on their inherent merit and not on insignificant formal criteria such as whether they are objective or subjective.

3.4 Conceptual level: acknowledge role of personal attitudes for happiness

Modern social sciences, with the partial exception of psychology, have come to restrict their domain of interest to living *conditions*, the rules of the game and social, economic, and political systems, as opposed to the inner life of the subjects that, after all, constitute such systems. This is also true for development theories and has been accompanied in most Western societies by an almost exclusive concern in public debates with citizens' (negative) rights and freedoms at the exclusion of obligations and behavior-orientating norms. Development is seen basically as a matter of building an agreeable world around people who are assumed to be equipped with all those competencies and attitudes it takes to become thriving and well-adjusted citizens once favorable living conditions are established. As Scitovsky (1992/1976:4) noted, "we are accustomed to blaming the system or the economy and have gotten out of the habit of seeking the cause of our troubles in ourselves."

Unfortunately, however, the conditions of life are not always agreeable. While there are certainly many aspects of today's "systems" that need to be rectified, people's attitudes, characters, inner strength etc. are also a vital component of development. In fact, people's inner life plays two constitutive roles in development. On the one hand, a certain moral posture (commitment to basic moral principles, a conception of the good etc.) is a requirement for any societal "system" to function well (Rawls 1999/1971, Hirsch 1976, Giannetti 2002). On the other hand, some inner strength and positive attitudes are what allows people to live fulfilling lives even under not so agreeable living conditions. If public debates were centered around happiness rather than economic conditions, one might expect that people's inner life would be taken into the equation of development. In this sense, GNH-inspired theories appear to be more complete than mainstream development approaches that are exclusively concerned with the living *conditions*, and not at all with *living*.

4 Conclusion

Happiness-inspired policy recommendations, I have argued here, are neither illegitimate nor illusory, provided that they are submitted as justified suggestions to the democratic decision making process. As all other policy recommendations, they have to prove themselves in the public discursive contest of arguments. One argument that might turn out to become a particularly convincing feature of GNH is its inclusion of the inner life into the domain of inter-

est. While people's inner life is perhaps no direct field of policy intervention, it would be an inconsistency and a gross omission to conceptualize and debate development without taking the role of personal attitudes, ethos, and values into account.

There are a number of specific ways in which the shift in public debate from economic conditions to happiness may affect a society's development path, i.e., policies as well as people's private lives. I have here defended the view that the specific path of good development must be negotiated in a given society under the premise of deliberative democracy, and that such negotiation makes, and should make, some moral demands on the negotiators—the citizens. In other words, good development needs both, appropriate rules of the game and citizens who care about others' moral rights. By addressing both sides of the equation, GNH brings us a big step further towards a more comprehensive conception of development.

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