University of St.Gallen

*Well-Being*ism

How governments can foster peoples' well-being or happiness by strengthening the founding principles of democratic thought - Empowerment, Freedom and Security via Empathic Justice

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Imagine a world where caring governments:

1. <u>Empower</u> people with world class inner and outer well-being factors like infrastructure, education, healthcare, life skills, etc *without making them dependent*

2. Foster peoples' economic and personal <u>Freedom</u> and give them the space to create self-growth *while being responsible towards others*

3. Ensure <u>Security *via Emphatic Justice*</u> to ensure that peoples' and environmental concerns are effectively addressed; wrongdoers are stopped effectively & reformed if possible; and steps are also taken to stop governmental high-handedness and power misuse

I call this approach "Well-Beingism" and it is no utopian dream…

These values described above encompass the wide range of factors that science today shows can foster peoples' well-being or happiness. They represent the essential characteristics of democratic thought and the "social contract" where governments have a mandate to govern and ensure security of people in exchange for empowering people and guaranteeing their freedoms. They also derive their origins in the world's major religious teachings. These values are are however often overlooked to the peril of those nations that do so, as our study shows that countries where these values are embedded in government are today amongst the happiest and most developed countries in the world. Read on for more…

Summary

Well-being or happiness is the highest human aspiration. It can be fostered through inner and outer human development factors e.g. freedom, security, generosity, honesty, health, income, good environment, job quality, flourishing communities and good interpersonal relations, good quality housing, high quality of government services, etc, as hundreds of studies now show. Public policy for well-being or happiness of the people is increasingly becoming mainstream around the world. I call this approach of governance focused on fostering peoples' happiness or well-being as "Well-Beingism"

In this study I cluster the above factors leading to peoples' happiness or well-being into 3 meta governance values, which represent the founding principles of modern democratic thought, and are followed by the happiest countries in the world like Switzerland, Germany, Norway etc. These values are:

1. **Empowerment** of people via world-class inner and outer well-being factors like health, education, infrastructure, life skills, good environment, etc
2. **Freedom** giving people space to create their own well-being via deregulation, ease of doing business, guaranteeing personal freedoms, etc
3. **Security *via Empathic Justice*** that cares for people and the environment, intelligently stops wrongdoers via high crime detection rates, fines and community service for small wrongs, and reformative detention for serious crimes; and avoids misuse of power by government in the name of justice

The present study shows that these values explain over 60% of cross-country variance in well-being, and over 80% of the cross-country variance in development indicators like GDP per capita, health, environment quality etc. Their combined presence is thus indispensable for fostering peoples' happiness or well-being. This study goes on to suggest practical solutions that leverage international best practices and peoples' participation for strengthening these values in the Indian context. Relatedly, ideas are explored for well-being within government itself that can lead to higher productivity and service quality

The 3 values of Empowerment, Freedom and Security via Empathic Justice are highly correlated with happiness
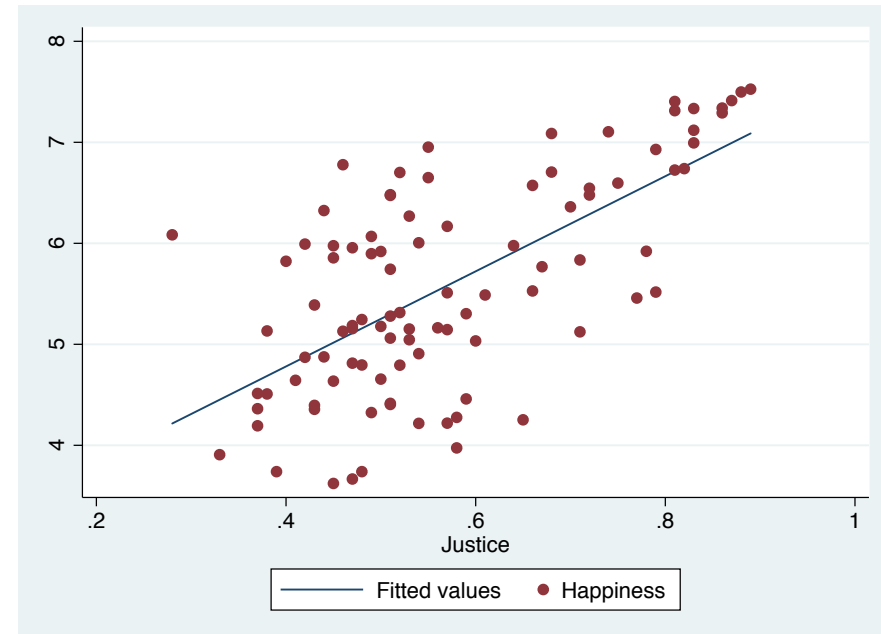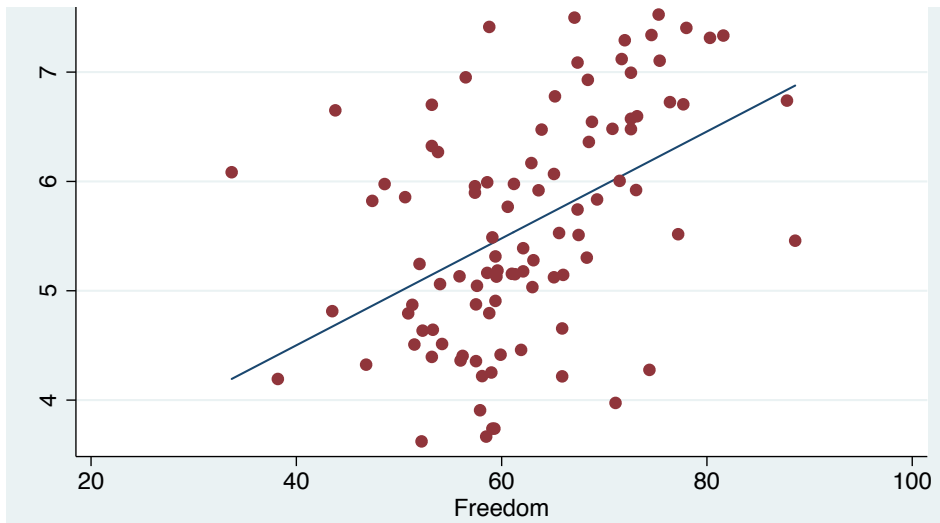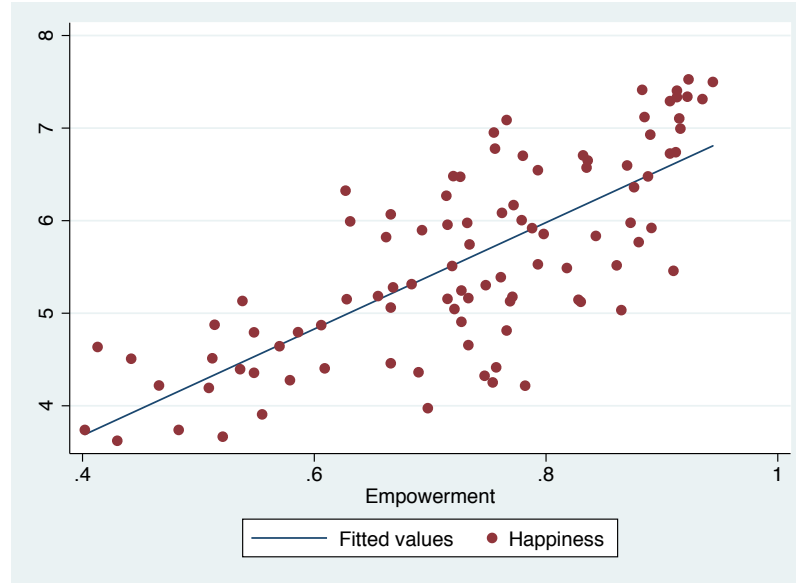
Correlations of Empowerment, Freedom and Security via Empathic Justice with Happiness, GDP Per Capita and Green Ratings – All hugely significant at .01% level

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. pwcorr empowerment freedom empathicjustice happiness gdppercapita greenratings,
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             |  empowe~t   freedom  empath~e  happin~s  gdpper~a  greenr~s
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 empowerment |    1.0000
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     freedom |    0.6078*   1.0000
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  empathicju~e |  0.7998*   0.7689*   1.0000
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   happiness |    0.6670*   0.5247*   0.6455*   1.0000
             |    0.0000    0.0002    0.0000
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gdppercapita |    0.8593*   0.7030*   0.8171*   0.6495*   1.0000
             |    0.0000    0.0000    0.0000    0.0000
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greenratings |    0.8765*   0.5688*   0.7587*   0.6762*   0.7708*   1.0000
             |    0.0000    0.0000    0.0000    0.0000    0.0000
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Summary of how strengthening these 3 values could transform governance in India

<u>Practical ways in which the 3 governance values can promote well-being of the people in India (see Slides 29, 30 and 31 for more) :</u>

1. <u>Empowerment</u> by bringing world-class best-practices and benchmarks with "accountability-based feedback loops" to government services like education, healthcare, infrastructure, etc. e.g. Using benchmark studies like OECD's best practices, World Economic Forum's Global Competitiveness Report, Education Best Practices to transfom government services in India; tying a part of government employee salaries to peoples' rating of the associated government services; involving peoples' participation in greening the environment, creating healthy communities, discarding harmful social practices like caste system, etc

2. <u>Freedom</u> in economic and personal spheres via de-regulation like the Narasimha Rao government reforms, and moving away from "Inspector Raj". Use rating documents like World Bank's "Ease of Doing Business Report" and reports from Heritage Foundation, Cato Institute, Freedom House, etc as benchmarks to cut red tape and eliminate unnecessary bureaucratic procedures and enlarge freedoms in general. Create facilitating agencies that will be single-point enablers for setting up and supporting business to revive "animal spirits" of the economy

3. <u>Security via Empathic Justice</u> in addressing concerns of people and the environment; using technology to dramatically increase detection of wrongdoings and deterring these with use of penalties and community service for small crimes and reformative imprisonment for large crimes; and also acting to stop instances of governmental "high-handedness" and brutality. Use benchmarks like "World Justice Project" report, Switzerland's direct democracy, Western European legal reforms, Project Hope in the USA, etc as well as the Indian Constitution's own Article 21 on the right to life and personal liberty including right to dignity and human rights – see https://bit.ly/2OLdrBB

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Whatever the form or Constitution of Government may be, it ought to have no other object than the general happiness.

Thomas Paine

अयं बन्धुरयं नेति गणना लघुचेतसां उदारचरितानां तु वसुधैव कुटुम्बकं

Only small men discriminate saying: One is a relative; the other is a stranger. For those who live magnanimously the entire world constitutes but a family.

The Maha Upanishad, India – Vasudhaiva Kutumbakam

The purpose of government is to promote the welfare of the people.

Confucius

Ren 仁

benevolence, humaneness, goodness

One of the most important virtues in Confucianism considered an outward expression of Confucian ideals

Norway has jumped from 4th place in 2016 to 1st place this year (as the happiest country in the world), followed by Denmark, Iceland and Switzerland in a tightly packed bunch. All of the top four countries rank highly on all the main factors found to support happiness: caring, freedom, generosity, honesty, health, income and good governance." ~ World Happiness Report 2017

The General Assembly [is] conscious that the pursuit of happiness is a fundamental human goal … [and] happiness as a universal goal and aspiration embodies the spirit of the Millennium Development Goals. ~ UN General Assembly, Resolution 65/309, 2011

The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life. ~ The Constitution of India, Article 38(1)

Let him who is without sin cast the first stone. ~ Jesus Christ

We do not plan our own mistakes. Most of them stem from a lack of awareness. If you do not plan your mistakes, what makes you think that the other person plans their mistakes? All mistakes are made out of either a lack of awareness or ignorance. When we do not have compassion for someone when they make a mistake and forgive them, then we will seek revenge. We then become bound to a cycle of negative feelings. Forgiveness shields and protects our mind and spirit from being violent. ~ Sri Sri Ravi Shankar

The ancient Indian humane philosophy of "Vasudhaiva Kutumbakam" or "the earth is one family" is reflected in this scene from Indian mythology, where Shree Krishna lifts Mount Govardhan to protect people and animals from the torrential rain.

This approach recognizes the interconnectedness of humans and the environment, adopts a caring and compassionate or "Sattvic" attitude towards the welfare of all living beings, and is seen today in governance systems in the happiest countries of the world, offering a guiding light to tackle problems like poverty, war, climate change, etc.

Artist: Unknown, ca 1640

Research questions

If well-being and development of the people has been accepted as one of the pre-eminent goals of good governance since the earliest times, why is it that most countries perform poorly on this goal most of the times?

There can be two reasonable explanations: Either governments intentionally hijack the governance process for their own interests, or else, despite the best intentions, governments implement inappropriate policies for fostering peoples' well-being.

So what can we learn from the governance experiences of the happiest countries in the world on how they have consistently fostered peoples' well-being and development? Relatedly, what lessons can we learn on how to foster well-being within government organizations?

The present study, based on a grounded theory approach goes on to do just this and describes 3 democratic governance values that are crucial for the success of policies of good governance

Note: The terms "subjective well-being", "well-being" and "happiness" are used interchangeably in this study, and refer to how satisfied people are with the quality of their own lives as rated by themselves

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The happiest countries in the world and what explains their happiness

Below are the 9 happiest countries in the world according to the World Happiness Report 2017.
The strongest variance in the World Happiness Report happiness scores came from social support (30%), followed by GDP per capita and healthy life expectancy (26% and 19%), and then by freedom (13%), generosity (7%) and corruption (4%)
The happiest countries rank near the top on freedom, empowerment and empathic justice. They also rank highest in various development indicators. The lowest ranking countries meanwhile reflect failed states and war zones and reflecting lack of security in particular

Norway

Denmark

Iceland

Switzerland

Finland

Netherlands

Canada

New Zealand

Australia

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Why happiness or well-being?

- Happiness or well-being is important because it is one of the most sought-after human values and ranks at the very top of people's aspiration (Diener, 2000), more than money, moral goodness and even going to heaven, in producing the good life (King and Napa, 1998)

- Furthermore, the pursuit of happiness is a global phenomenon, as people seek to fulfill the promises of capitalism and of political freedom (following Diener et al., 1995; Freedman, 1978; Triandis et al., 1990)

- The study of happiness is important for one more crucial reason. Modern life has brought with it an increase in stress, anxiety, depression and other mental illnesses, which have been accompanied by physical illnesses such as heart disease, hypertension, stroke, etc. In an influential study Twenge et al (2010) found large generational increases in psychopathology among American college students in a sample of more than 63,000 students between 1938 and 2007, and in a sample of over 13,000 high school students between 1951 and 2002. Similar results were found by others in the case of major depressive disorders e.g. Lewinsohn et al, (1993); Robins et al, (1984); Wickramaratne et al (1989) as reviewed in Klerman and Weissman (1989). In a similar light, around the world the number of people dying from cardiovascular disease has shown an increase of 40.8% between 1990 and 2013 (Roth et al, 2015). It is important for humanity to focus on healing itself back and finding its way back from this stressful state to happiness and tranquility

Benefits of happiness or well-being

- Coming to the benefits of happiness, Lyubomirsky et al's (2005) review of the literature reveals that happy people gain real benefits in different life domains from their positive state of mind, including:

  - larger social rewards (higher chances of marriage and lower chances of divorce, more friends, stronger social support, and richer social interactions following Harker and Keltner, 2001; Marks and Fleming, 1999; Okun, et al, 1984)

  - better work outcomes (increased creativity, higher productivity, higher quality of work, and higher income following Estrada et al, 1994; Staw et al, 1995), and greater activity, energy, and flow (following Csikszentmihalyi and Wong, 1991)

  - Further happy people are more likely to show greater self-control and self-regulatory and coping abilities (following Aspinwall, 1998; Fredrickson and Joiner, 2002; Keltner and Bonanno, 1997), a stronger immune system (following Dillon et al, 1985; Stone et al, 1994), and even to live a longer life (following Danner et al, 2001; Ostir et al, 2000).

  - Also, happy individuals are relatively more cooperative, prosocial, charitable, and other-centered (following Isen, 1970; Kasser and Ryan, 1996; Williams and Shiaw, 1999)

- The World Happiness Report (2013, pp. 58-71) also makes a very useful overview of the literature on the benefits of happiness including positive effects on:

  - Health and Longevity

  - Income, Productivity, and Organizational Behavior

  - Individual and Social Behavior

External and Internal factors leading to happiness

- Diener et al (1999) describe a happy person as one (p. 295) who is: "blessed with a positive temperament, tends to look at the bright side of things, and does not ruminate excessively about bad events, and is living in an economically developed society, has social confidants, and has adequate resources for making progress towards valuable goals."

- Diener et al (1999) posit that there are two main approaches to studying happiness. The "bottom-up" approach examines what external needs must be met for happiness to happen, while the "top-down" approach looks at the internal factors within the person that determine whether or not the outside resources will influence happiness

- The bottom-up approach looks at factors like marriage, incomes, age, job morale, education, sex-differences, etc that have an effect on happiness

- The top-down approach meanwhile looks at personality and includes studying temporal or genetic disposition to happiness; traits and cognitive dispositions associated with happiness such as extraversion, neuroticism, optimism, etc; as well as the interaction between personality and the environment

Governments can foster these external factors for happiness (clustered into the 3 governance values)

- Argyle (2001) summarizes that important objective factors influencing happiness (satisfaction) are:
  - Money
  - Health
  - Work and employment
  - Social relationships including love   → Empowerment
  - Leisure
  - Housing
  - Education
- The World Happiness Report 2015 Report (p. 21) meanwhile found that the following six factors explained almost three-quarters of the variation in national average life evaluations (happiness scores):
  - GDP per capita,
  - healthy life expectancy,   → Empowerment
  - generosity,
  - freedom to make life choices,   → Freedom
  - social support,
  - freedom from corruption   → Security via Empathic Justice
- Veenhoven (2004) meanwhile suggests that governments could promote policies that foster social factors such as:
  - economic freedom   → Freedom
  - respect for the rule of law and civil rights
  - and tolerance of minorities   → Security via Empathic Justice

Governments can empower people through awareness and mental healthcare with these internal factors for happiness

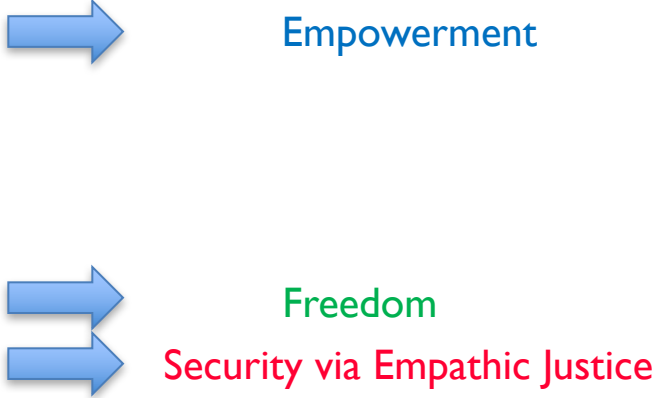- Argyle (2001) mentions the following ways to getting into a happier state of mind:
  - **Overcoming depression, :** Lewinsohn et al (1982) suggest that depression results from absence of positive reinforcement and it could be alleviated by indulging in 49 activities including social interactions such as being with happy people, having a frank and open conversation, etc; activities that are incompatible with depression such as laughing, being relaxed, listening to music, smiling at people etc; self-efficacy activities such as doing projects in your own way, planning or organizing something, etc; and miscellaneous activities such as eating good meals, being with animals, etc.
  - **Cognitive therapy** is another technique that aims at making interpretations of events rational and realistic for people. Argyle explains that many theories in clinical psychology have proposed that depression is caused by negative and irrational ways of thinking, and cognitive therapy has been developed to correct this. Cognitive therapy has also helped normal people become happier
  - **Social skills training (SST)** is another technique that can help people develop social skills, and includes training in verbal and non-verbal communication, rewardingness and better understanding of social situations and relationships
  - **Religion** too can produce positive effects on subjective well-being, especially on existential well-being and mental and physical health, and on general happiness
- Lyubomirsky et al (2005) meanwhile suggest that perhaps the most promising means of altering one's happiness level is **intentional activity**. Intentional activities are of three main types:
  - Behavioral activities, e.g. exercising regularly or trying to be kind to others
  - Cognitive activities like reframing situations in a positive light or pausing to count one's blessings
  - Volitional activities e.g. striving for important personal goals, or devoting effort to meaningful causes
- Greeson (2009) in his literature review of the beneficial effects of **Mediation** states that developing higher attention, awareness and acceptance through meditation practice is associated with lower levels of psychological distress, that includes less anxiety, depression, anger, and worry

The OECD on happiness or well-being (clustered into the 3 governance values)

- The OECD (2015) uses the following 11 dimensions or factors leading to happiness to measure well-being:
    - Income and wealth
    - Jobs and earnings
    - Housing conditions
    - Health status
    - Work-life balance
    - Education and skills
    - Social connections
    - Subjective well-being
    - Environment quality
    - Civic engagement and governance
    - Personal security

Empowerment

Freedom

Security via Empathic Justice

- Furthermore, to ensure that current levels of well-being are maintained over time, the OECD report highlights four resources, that are intricately linked with happiness and where capital stocks should be maintained sustainably. These are:
    - Natural capital – including forest area per 1000 inhabitants, greenhouse gas emissions, renewable fresh water sources, freshwater abstractions, and threatened species
    - Human capital – including the educational attainment of the young adult population, education expectancy, smoking prevalence and obesity
    - Economic capital – including household debt, net fixed assets, intellectual property assets, investment in R&D, financial net worth of the total economy, leverage of the banking sector and the financial net worth of the general government
    - Social capital – including trust in others, trust in institutions and trust in the national government

Bhutan and happiness or well-being (clustered into the 3 governance values)

- Bhutan has been one of the pioneers in making happiness a central issue in public policy and has acted as a model for several other countries wanting to replicate this approach. Its Gross National Happiness (GNH) measures happiness along the following 9 domains:

  - Education
  - Health
  - Ecological diversity and resilience
  - Time use
  - Cultural diversity and resilience
  - Community vitality
  - Psychological well-being
  - Living Standards

  - Good governance

Empowerment

Freedom

Security via Empathic Justice

Well-Beingism or governance for fostering peoples' well-being through the ages

- The modern idea of democracy arises from ancient Greece and the Enlightenment time in Europe and the concept of "social contract", where people are understood to accept and pay for governance by the state in return for government providing security, empowering them and protecting their freedoms (Locke, 1690; Berlin, 1969, WHR 2012-17). Caring for peoples' well-being is considered primary goal of government in liberal democracies and political representatives are appointed by people to ensure this (see https://bit.ly/2ctA4vH for an excellent summary). Today happiness or well-being is becoming a key issue in public policy discussions. The World Happiness Report 2013 (p. 5) says "More and more world leaders are talking about the importance of well-being as a guide for their nations and the world. Happiness is thus increasingly becoming an important issue in public consciousness in many countries around the world."

- The 3 values of empowerment, freedom and security via empathic justice described in this study, can also be traced to ancient India and China

- E.g. in China, Confucius required benevolence from the ruler, emphasizing that a ruler's good name and good life come from the quality of life of those ruled (Zhang and Veenhoven, 2008). Confucius' advocated humanism and government promoting the well-being of the common people and bringing about harmonious relations between citizens (Stevenson et al, 2013)

- In India, these values were prominent during golden periods of Indian history, e.g. the Vedic and Gupta periods (e.g. http://bit.ly/2tyPJ1A). The authoritative texts of Hinduism – Upanishads – implore people to consider the earth as one family and look after the well-being of all living beings (Vasudhaiva Kutumbakam). The Vedic ideal is a life full of well-being, and people are free to pursue well-being consisting of the empowerments of "Artha" or material well-being; "Kama" or sensual well-being; "Moksha" or spiritual well-being; via the path of "Dharma" or morality, that is without causing harm to others or to the environment. Wrongdoers obstructing "Dharma" are to be dealt with empathic justice – rationally and with deliberation but not harshly and out of passion (Taittiriya Upanishad, Shikshavalli)
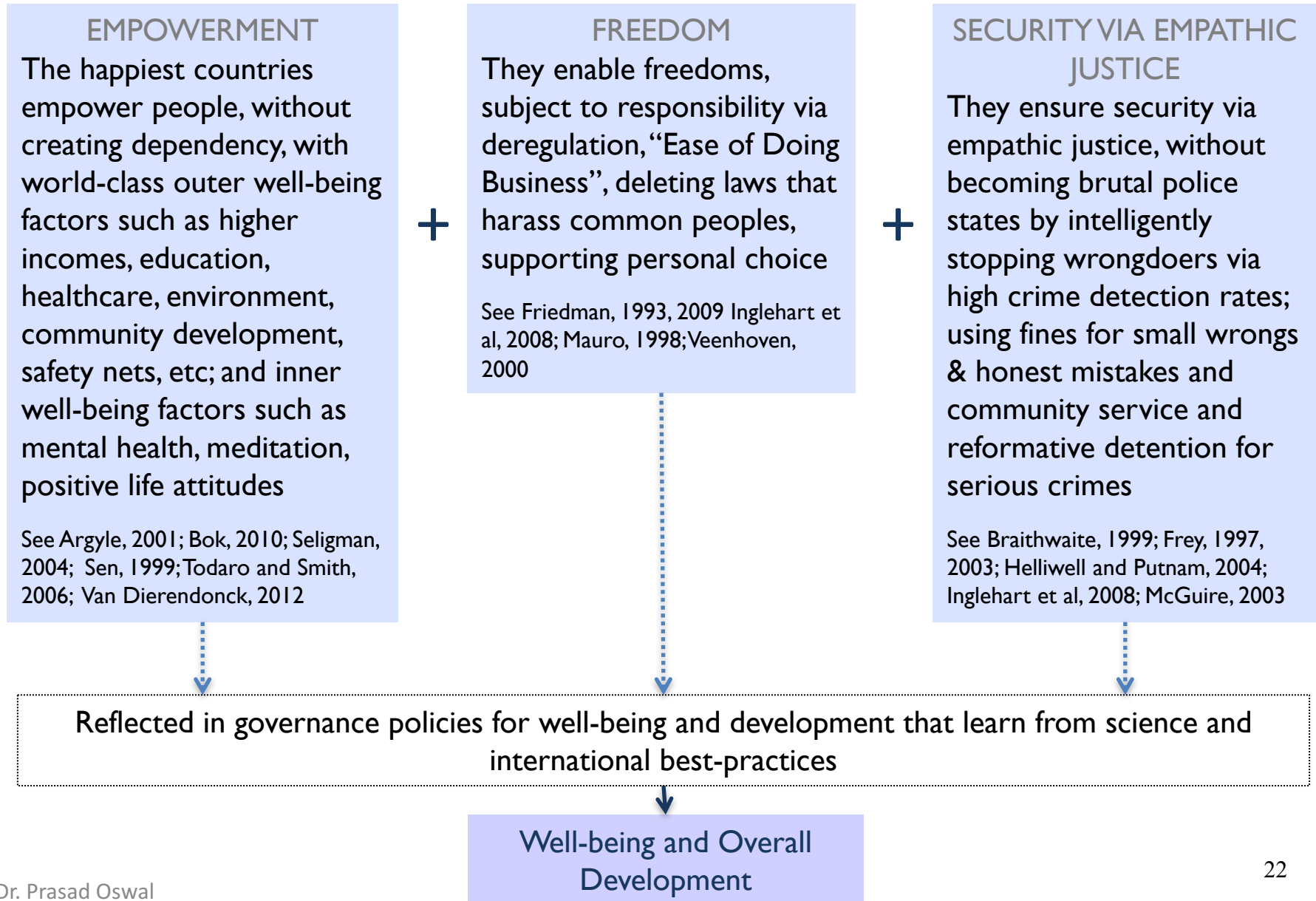
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Well-Beingism around the world

- People around the world are increasingly demanding governments to care for their happiness and happiness is increasingly becoming an important issue in public consciousness in many countries around the world. In this light, Prof. Jeffrey Sachs (World Happiness Report, 2013, p. 5) says that there is now a rising worldwide demand that policy be more closely aligned with what really matters to people as they themselves characterise their wellbeing

- Similarly, Kováč (2012, p. 297) writes: "In democratic societies, the well-being of the masses—happiness for everybody—has become the focus of the 'new science of happiness' and a main agenda of the state."

- In 2006 British Prime Minister David Cameron declared: "It's time we admitted that there's more to life than money, and it's time we focused not just on GDP, but on GWB – general well-being." (https://bit.ly/2nOFOU1)

- The World Happiness Report 2015 (p. 4) mentions that the UAE has made happiness and well-being central tenets of the design and delivery of the National Agenda "... to be the happiest of all nations." The Report quotes Sheikh Mohammed bin Rashid Al Maktoum as saying that, "The first objective for the Dubai Plan 2021 is achieving people's happiness." The OECD has also been at the forefront in the research on measuring subjective well-being. Furthermore, in the United Kingdom, the Office for National Statistics (ONS) has started gathering data on well-being covering of happiness, life satisfaction and anxiety. At the sub-country level, city-level groups in the United States and Canada have carried Bhutan GNH-type happiness questionnaires to add inputs to and motivate local collaborative actions to improve communities. Similar initiatives have taken place in Tasmania in Australia and in the United Kingdom

Studies on governance and happiness

- Kim and Kim (2012) report several studies showing the relationship between good governance and happiness. For instance, using simple correlation analysis, Helliwell and Huang (2008) reported that life satisfaction is more closely linked to quality of government, reflected by measures developed by the World Bank, than to real per capita income, a quantitative proxy. Similarly, Tavits (2008) using cross-national data from 68 countries and survey data from 16 European democracies showed that people report higher levels of subjective well-being when their government qualitatively performs well (i.e., is not corrupt).

- Argyle (2013) argues that while it is often assumed that one of the main goals of government is to make the population richer, other goals are also recognized such as health and education. If happiness were to become the goal of governments, they would give some priority to leisure facilities, and to training especially for people from the working class. Governments would focus on reducing unemployment and to increasing job satisfaction. Another focus area would be enhancing social relationships by the provision of more social skills training, marriage guidance, and care for the socially isolated

- Bok (2010) meanwhile suggests that regarding the quality of government, living in a democracy with assured freedoms is particularly important. Aspects of government that matter to happiness include freedom, wherein economic freedom is more important in less developed countries and personal freedom is more important in more developed countries (following Inglehart at al, 2008, Note 5, p. 264). Other factors include observance of the rule of law, efficient government agencies, low levels of violence and corruption, a high degree of trust in public officers especially in the police, and responsive encounters between people and public agencies and officials (following Helliwell and Huang, 2006).32 Furthermore Bok quotes that according to a World Values study, tolerance of minorities groups – represented by race, religion, gender and sexual orientation – is associated with greater happiness, not just for the groups affected but for the entire population (following Inglehart et al, 2008, Note 5, P. 271)

The factors fostering happiness can be clustered into 3 governance values followed in the world's happiest countries

EMPOWERMENT

The happiest countries empower people, without creating dependency, with world-class outer well-being factors such as higher incomes, education, healthcare, environment, community development, safety nets, etc; and inner well-being factors such as mental health, meditation, positive life attitudes

See Argyle, 2001; Bok, 2010; Seligman, 2004; Sen, 1999; Todaro and Smith, 2006; Van Dierendonck, 2012

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FREEDOM

They enable freedoms, subject to responsibility via deregulation, "Ease of Doing Business", deleting laws that harass common peoples, supporting personal choice

See Friedman, 1993, 2009 Inglehart et al, 2008; Mauro, 1998; Veenhoven, 2000

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SECURITY VIA EMPATHIC JUSTICE

They ensure security via empathic justice, without becoming brutal police states by intelligently stopping wrongdoers via high crime detection rates; using fines for small wrongs & honest mistakes and community service and reformative detention for serious crimes

See Braithwaite, 1999; Frey, 1997, 2003; Helliwell and Putnam, 2004; Inglehart et al, 2008; McGuire, 2003

Reflected in governance policies for well-being and development that learn from science and international best-practices

Well-being and Overall Development

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Overview of the 3 governance values for well-being

- My statistical analysis (to be published) shows that these 3 values account for over 60 % of the variation in well-being scores, as well as over 80% of the variance in economic, social and environmental development indicators, with a high confidence level of prob > F = 0.0000. These 3 values also represent an umbrella covering the major factors that we today know lead to well-being. Their combined presence is necessary to ensure well-being and balance each other as below:

- Empowerment without creating dependency via quality education, healthcare, environment and other government services enriches people with inner and outer factors necessary for their well-being (see Ryan and Deci, 2000; Sen, 1999). Empowering peoples' lives with well-being factors is clearly a major raison d'etre of government. Empowerment however needs to be balanced by *empathic justice* so that government's affirmative actions are based on the voice of the people and are not misused, and by *freedom* so that peoples' self-drive is not discouraged

- J S Mill said "The only freedom which deserves the name, is that of pursuing our own good in our own way, so long as we do not attempt to deprive others of theirs, or impede their efforts to obtain it." Without freedom, people do not have the space to create their own well-being and economic and personal growth cannot succeed, as the history of controlling states shows us (see Friedman, 1993, 2009; Hayek, 2014; Ryan and Deci, 2000). However freedom comes with responsibility, and needs to be enriched with *empowerment* (education, health, infrastructure so people have the capability to benefit from their freedom) and *empathic justice* to ensure that freedom is not misused

- Finally, Security via Empathic Justice ensures that human and environmental concerns are listened to, and wrongdoers who disturb others' well-being are stopped intelligently, creating trust in the system (Frey, 1997, 2003; Helliwell and Putnam, 2004; Inglehart et al, 2008; Ryan and Deci, 2000). *Many governments operate under the wrong assumption that a harsh or "stringent" law and order system is best to tackle wrongdoing. Harsh laws however only foster a "fight or flight" mindset, harden criminals making them psychologically dangerous, increase crime recidivism, and can be misused by those in power (Braithwaite, 1999; Grassian, 2006; Mauro, 1998; Nagin, 2013; http://econ.st/2qBgEbu, http://bit.ly/2xx1JCQ)*

Empowerment for happiness

- Empowerment of people for their well-being is the basic function/duty for which governments are appointed, and are necessary for people to flower and lead productive lives (Sen, 1999). Well-being factors that can be influenced by government include (Argyle, 2001; Bok, 2010; Seligman, 2004; Todaro and Smith, 2006; Van Dierendonck, 2012, Ye et al, 2015):
    - Decent incomes or GDP per capita
    - Quality nutrition, healthcare and education, and environmental quality
    - Security and respect for human dignity and human rights
    - Freedom
    - Involvement of people in well-being creation via awareness of values like kindness, caring attitudes, generosity, social equalities, etc
    - Spreading awareness about meditation, positive life attitudes, mental health, etc
- Empowerment systems can be benchmarked with reference to rating documents like Quality of Life Surveys, World Happiness Report, Global Competiveness Report, OECD studies, etc
- These empowerment or well-being factors are clubbed under the "Purusarthas" or life-goals in ancient Indian Vedic thought classified as "Artha" or wealth, education, health, etc; "Kama" or sensual well-being; "Dharma" or order and morality; and "Moksha" or spiritual well-being.
- The ruler's main function of the state according to Confucius was to educate and transform the people and work for their well-being, to be achieved not by legal regulation and coercion, but by personal rule, moral example, and mediation in disputes. Confucius also stressed that citizens not forget their own important roles for their well-being (see Analects)
- The teachings of Christ naturally focused on empowering people, especially the weak
- The happiest countries have the highest levels of empowerment, which is balanced with freedom as people are seen as primary creators of their own well-being, and with empathic justice so that empowerment is not selfishly misappropriated via corruption

Freedom for happiness

- Freedom is a basic human aspiration. According to Inglehart et al (2008), regression analyses suggest that that the extent to which a society allows free choice has a major impact on happiness. Freedom creates space for people to create their own well-being and for innovation and economic growth to flourish. Governments should ensure that they do not encroach without solid reasons on freedom, as authoritarian states are inevitably associated with misuse of power, inefficiencies, and dying out of "animal spirits" (Friedman, 1993, 2009 Inglehart et al, 2008; Mauro, 1998; Veenhoven, 2000)

- Freedoms include personal freedom, economic freedom, political freedom, etc and all are positively related to well-being (Inglehart et al, 2008; Veenhoven, 2000)

- Freedoms can be benchmarked along studies such as from Heritage Foundation, Cato Institute, World Bank's "Ease of Doing Business" study, etc

- The social contract theories that underlie modern democratic thought are based on people agreeing to surrender a small part of their freedom to government in return for government ensuring order and security. Each person has an equal right to basic liberties which is compatible with a similar scheme of liberties for all (Rawls, 1993)

- Freedom is also one of highest values in the Vedas. Hindu thought allows for a very wide latitude in freedom of thought, action, etc as per the "Swadharma" or individual aptitude and interests of people. This freedom is qualified by "Dharma" or requirements of morality so that individual freedom does not come at the expense of others or the environment.

- Confucius stressed individual morality as opposed to formal rules to achieve societal good, arguing that laws are only used by regimes to oppress the people

- Jesus stressed freedom & responsibility: You, my brothers and sisters, were called to be free. But do not use your freedom to indulge the flesh; rather, serve one another humbly in love. For the entire law is fulfilled in keeping this one command: "Love your neighbor as yourself." (Galatians)

- The happiest countries rank highest on various freedoms but freedom there comes with responsibility in terms of protecting the rights of other people and the environment. Further, freedom is enhanced with empowerments like health, education, infrastructure
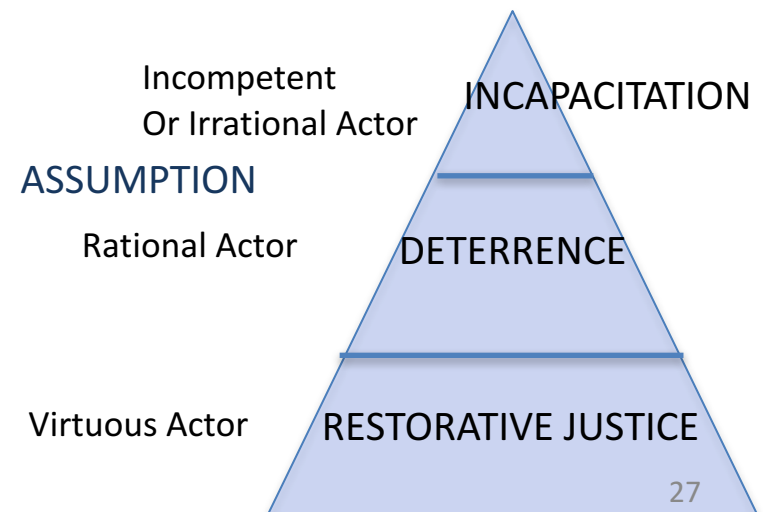
Security via Empathic Justice for happiness -1

- Personal security has been recognized as a precondition for a dignified life by the national constitutions of almost every country in the world. Article 21 of the Constitution of India guarantees the Right to life and personal liberty, including the right to human dignity. The OECD (2015) recognizes human security as one of the basic pillars for ensuring well-being. Human rights are also protected by the United Nations Charter of Human Rights: "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment." (Art. 5)

- That a sense of personal security is a basic precondition for happiness or well-being is an obvious fact. Maslow (1943) mentioned security is one of the basic human needs for a fulfilling life. This fact has also been empirically tested in studies including Moeller (2005) and Di Tella et al (2003 and 2009)

- The United Nations Human Development Report (1994) describes human security as having two main aspects. First, safety from chronic threats such as hunger, disease and repression. Second, protection from sudden and hurtful disruptions in the patterns of daily life – in homes, jobs or communities. The Report describes that there are two major components of human security: freedom from fear and freedom from want. It considers threats to human security in the following major categories:
    - Economic security
    - Food security
    - Health security
    - Environmental security
    - Personal security
    - Community security
    - Political security

- Security is sought to be ensured through justice. But justice is most effective when accompanied by caring and empathy. "Empathic" is stressed in justice to highlight the caring aspect of justice, because some of the biggest crimes in history have been committed in the name of justice – e.g. wars, police atrocities, etc. Harsh law and order regimes are prone to misuse by those in power and result in wrongdoers further entrenching their positions and fighting the law for survival instead of reforming their own actions

Security via Empathic Justice for happiness - 2

In the present context, empathic justice denotes a caring attitude with which peoples' and environmental concerns are effectively attended to; wrongdoers are stopped effectively & reformed if possible; and steps are also taken to stop governmental high-handedness and power misuse (following Braithwaite, 1999). A key feature of Germany, Norway etc is their legal system that respects human and environment rights and draws on insights from science for a legal system that is humane AND has very low crime/reoffending levels AND creates high social capital (and is thus intelligent) – http://econ.st/2qBgEbu. This system has high detection rates of wrongdoing, but relies mainly on monetary and community service penalties to tackle crime, reserving imprisonment only for grave crimes e.g. violent crimes, large fraud. Also, the purpose of imprisonment is not revenge, but reforming individuals to reintegrate them back as useful members of society (http://ti.me/2spShhY; http://econ.st/2qBgEbu). Only dangerous and "psychotic" individuals are kept away from society, but still treated humanely and offered treatment. The "unhappy" countries meanwhile are characterized by lack of empathy towards human and environmental suffering, and draconian laws and brutal law enforcement systems misused by the powerful
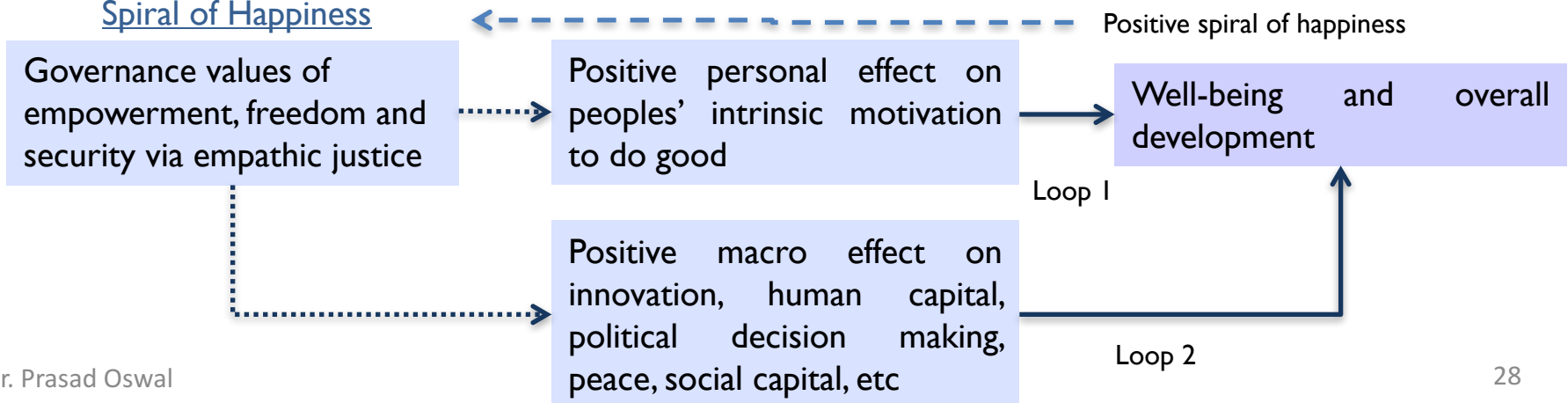
This approach 1) rejects revengeful punishments as they are counterproductive to reducing crime (Nagin, 2013), harden criminals and negatively affect social fabric (Başoğlu et al, 2007; Grassian, 2006; Smith, 2006), and can be misused by law enforcers (Mauro, 1998); 2) understands that crime has psychological roots and addresses these in stopping it (Braithwaite, 1999); 3) works with stakeholders including victims to identify and address harms, needs and obligations post-crime to heal things to the extent possible (Zehr, 2015). This way has its roots in Natural Law in ancient Eastern and other traditions

Braithwaite (1999) summarizes the following dynamic model of restorative justice (below), that is seen in the happiest countries, where laws are rational, and "virtuous" people who make "honest mistakes" are given a chance to make-up with restorative justice; "rational" people who intentionally do wrong face increasing penalties till they are deterred from crime; and only as a last resort, "irrational" people who commit crime without fear of penalties and pose a threat to society are incapacitated or imprisoned (and offered counseling etc to reform them) – see also extra slides at end of presentation

Incompetent Or Irrational Actor — INCAPACITATION

ASSUMPTION

Rational Actor — DETERRENCE

Virtuous Actor — RESTORATIVE JUSTICE

27

Dr. Prasad Oswal

Behavioral economics and Well-Beingism

- Behavioral economics marries economics with insights from psychology and human behavior and is today the hottest area in political economics with Nobel prizes awarded to Herbert Simon, Daniel Kahnemann and recently to Richard Thaler. Drawing on insights from this field, the 3 values of empowerment, freedom and empathic justice foster well-being and overall development via peoples' participation through two behavioral pathways:

1. On the <u>personal front</u>, self determination theory (SDT – one of the most established theories of motivation via hundreds of studies) shows that these values (referred to as autonomy, competence and relatedness in SDT) foster peoples' inner motivation to do good and also lead to well-being via <u>Loop 1</u> (Ryan and Deci, 2000) without needing coercion or force. Happier people typically have higher incomes, AND care for environmental and social causes (see Frey, 2003; WHR, 2015)

2. On the <u>macro front</u>, freedom gives space for people to create their own well-being (Friedman, 1993, 2009) and reduces opportunities for corruption (Mauro, 1098); empowerment directly fosters well-being (Sen, 2001; Frey, 2003); and empathic justice increases social capital (Helliwell and Putnam, 2004; Inglehart et al, 2008) and stops wrongdoers (McGuire, 2003; Nagin, 2013). Civil and political rights reflecting the above values are positively correlated with well-being and economic growth (see Max Steuer: http://bit.ly/2scXVnr). These values lead to well-being and development via <u>Loop 2</u>

- Finally, this well-being and development feeds back to strengthening these 3 values via an positive <u>Spiral of Happiness</u>

Positive spiral of happiness

| Governance values of empowerment, freedom and security via empathic justice | Positive personal effect on peoples' intrinsic motivation to do good | Well-being and overall development |

Loop 1

| Positive macro effect on innovation, human capital, political decision making, peace, social capital, etc |

Loop 2

Guided by the 3 values, governance policies are optimized via best practices and peoples' participation

- Guided by the values of empowerment, freedom and empathic justice, the happiest countries have focused on highly effective policies for well-being and development <u>resulting in high quality of government services, which are crucial to well-being</u>, as the World Happiness Report (2013) points out

- One of the best ways to optimize quality of government services is to learn from <u>international best practices</u> based on science in their framing. The happiest countries do this constantly, and developing countries stand to gain much by <u>benchmarking best practices</u>, as much can be learnt from the successes and failures of others

- For instance, governments in Western Europe have been the earliest to adapt lessons from the new science of <u>behavioral economics</u> in using "policy nudges" to guide behavior in a socially desirable direction (Thaler and Sunstein, 1975; http://econ.st/2sm7Eu6). Countries like Finland, Germany, etc changed their education systems in the 1970's from focusing on learning by rote, to one where individual creativity and subject mastery was promoted, following research highlighting the importance of the latter (Aho et al, 2006; Levin, 2000). They are also the fastest in adapting science-backed Eastern concepts like Yoga and Mindfulness Meditation into the mainstream in the last few years, to foster inner well-being

- Well-being cannot be just a government driven initiative, and <u>peoples' participation </u>is important to its success. Governments can make people aware of socio-cultural values that are inimical to well-being. Negative values such as gender inequalities and high power distance (e.g. class and caste systems) as well as assertiveness (or inner aggression amongst people) and inhumane attitudes explain as high as 60% of cross-country variances in well-being (Ye et al, 2015). Peoples' participation can also be invited in greening the environment, public safety, etc

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Practical solutions on how Well-Beingism can be fostered in India

India ranks low at Nr. 122 in the happiest countries (WHR 2017) and also ranks low on development indices. Today, India can adapt lessons from international best-practices, her own glorious past, and with peoples' participation to move towards high levels of well-being and development, guided by the following values:

1. <u>Empowerment</u> by bringing world-class standards and best-practices with feedback loops to government services in education, healthcare, infrastructure, etc. These feedback loops via customer ratings, online outcome-boards etc can measure the effectiveness of empowerment schemes ensuring accountability, reducing corruption and increasing quality of government services. Another initiative could be fostering public discussion on harmful social practices and encouraging a consciousness of friendliness and fraternity

2. <u>Freedom</u> in economic and personal spheres via de-regulation eg. The 91-92 economic reforms of the Narasimha Rao government should be magnified by dramatically decreasing the amount of government paperwork needed to start and run businesses; guaranteeing personal freedoms that do not harm others; etc. In ancient India, Freedom was one of the highest values and travelers such as Fa Hsien have highlighted freedoms available in the golden Gupta Period in Indian history - http://bit.ly/2tyPJ1A

3. <u>Security via Empathic Justice</u> in addressing concerns of people and the environment. A part of government salaries could be tied to goals like citizen satisfaction, GDP growth, HDI index, etc creating a powerful signaling effect. Advisable might be dramatic increase in use of online tools to detect wrongdoing including making CCTV cameras ubiquitous and making their monitoring mandatory to ensure that wrongs like traffic violations, assaults are immediately acted upon to deter crime. Fines and community service can be introduced for most small legal violations, with reformative prison time reserved for the rare instances of serious and violent crimes (eg see http://bit.ly/2rTbtXf and http://bit.ly/1lRFwsA). Act to stop instances of governmental high-handedness and power misuse, increase transparency etc

How Well-Beingism can solve policy issues in Indian context

Here we see examples how these 3 governance values can solve "sticky" policy issues in the Indian context:

- **Poverty**
  - Empowerment: Direct income transfers to the poor; best-in-world benchmarks with feedback loops for public education, healthcare, etc; tie a portion government salaries to achievement of goals like economic and employment growth
  - Freedom: Remove unnecessary restrictions and regulatory burdens on private enterprise so growth and jobs increase subject to social and environmental sustainability
  - Security via Empathic Justice: Ensure transparency and public online audit of government expenses so funds meant for poor are not siphoned off; leverage information technology so that citizen complaints are registered and immediately attended to

- **Environmental protection**
  - Empowerment: Recognize costs of environmental damage including climate change effects on agriculture crisis, millions of premature deaths caused due to air pollution; make good environment a legal right; recognize and award '000s of enviro-champions
  - Freedom: Invite universities and startups to innovate for environmental protection
  - Security via Empathic Justice: Attach a cost to polluting via taxes, fines, etc that are visibly and regularly enforced; use community service for tree plantation and maintenance activities

- **Quality of government services and corruption**
  - Empowerment: Give citizens "legal right to quality of government services"; incentivize government employees with citizen-satisfaction linked bonuses and recognitions
  - Freedom: Give government employees discretion to be customer-friendly in their interactions; remove bureaucratic rules and replace with customer-delighting processes
  - Security via Empathic Justice: Publish department-wise customer satisfaction ratings online and power these with data mining for departmental evaluation, positive action and customer delight; remove jail punishments from laws for minor mistakes so opportunities for bribery and blackmail by law enforcement reduces

Related Issue: Well-being within government

- Employees' well-being positively affects their productivity (also health, interpersonal relations, etc) leading to customer and stakeholder well-being (see Bryson et al, 2014; Danna and Griffin, 1999; Fisher, 2010). The highly influential Self Determination Theory (Ryan and Deci, 2000 and 2001) suggests that well-being at personal and organizational levels can be fostered with an environment of freedom, competence and relatedness. Such an environment supports inner motivation and leads to higher productivity. Organizations like Google, GE, Facebook, Government of Singapore, etc are increasingly focusing on employee well-being

- The Great Place to Work Institute meanwhile found that workplaces characterized by trust, pride in work and camaraderie saw a 12X rise in operating profits between 2002-2010, and more than 2X shareholder returns and 65% lower employee turnover than the industry average

- Employees' happiness is affected by the characteristics of BOTH the workplace environment AND their own personality characteristics. An ideal strategic approach would focus on both these to foster well-being and thereby raise higher productivity (next slide)

- Anectdotal evidence suggests that government employees in India are some of the most stressed

- Increasing work-place well-being of government employees is good for its own sake and can also have significant positive effects on the quality of government and government services leading to an increase in peoples' well-being

HR practices for well-being and productivity within government

CREATING A POSITIVE WORKPLACE ENVIRONMENT: Bryson et al (2014, p. 36) summarize that well-being is higher via HR policies that offer employees:

- autonomy over job and some control over broader organization
- variety in work
- clarity over what is expected and feedback
- opportunities to use and develop skills
- supportive supervision
- positive interpersonal contact with managers, co-workers, and with customers and the general public (wherever possible)
- a perception of fairness in the workplace in how employees and co-workers are treated
- higher pay in absolute terms and relative to others
- physical security, safe work practices, adequacy of equipment and pleasantness of the work environment
- job security and clear career prospects
- a perception of significance of job to self and towards society

EMPLOYEE WELL-BEING + HIGHER PRODUCTIVITY, PROFITABILITY & HEALTH, AND LOWER EMPLOYEE TURNOVER

FOSTERING POSITIVE EMPLOYEE PERSONALITY CHARACTERISTICS: via communication and awareness of right attitudes for happiness, training, counseling, meditation and mindfulness, movement based mindfulness techniques, etc

Goyal et al, 2014;
http://bit.ly/1FQzj27;
http://bit.ly/2lfMprw;
http://stanford.io/2hWhmM9

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Redesigning governments for well-being and productivity

Following organizational design initiatives can foster well-being leading to higher productivity:

1) Within organizations (see Deloitte, 2016 and WHR, 2017):

- Work life balance leaving sufficient time for friends and family and non-work activities
- Building organizations around horizontal empowered, significantly autonomous teams focused on businesses or customers (where employees are evaluated 360 degrees via Apps in real time by colleagues, customers, managers, etc
- Culture created around common inspiring values that leads to high-impact customer and employee satisfaction and employees supporting each other
- Supportive leadership that is competent and provides training and support for younger leaders, and allows for mistakes in the learning process
- Increasing employee engagement by empathically listening to employees' voice via pulse surveys, anonymous social tools, and regular feedback check-ins
- Organizational learning by providing employees with continuous specialized learning opportunities through individualized platforms such as Coursera, Moodle, etc, and providing training and counseling for positive personality development and emotional intelligence, etc
- Fostering design thinking where instead of creating "programs" and "processes," organizations focus on people and their experiences

2) Interactions with outside stakeholders:

- Customer satisfaction maximization by creating well-being in the entire value chain via empowerment, freedom and empathy in the customer experience
- Stakeholder sustainability management by incorporating stakeholder well-being considerations into organizational strategy

Conclusions

- Governments can play a crucial role in fostering peoples' well-being and development by fostering factors like peoples' freedoms, income and wealth, jobs and earnings, housing conditions, health status, work-life balance, education and skills, social connections, subjective well-being, environment quality, civic engagement and governance, personal security, etc

- I call this approach "Well-Beingism", i.e. a governance approach focused on fostering peoples' well-being

- At a higher conceptual level, these factors can be clustered into the founding principles of democratic thought of: enabling peoples' Empowerment and Freedom and ensuring their Security via Empathic Justice

- These 3 values form the basis of governance in the happiest countries in the world, and have their roots in ancient spiritual philosophy including the teachings of the Vedas, Jesus Christ, Confucius and Lao Tze

- These values explain over 60% of cross-country variances in well-being or happiness, and over 80% of the variance in development indicators. Each of these 3 values is thus indispensable for fostering peoples' happiness or well-being

- Countries can leverage international best practices and peoples' participation to foster well-being or happiness of the people guided by these 3 values

- Relatedly, well-being can be fostered within government itself via redesign of government and its HR policies leading to increased productivity and higher quality of government services

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Extra Slide: Quotes on Empathic Justice

- …recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world. ~ Universal Declaration of Human Rights

- Lead the people with governmental measures and regulate them with laws and punishment, and they will avoid wrongdoing but will have no sense of honor and shame. Lead them with virtue and regulate them by the rules of propriety, and they will have a sense of shame and, moreover, set themselves right. ~ Confucius, Analects 2:3

- It seems to me that the big challenge that we must all face is that the measures taken against evil do not stop with suppression, discouragement and isolation for those who caused it, but help them to reconsider, to walk in the paths of good, to be genuine people far from their miseries, becoming merciful themselves. Therefore, the Church recommends a justice that is humanizing, genuinely reconciling, a justice that leads the offenders, through an educational way and through inspiring penance, to complete their rehabilitation and reintegration into the community. ~ Pope Francis

- The German and Dutch (prison) systems are both organized around the central tenets of resocialization and rehabilitation. This is in contrast to the corrections system in the U.S., where incapacitation and retribution are central and where rehabilitative aims remain secondary (at least often in practice if not in policy)... According to Germany's Prison Act, the sole aim of incarceration is to enable prisoners to lead a life of social responsibility free of crime upon release, requiring that prison life be as similar as possible to life in the community (sometimes referred to as "the principle of normalization") and organized in such a way as to facilitate reintegration into society…In Germany and the Netherlands, incarceration is used less frequently and for shorter periods of time. Both countries rely heavily on non-custodial sanctions and diversion, and only a small percentage of convicted offenders are sentenced to prison—approximately six percent in Germany and 10 percent in the Netherlands…Participants spoke about how struck they were by the degree to which the conditions of confinement are informed by the emphasis on resocialization and reentry, noting in particular the personal agency with which prisoners were invested in their daily life, the positive interactions between staff and offenders, and the focus on vocational training and education. ~ http://bit.ly/2pWm4N0

Extra Slide: Quotes on Empathic Justice in Indian philosophy

यस्तु सर्वाणि भूतान्यात्मन्येवानुपश्यति । सर्वभूतेषु चात्मानं ततो न विजुगुप्सते ॥

The Wise man, who realizes all beings as not distinct from his own Self, and his own Self as the Self of all beings, does not, by virtue of that perception, hate anyone. ~ Isha Upanishad, 6th Mantra, Translation by Swami Nirvikarananda. - http://bit.ly/2tpKMYX

Whoever imposes severe punishment becomes repulsive to the people; while he who awards mild punishment becomes contemptible. But whoever imposes punishment as deserved becomes respectable. For punishment when awarded with due consideration, makes the people devoted to righteousness and to works productive of wealth and enjoyment; while punishment, when ill-awarded under the influence of greed and anger or owing to ignorance, excites fury even among hermits and ascetics dwelling in forests, not to speak of householders. ~ Chanakya, Book 1 : "Concerning Discipline" Chapter 4 "Determination of the Place of Varta and of Dandaniti"

An eye for an eye will make the whole world blind. ~ Mahatma Gandhi

All breathing, existing, living, sentient creatures should not be slain, nor treated with violence, nor abused, nor tormented, nor driven away. ~ Vardhamana Mahavira

Excessive power of the State is also harmful for Dharma. It was said that a king should be neither too harsh nor too soft with his people. Excessive reliance on harsh measures produces a feeling of revolt in people. When the State usurps the rightful place of Dharma, then there is this evil of the preponderance of power of the State. Dharma suffers thereby. This is the reason for the decline of Dharma in ruthless States. ~ Pandit Deendayal Upadhay on Integral Humanism

One should never do that to another which one regards as injurious to one's own self. This, in brief, is the rule of dharma. Yielding to desire and acting differently, one becomes guilty of adharma. ~ Mahabharata, 13: 113.8

The remedy for wrong actions or bad "karma" is "expressing repentance" in the Vedas and "inner reform" in the Upanishads and there is no place for retributive justice. The Taittiriya Upanishad "Shikshavalli" states that the attitude towards accused persons should be based on rationality and not driven by passion or harshness. The "Dharmashastras" stress the importance of admonishments and fines for small crimes - http://bit.ly/2sVkAYs

Extra Slide: Empathic Justice makes sense even from a utilitarian perspective leading to a more secure society

- The countries with science-based legal systems like Switzerland, Norway, Netherlands, etc have both crime rates and reoffending rates that are significantly lower than countries such as the USA which rely on a retributive justice system (http://econ.st/2qBgEbu)

- The United Nations has also focused on bringing humaneness into the legal system, calling for "development of restorative justice policies, procedures and programmes that are respectful of the rights, needs and interests of victims, offenders, communities and all other parties" (http://bit.ly/2sURUfr). See http://bit.ly/1QB0TIo and http://bit.ly/2tBgvd6 for more, and http://bit.ly/1Jawyvg for prison reform and human rights. Harsh laws lend themselves to misuse by the Government machinery as seen in several places around the world, and human rights are also protected by the United Nations Charter of Human Rights: "No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment." (Art. 5)

- Such a legal system however does not mean turning a blind eye to crime or ignoring safety requirements of society. E.g. the Swiss Constitution has an express provision to ensure that convicted dangerous criminals do not pose a threat to society (Art. 123a - http://bit.ly/2sjPYjm):

  1) If a sex offender or violent offender is regarded in the reports required for sentencing as being extremely dangerous and his or her condition assessed as untreatable, he or she must be incarcerated until the end of his or her life due to the high risk of reoffending. Early release and release on temporary licence are not permitted. 2) Only if new scientific findings prove that the offender can be cured and thus no longer represents a danger to the public can new reports be drawn up…

- So the key might lie in having a legal system with a high detection and penalizing rate of offences; penalties and community service punishments for most minor crimes; reserving imprisonment under humane conditions for major crimes where wrongdoers are given an opportunity to reform and reintegrate; and finally ensuring that dangerous and violent criminals and terrorists are locked away from society, unless it is sure they have reformed. Evidence also shows that torture is the least effective way to gather intelligence to deter future crimes, as people say false things to temporarily escape torture. Far more effective is creating a relationship of trust with the prisoner that can lead to valuable intelligence (http://bit.ly/2x9pclQ, http://bit.ly/2xUz5OS)

Extra Slide: Empathic Justice – The work of Daniel Nagin

Durlauf and Nagin (2011) in their review of the literature on crime and imprisonment rates driven by the question of whether both could be reduced simultaneously, report the following findings that have potential policy implications (p. 14):

1. "The marginal deterrent effect of increasing already lengthy prison sentences is modest at best.

2. Increasing the visibility of the police by hiring more officers and by allocating existing officers in ways that heighten the perceived risk of apprehension consistently seem to have substantial marginal deterrent effects.

3. The experience of imprisonment compared with non-custodial sanctions such as probation, sometimes called specific deterrence, does not seem to prevent reoffending. Instead, the evidence suggests the possibility of a criminogenic effect from imprisonment."

Furthermore, Nagin (2013, p. 36) elaborates: "The deterrence strategy of certain but non-draconian sanctions has been applied with apparently great success in Project Hope, an intervention heralded in Hawken and Kleiman (2009), Kleiman (2009), and Hawken (2010). Project Hope is a Hawaii-based probation enforcement program. In a randomized experiment probationers assigned to Project Hope had much lower rates of positive drug tests, missed appointments, and—most importantly—were significantly less likely to be arrested and imprisoned. The cornerstone of the HOPE intervention was regular drug testing, including random tests, and certain but short punishment periods of confinement (e.g., 1–2 days) for positive drug tests or other violation of conditions of probation."

Extra Slide: Empathic Justice fosters economic growth and job creation

- Anyone who has never made a mistake has never tried anything new. ~ Albert Einstein

- There's growing evidence to suggest that innovation flourishes when people are given the space to make mistakes. ~ Vineet Nayar – HBR: http://bit.ly/2scZhyo)

- Making mistakes is an essential part of innovation. If there are severe punitive consequences for making honest mistakes, innovation will stop (http://bit.ly/2qLzUTD)

- From a neuropsychology view, fear makes the reptilian part of the brain (the Amygdala) to take over the brain functioning, focusing on fight, flight or freeze, and virtually stopping the functioning of the pre-frontal cortex, which is crucial to creative and innovative thinking

- The most innovative countries like Switzerland and Germany have a science based law and order system that instills trust amongst people, and a reformative drive in wrongdoers (see http://bit.ly/2pWm4N0). Honest mistakes, e.g. in completing paperwork, or mistakes in business judgment are not punishable with imprisonment. Also, the fewer laws they have are clear and leave no place for ambiguity. This takes away excessive power from the government, and creates comfort in the system, which is necessary for entrepreneurship. This humane system does not encourage crime – on the contrary, both crime and reoffending rates are much lower in W. Europe than in the USA, which relies on a retributive legal system (http://bit.ly/2te4MNg)

- In order to boost innovation and employment in India, it may be considered to simplify the legal system and make it more compassionate towards honest mistakes, so that people are not afraid to innovate and grow (similar to the atmosphere in families & also in ancient India). India could adapt from the PROVEN & HUMANE European model of relying on monetary and community service penalties for minor crimes and reserving reformative jail terms only for grave cases like physical crime or multiple re-offenses, where imprisonment can prevent recurrence and facilitate reformation. Over-regulation with strict potential punishments can discourage business, as the Inspector Raj has done in India

About the author

The present research on how governments can foster well-being and development is based on the 2nd PhD study of Dr. Prasad Oswal at the renowned University of St. Gallen in Switzerland (country with one of the highest levels of well-being in the world). For full study see http://bit.ly/2hdGaiA

Prasad was awarded his first PhD in Economics also from the University of St. Gallen on the subject of "organizational excellence in globalizing companies".

He also has an MBA from Asia's top ranked Nanyang Technological University, Singapore and a MSc Degree in International Management from the University of St. Gallen.

Prasad is external research partner at FIM-HSG at the University of St. Gallen, Switzerland. He plays a leading role at his family's Center for Life Sciences, Health and Medicine – one of the world's largest research Centers focusing on neurological disorders, doing significant philanthropic work. He also co-founded the India Center at the University of St. Gallen.

His earlier work experience together with his PhD includes innovative roles in the education sector (Program Manager in founding team of MBA-HSG Programme responsible for one of the most successful MBA launches in the world) and fund management sector (conceptualizing the world's first and hugely successful Green Real Estate fund at Credit Suisse, Switzerland).

Prasad has a long-term interest in mindfulness meditation and is driven by a passion to create a greener and happier world. He is reachable at prasad.oswal@unisg.ch and www.prasadoswal.com

In gratitude to "Simba" – the happiest being in the world I know

Dr. Prasad Oswal