

# Happiness, Innovation and Cities

Evo-REG Workshop: Innovation,  
territories and policies

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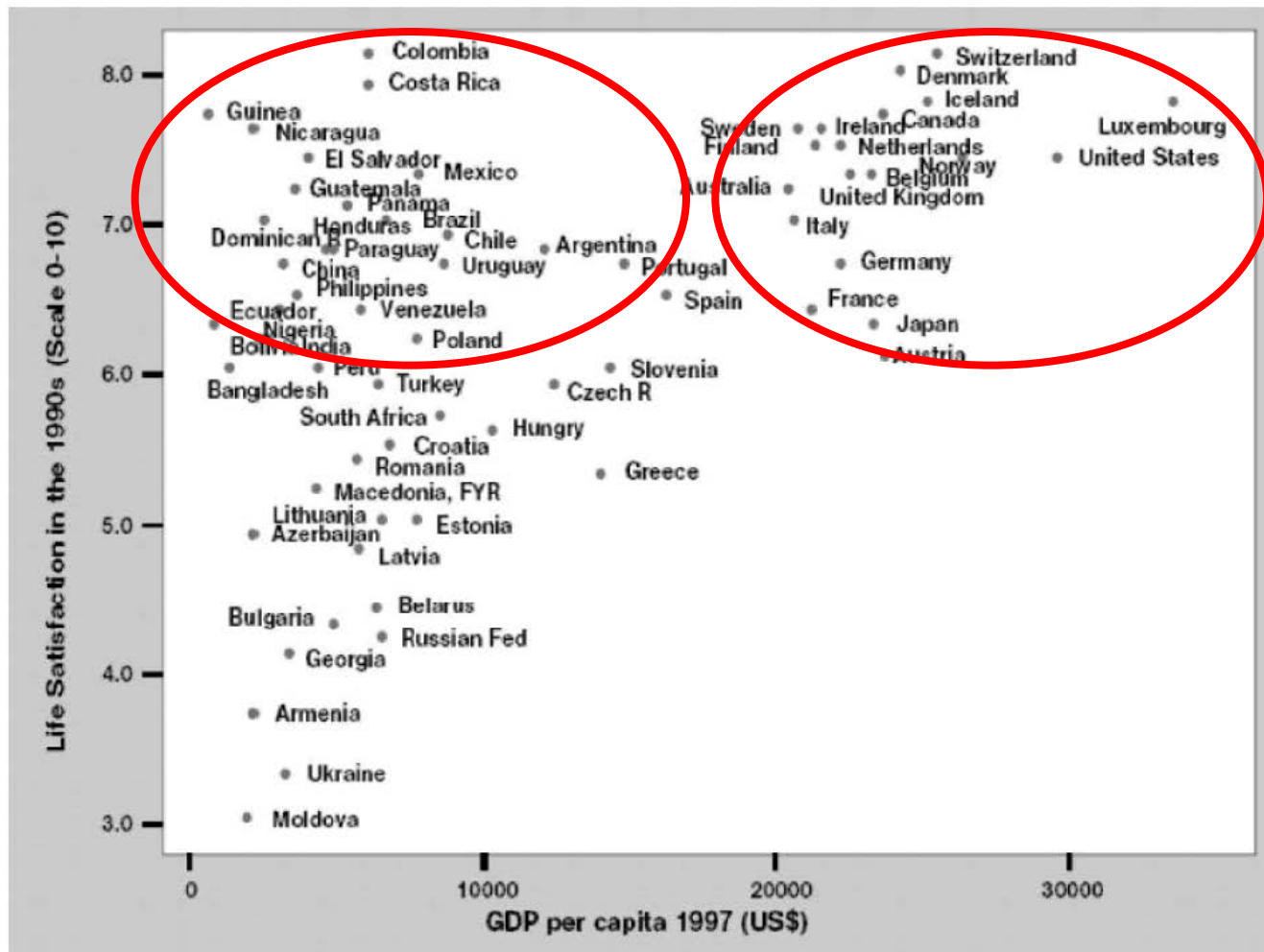
# Outline

- Introduction on happinomics and studying subjective well-being
- Linking happiness and innovation
- Innovation and Cities
- From steady-state economics to maximizing well-being
- Conclusions

# Introduction to happinomics

- Happiness = subjective well-being
- A. Sen: fundamental goods like health, education level, duration and quality of life, etc.
- Typical economic indicator: GDP per capita

# Introduction on happinomics



# Introduction to happinomics

- Happiness = subjective well-being
- A. Sen: fundamental goods like health, education level, duration and quality of life, etc.
- Typical economic indicator: GDP per capita
- Growing consensus that merely measuring GDP falls short of capturing important dimensions: There is more to well-being than just income
- Easterlin-Paradox: subjective well-being of citizens in industrialized countries tends to stagnate or even decline

# Introduction on happinomics

- An important stream of literature focuses on household surveys
- Various studies: World database of happiness, OECD, Eurobarometer, Office for National Statistics (UK), ...
- Importance of several non-economic factors in the environment of the individuals
  - Social relationships
  - Health
  - Environmental factors
  - Security

# Measuring Happiness

- What would make you happy? Certainly not easy to measure, various answer dimensions,
- But: several existing concepts
  - Bhutan – official use of *gross national happiness*
  - Commissions in UK, FR and DE to consider well-being of the population
  - J. Sachs: consider happiness as the 9<sup>th</sup> MDG

# Happiness and Innovation

- Theory suggests: Happiness, creativity become additional production factors (K,L, +H)
- Empirical evidence: Well-being becomes the motivation to start creative actions (societal organization), well-being important for companies (creative spaces, google, etc.)
- However, politics falls often short of these insights, critical aspects of knowledge such as creativity, insight, curiosity or wisdom receive little attention
  - Instead "...the predominating emphasis on creating knowledge (and innovation) at faster and faster rates –the '**politics of urgency**' –**produces an almost autistic inability for reflection and consideration**" (Rooney and Mckenna2005)



# Happiness and Innovation

- Happiness vs. innovation (difficult conceptual interconnection)
  - Innovation policy has been mainly concerned with bringing knowledge, research to the market
  - Happiness policies has been mainly concerned with reducing the negative effects of modern industrial production
- Often SWB has been treated implicitly (e.g. reducing environmental pollution, new medical treatments)
- Despite their importance there are only a few theoretical and empirical interconnections

# Summing up the debate

- Need for policy intervention (Easterlin Paradox)
- Need for better policies (happiness is hardly ever considered in RTI-policies)
- Great conceptual progress in developing robust and comparable measures of happiness
- BUT: no consensus on the aggregate concept and goal as a policy objective. "Happiness is, in the end, a much more complicated concept than is income" (Carol Graham)
- More research on the interplay of happiness and innovation required

# **Creativity, Growth, Nudge and Happiness: the Case of Shanghai**

**Pan Jin, Director International affairs Shanghai  
UNESCO Creative City Promotion Office Deputy  
Secretary General, Shanghai Creative Industry  
Center**

**&**

**Francis Munier, University of Strasbourg, France**

**The creative class, post-  
industrialism and the happiness  
of nations (2011), Charlotta  
Mellander, Richard Florida and Jason  
Rentfrow,**

**Cambridge Journal Regions Eco Soc**

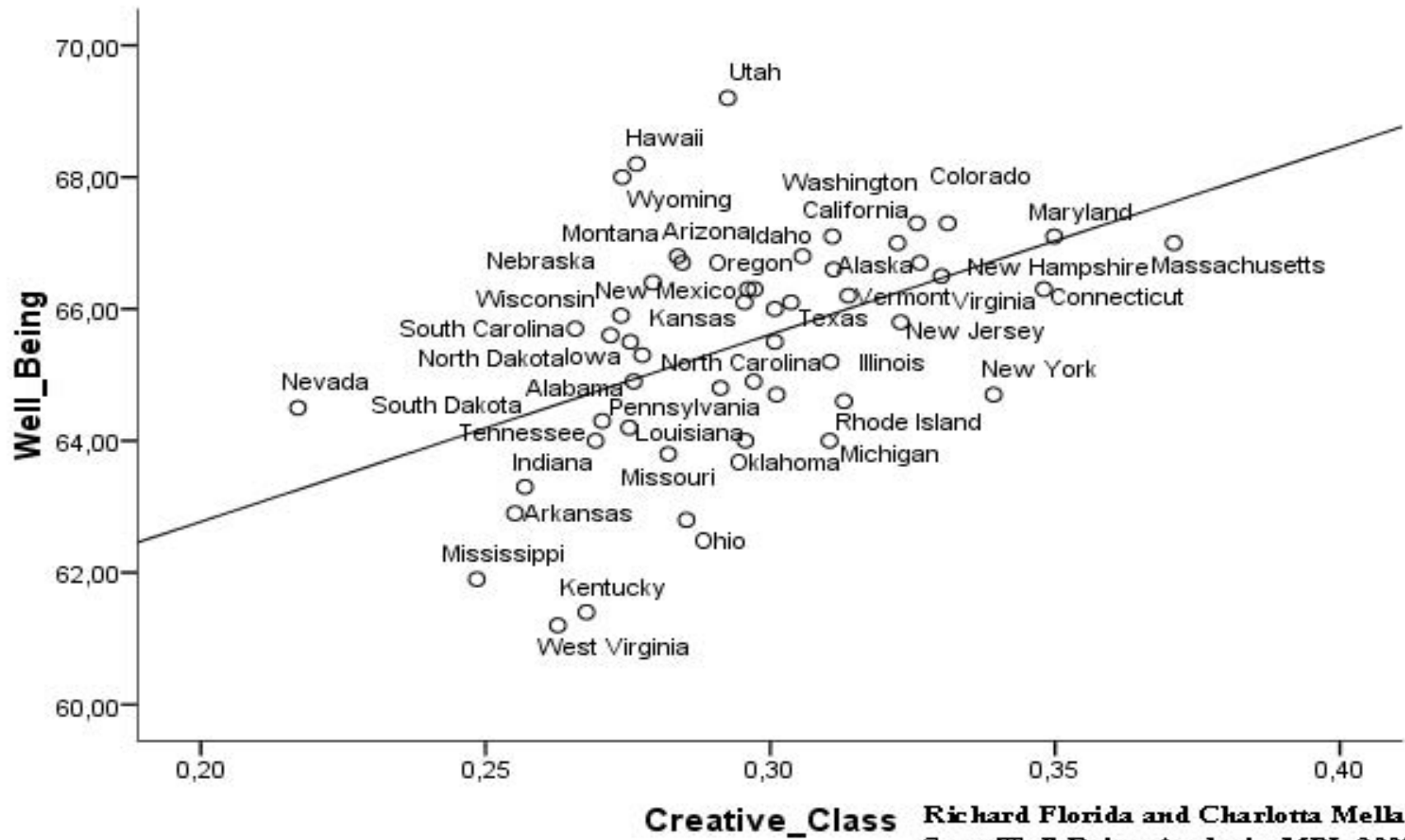
- Taken together, results suggest that differences in life satisfaction should be understood not only in terms of income but also in terms of post-industrial structures and values.
- Indeed, education and creative class work structures both contribute to levels of life satisfaction in high-income Nations and Cities

RONALD INGLEHART

MODERNIZATION and  
POSTMODERNIZATION

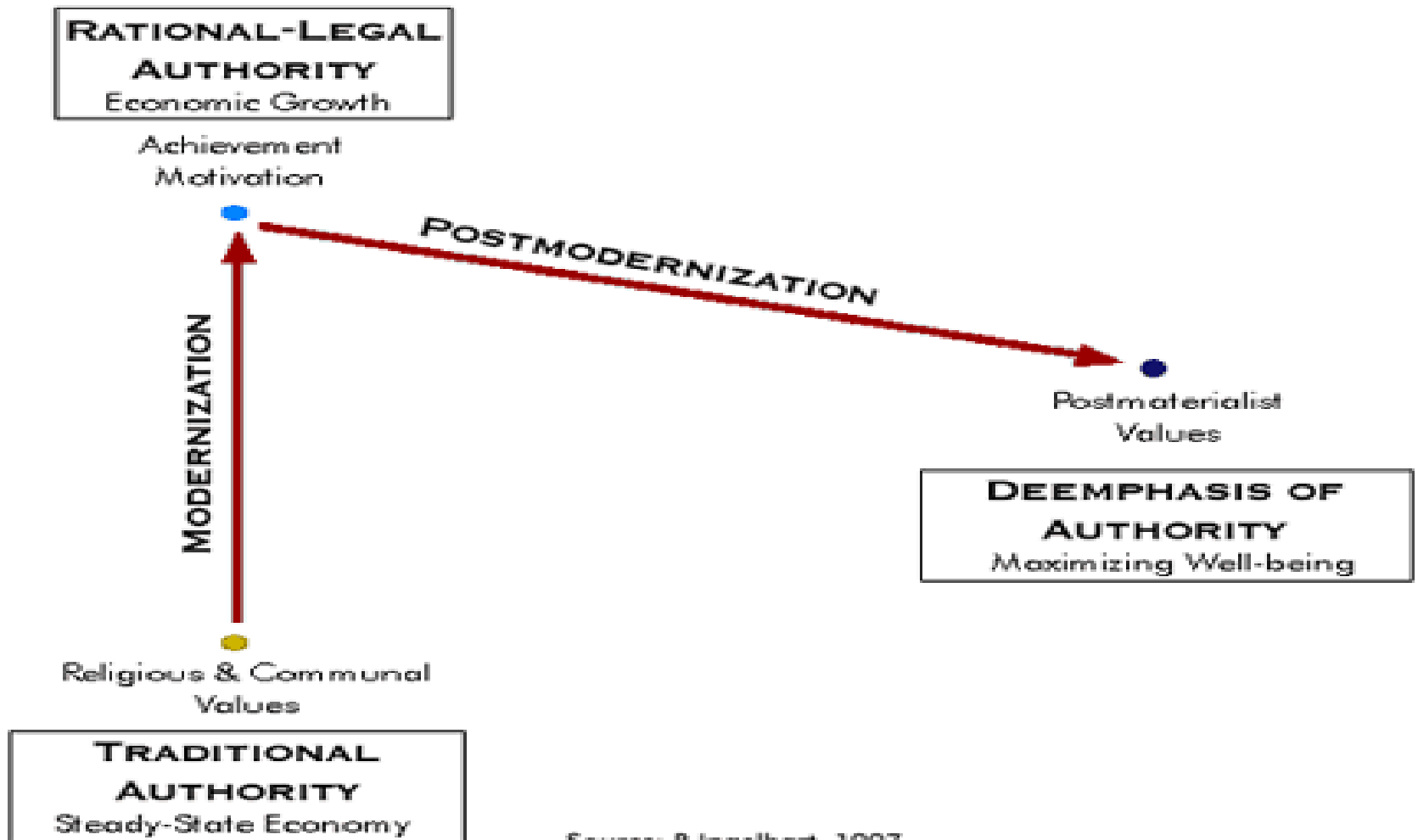
CULTURAL, ECONOMIC,  
AND POLITICAL CHANGE  
IN 43 SOCIETIES

## Well-Being and the Creative Class



**Creative\_Class**

**Richard Florida and Charlotta Mellander,  
State Well-Being Analysis: MPI, 2009-03-13  
Source: Martin Prosperity Institute,  
Well-Being data from Gallup. Available at  
<http://www.ahiphewire.org/wellbeing>**



Source: R. Inglehart, 1997



# Conclusions

- **There is a two way relationship between happiness and innovation**
- **Need for policy intervention and better policies**
- **Consider happiness in public policies while allowing societal pluralism**
- **Consider post-industrial structures and values**
- **Acknowledge the importance of the creative class**

# THANK YOU FOR YOUR ATTENTION

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