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## **MEASURING POPULATION HAPPINESS TO INFORM PUBLIC POLICY**

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This paper shows how the measurement of population happiness can inform public policy. In this context happiness refers to mood happiness, commonly referred to as Subjective Wellbeing (SWB). The essential character of SWB is that it is normally positive. It is held to be positive by a management system called SWB Homeostasis. If this management system fails, due to the balance of challenges to resources becoming sufficiently unfavourable, then the resultant loss of positive mood is the condition of depression. These characteristics of SWB can be exploited to advise the allocation of resources within a nation by the following means. First, a normative range for SWB can be established for each country, such that the mean score from any population sub-group can be referenced against this range. Second, if the sub-group mean lies below this normal range, it is indicative that the ratio of normal to depressed people is lower than normal. This is diagnostic of groups who require more resources. Australian data have been used to demonstrate the utility of SWB to detect relative disadvantage in both geographic regions and specific demographic groups.

It is concluded that public policy which directs resources to disadvantaged population sectors identified in this manner, may be one of the most effective initiatives to enhance population wellbeing and national productivity.