## David Cameron should pay attention to the "Happiness" of British citizens; it will help him win the next general election

blogs.lse.ac.uk/politicsandpolicy/cameron-needs-to-look-at-the-happiness-of-british-citizens-it-will-help-winning-the-next-general-elections/

10/9/2013

Research by Federica Liberini, Eugenio Proto and Michela Redoano finds that Subjective Wellbeing (or

'happiness') measures have a good explanatory power in predicting voting behavior/ They also show that voters are not able to separate the source/cause of their wellbeing when they decide whom to vote for. Their results imply that governments should produce better and more comprehensive measures for wellbeing, and they highlight citizens' inability to correctly blame or reward policy makers only for the actions they are responsible for.







Do citizens really care about their level of "happiness" when they have to evaluate the performances of their policy makers? In other words, do citizens reward policy makers for improving their Subjective Wellbeing by voting for the incumbents?

According to our findings in a recent paper, the answer is yes. We find that citizens who declare a high level of subjective wellbeing (SWB) are more likely to cast their vote in favor of the ruling party. For example, those who declare themselves as highly satisfied are 1.7% more likely to support the prime minister party in future elections, which goes in addition of being 1.5% more likely to be pro-incumbent following a perceived improvement of their financial situation. We also analyze the effect of SWB on the incumbent party support for the swing voters (i.e. the voters who do not hold a strong political view and ideological support for a party). As it is reasonable to expect, the effect of SWB on the incumbent party support seems to be stronger than for the full sample. For example, being satisfied with life increases the probability of supporting the ruling party of about 1.9%.

A second strictly related question we address is: are citizens able to make policy makers accountable only for increased wellbeing that is the direct effect of government's policies, or rather happier (sadder) people support more (less) the government independently to whether the government can be held accountable?

According to our findings the answer is: citizens do not seem able to distinguish between changes on their SWB that are not imputable to the government, from the ones the government is likely to be responsible. Our method to come to this conclusion is to analyze the effect of widowhood on voting intentions. This is a shock that is well known to have a strong and significant impact on SWB especially on women and at the same time it can be reasonably assumed to be independent from government actions.

We find that women experiencing widowhood are between 10% and 12% less likely to be pro-incumbent than individuals in the control group in the following two years after the death of their partner (for men this effect seems to exist as well, but it is certainly weaker in magnitude). This last result qualifies the idea that "[voters'] retrospection is blind" (for example, see here). Voters seem to reward/punish the incumbent party for the way they are doing with life, which seems to provide support the model of retrospective voters (for example, see here and here). However, at the same time, they seem not to be able to make the government accountable for the outcomes it is really responsible.

We construct measures of voting intentions and subjective well being (SWB) using the British Household Panel Survey (BHPS), a rich database started in 1991 containing information on over 10,000 British households on yearly basis. The idea that states should support and protect citizens' wellbeing goes back at least two hundred and fifty years; as stated in the 1776 United States Declaration of Independence:

We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable Rights, that among these are Life, Liberty, and the pursuit of Happiness.

More recently the notion that to assess how a country is doing, policy makers need to rely on more comprehensive measures of wellbeing and not only on monetary and financial indicators has become highly debated. Steps in this direction have been taken by the British and French governments as well as international organizations such as the World Bank, the European Commission, the United Nations, and the OECD.

For example, in 2008 the French government set up a Commission led by Joseph Stiglitz for the measurement of economic performance and social progress. The aim of the commission was to make proposals about incorporating the new indicators of economics outputs in national accounts. In the UK, following the initiative taken by the current Prime Minister David Cameron, the Office for National Statistics initiated the National Wellbeing Project, culminated with the construction of a "happiness index".

Overall our results seem to indicate quite clearly that SWB measures have a good explanatory power in predicting voting behavior; they also show that voters are not able to separate the source/cause of their wellbeing when they decide whom to vote for. Our results have then some important implications. First of all, they motivate the efforts taken by governments and international organizations in producing better and more comprehensive measures for wellbeing, since they appear to have good explanatory power to predict voters' intentions, which is consistent with retrospective voting models. Second, they highlight citizens' inability to correctly blame or reward policy makers only for the actions they are responsible for. They can also offer an answer to the following question: "Why are elections always held in May (in the UK), when the sun shine high and makes everybody happy?"

Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our comments policy before posting.

## **About the Authors**

**Federica Liberini** is a Postdoc Researcher for the Chair of Public Economics at KOF ETH, Zürich. She earned her PhD from the University of Warwick in 2013, as well as her MSc in Economics. Her research interests are Corporate Finance, Public Economics and Applied Econometrics.

**Eugenio Proto** is Associate Professor at Warwick University and CAGE. He earned the PhD in Economics at ECARES, Universite' libre de Bruxelles. His research interests are "Applied Economics, Behavioural Economics and Labor Productivity"



**Michela Redoano** is a Lecturer in Economics at Warwick University and CAGE and CES-Ifo Associate. Michela's research interests are in the areas of political economy, tax and yardstick competition and voters' behaviour.

