

THE (UN)HAPPINESS OF KNOWLEDGE AND THE KNOWLEDGE OF (UN)HAPPINESS

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1. Introduction

- Two observations motivated this paper:
 - Mainstream discussion of policies for knowledge-based economies (KBEs) seems narrowly technocratic and market-driven.
 - Some definitions of KBEs.
 - Knowledge - Productivity – Economic growth.
 - Little explicit cross-referencing between literatures on KBEs and happiness research.
 - For example: Layard (2005), Foray (2004).

Introduction ctd.

- Main argument of this paper:
 - The knowledge policy discourse and the happiness policy discourse should be more closely related, i.e. 'knowledge policy' should be informed by insights from happiness research.
- Ultimate aim of KBEs? Happiness research should give the knowledge policy discourse direction:
 - Knowledge is not accumulated for its own sake, but for the purpose of increasing human happiness/ subjective well-being (SWB).

Introduction ctd.

- I focus only on public policies for developed countries.
- Even similar developed countries are diverse with respect to their KBEs, and also with respect to beliefs and attitudes about core KBE elements.

2. Comments on mainstream KBE and related policy discourses

■ The sorry state of the mainstream KBE policy discourse:

- Ásgeirsdóttir (2006): Four key policy messages:
 - Getting economic fundamentals right;
 - The four pillars of innovation, new technologies, human capital, enterprise dynamics;
 - Impacts of globalization
 - Importance of knowledge management.

The sorry state of the mainstream KBE policy discourse, ctd.

- Kahin (2006): Balkanization of knowledge policy is a reflection of the *“unspeakable complexity of the knowledge economy”*. *“There is too much to know about knowledge to be able to make intelligent decisions about it”*.
- *“Judicious avoidance of knowledge is not necessarily a bad thing. Human attention and absorptive capacity are scarce. Opportunity costs may be high.”* (Kahin, 2006, p. 5)

The sorry state of the mainstream KBE policy discourse, ctd.

- *“Politicians recognize the ascendance of knowledge, but what can they do about it? The exploding scope, volume, and significance of knowledge in the global economy now exceeds the more slowly developing analytic frameworks and statistical bases on which informed public policy can be made... We know from living that knowledge extends backward into its roots in the human psyche. We know that it spans the world outside and the world within.*

We may be slipping into the riddles and paradox”

(Kahin, 2006, *ibid.*, p. 7)

The sorry state of the mainstream KBE policy discourse, ctd.

- Foray (2006): How knowledge use should be ‘optimized’:
 - Deployment of ICT.
 - Institutions devoted to efficient knowledge creation and transmission.
 - To achieve this, use quantitative indicators for ‘evidence-based knowledge policies’.
 - BUT: Were knowledge policies not based on evidence in the past? ‘Efficient’, ‘optimal’, ‘optimized’ is not defined.

The sorry state of the mainstream KBE policy discourse, ctd.

- Gault (2006):
 - We need more and better indicators for effective evidence-based policies!

- Schuller (2006, p. 84):
 - *“... in any case, it is clear that the mere accumulation, even of wisdom (or whatever is conceived of as at the top of the hierarchy), is not enough to guarantee progress and satisfaction.”*

The need to re-direct information society indicators research

- Grigorovici et al. (2004):
 - A vast range of social impacts of ICT need to be measured and monitored, not just economic impacts.
 - They advocate that future research should develop closer links between information measurement models and Quality of Life models.

The need to re-direct information society indicators research, ctd.

- Menou and Taylor (2006):
 - Developing appropriate 'information metrics' to measure important aspects of information/ KBEs and societies and to guide policy is still a 'GRAND CHALLENGE'.
 - The ultimate challenge is to *"advance our understanding and allow for enlightened actions that ensure that the information revolution does not lead to more damage than benefits,..."*. (ibid., p. 265)

The need to re-direct information society indicators research, ctd.

- Pruulmann-Vengerfeldt (2006):
 - Argues that cultural and social indicators of various life domains need to supplement traditional technology-centric information society measures.
 - Includes questions about the general attitude of survey participants towards technology and lifestyle variables indicating which groups in society are more or less likely to adopt new technologies.

Some insights from the non-mainstream KBE discourse

- Rooney et al. (2003):
 - Importance of beneficial aspects of social capital.
 - Cultural change towards sustainable consumption.
 - KBEs should be fair, equitable and just.
 - Epilogue: Way forward? Add wisdom!

Some insights from the non-mainstream KBE discourse, ctd.

- *“There is little understanding of wisdom in knowledge-related discussion generally...Just as more and more information does not necessarily make more or better knowledge, neither does more and more knowledge make wisdom...More and more knowledge is not a sensible objective...While knowledge can be wonderful, wisdom is better...Wise people...know better than others and are recognized as being people who know better. This means that wisdom is a scarce and valuable social quality that should be close to the centre of knowledge-related policy debates...”*

(Rooney et al., 2003, p. 154).

Some insights from the non-mainstream KBE discourse, ctd.

- Rooney and Mckenna (2005, p. 308):
 - *“Without wisdom, any social or economic system is deficient because of the power of wisdom to provide good judgement, perspicacity, and ethically applied knowledge. Yet knowledge about how to be wise, how to foster wisdom, and how to recognize it has been lost in the dominant discourses of the industrialized world.”*
- Happiness/SWB an important ingredient in the quest for wisdom!

3. Major policy conclusions from happiness research

- The Easterlin or happiness paradox.
- Social comparison and hedonic treadmill.
- Most of the ‘happiness of nations’ can be explained by a number of objective factors (the Big Seven).
- Layard (2005, 2006).
- Ng and Ho (2006).

Major policy conclusions from happiness research, ctd.

- What can economists learn from happiness research?
 - Frey and Stutzer (2002):
 - Why consider happiness?
 - Implications for economic policy?
 - Open issues?
 - Diener and Seligman (2004):
 - Negative effects of materialism; mental health impacts...

Major policy conclusions from happiness research, ctd.

- Should national happiness be maximized?
 - Layard and others: Yes.
 - Frey and Stutzer, Ng and Ho: No.
 - Kahneman and Krueger, Diener: Somewhere in between.
- Related issue: Political neutrality of well-being indicators? Diener and Seligman.

4. Interfaces of knowledge policy and happiness policy discourses

- My focus: The nexus of education, work and innovation at the core of KBEs.
- Education:
 - Life-long education and learning in all its form is crucial for KBEs. The 'learning economy'.
 - BUT: Education has little direct impact on happiness/SWB. It affects it indirectly through its impact on other variables (e.g. income, health and trust) (Helliwell, 2003).

Interfaces of knowledge policy and happiness policy discourses, ctd.

- Example of knowledge policy prescription explicitly linked to insights from happiness research:
 - Fortin (2005): Instead of emphasizing investments in university education and training (new growth theory), invest in raising the skill levels of people at the bottom of the skill distribution!

Interfaces of knowledge policy and happiness policy discourses, ctd.

■ Knowledge work:

- The 'human factor' is central to KBEs because its crucial resource, i.e. knowledge, is mostly centered in human brains (at least until AI supersedes human intelligence).
- Human brains are fragile, can be fickle and prone to malfunction, especially when under pressure or if managed inappropriately.

Interfaces of knowledge policy and happiness policy discourses, ctd.

- **Is it a coincidence that happiness/SWB in developed countries seems to have been stagnant since about the same time that researchers have noted the rise of the information/KBE (e.g. Machlup 1962)?**
- Lambertson (1997): The real significance of tacit knowledge (the intrinsically subjective human element in knowledge production and knowledge transfer) is often missed.
- Drucker (1999): Biggest management challenge in the 21st century is to increase the productivity of knowledge workers.

Interfaces of knowledge policy and happiness policy discourses, ctd.

- Is knowledge work a source of happiness or misery? Still an unsettled issue:
 - Misery: Negative impact of performance-based pay (Layard, 2005), of multi-tasking enabled by ICT (Cohen, 2003). Literature on 'information overload'.
 - BUT Veenhoven (2006): Aggregate level of happiness/SWB has increased in developed countries.

- While knowledge work might be bad, unemployment is definitely worse. Low and stable unemployment should be a policy goal.

Interfaces of knowledge policy and happiness policy discourses, ctd.

- Innovation:
 - Foray (2006): Limited view of the link between knowledge creation, innovation and happiness.
 - Layard (2005): Science & technology the main drivers of changes in society that negatively affect happiness.
 - Weehuizen et al. (2006): High levels of innovation may create stress; negative impacts on 'mental capital'.
 - Happiness ↔ Innovation? Causality?
 - A few studies explore causality running from happiness to economic outcomes (Kenny, 1999; Graham et al., 2004).

Interfaces of knowledge policy and happiness policy discourses, ctd.

- In developed countries, causality may increasingly run from happiness/SWB to innovation. Some examples:
 - Happiness/SWB as a motivating factor for creative labour:
 - Von Hippel - “democratizing innovation” (i.e. user innovation).
 - The role of having fun or joy as a motivating factor for contributing to open source projects.

Interfaces of knowledge policy and happiness policy discourses, ctd.

- Closely related, but more speculative:
 - Benkler (2006) & commons-based peer production in the digital age ('social production'):
 - Social production projects share creative labour and/or physical resources over the internet (examples: Seti@home, Linux, Wikipedia).
 - Cross-country variation in participation might be related to levels of average happiness (after controlling for technology and other factors).

Interfaces of knowledge policy and happiness policy discourses, ctd.

- Social production might be emerging as a distinct mode of resource allocation and production of information, knowledge and culture, potentially heralding a new stage in the development of KBEs.
- More research needed into links between social production and happiness/SWB.

5. Diversity of beliefs and values about core KBE elements

- Use additional beliefs and values indicators to characterize diversity of KBEs
 - Even within fairly homogenous groups of developed countries, people's feelings about core KBE elements differ, sometimes greatly.
 - Knowledge policies should take this into account.
 - **Table 1:** Countries included are all developed (English speaking or part of Protestant Europe).

Table 1: Diversity of beliefs and values about science, technology, trust and happiness amongst a group of similar countries

	Opinion about scientific advance (%)		More emphasis on technology (%)		Trust (%)		Feeling very happy (%)		SWB
	1990 wave	2000 wave	1990 wave	2000 wave	1990 wave	2000 wave	1990 wave	2000 wave	
US	63	56	70	57	52	36	41	39	3.5
Canada	55	52	63	58	52	39	30	44	3.8
Australia	-	57	-	58	-	40	-	43	3.5
NZ	-	26	-	35	-	48	-	33	3.4
Great Britain	48	40	64	70	44	30	38	-	2.9
Ireland	40	41	61	69	47	35	44	42	4.2
Sweden	47	44	35	35	66	66	41	37	3.4
Norway	36	39	47	46	65	65	29	30	3.3
Denmark	43	-	59	62	58	67	43	45	4.2
Finland	42	-	68	55	63	58	20	24	3.2
Iceland	54	66	69	85	44	41	41	47	4.2
Germany	52	51	83	63	26	35	14	20	2.6
Netherlands	37	-	47	48	56	60	48	46	3.9
Switzerland	-	39	57	34	43	41	36	40	4.0

Source: Inglehart et al. (2004)

Diversity of beliefs and values about core KBE elements, ctd.

- Societies' attitudes towards central elements of KBEs are neglected in the mainstream knowledge policy discourse.
- Include them as KBE-specific SWB indicators.
- They might also be useful in devising KBE typologies.
 - Recent example of KBE typology: Technopolis (2006)
 - Typology developed from 15 KBE indicators (people's feelings and attitudes not among them).

5. Concluding Comments

- The unsatisfactory state of knowledge policy points to the need to include insights from happiness research.
- Increasing the number of conventional economic and social indicators and a proliferation of composite indices unlikely to get us closer to 'wisdom-based' knowledge policy.
- Specifically KBE-related SWB indicators should be part of the search for a list of national SWB indicators, and their use in deriving KBE typologies should be explored.
- Some signs that interaction between knowledge policy and happiness policy discourses might be beginning to happen.