








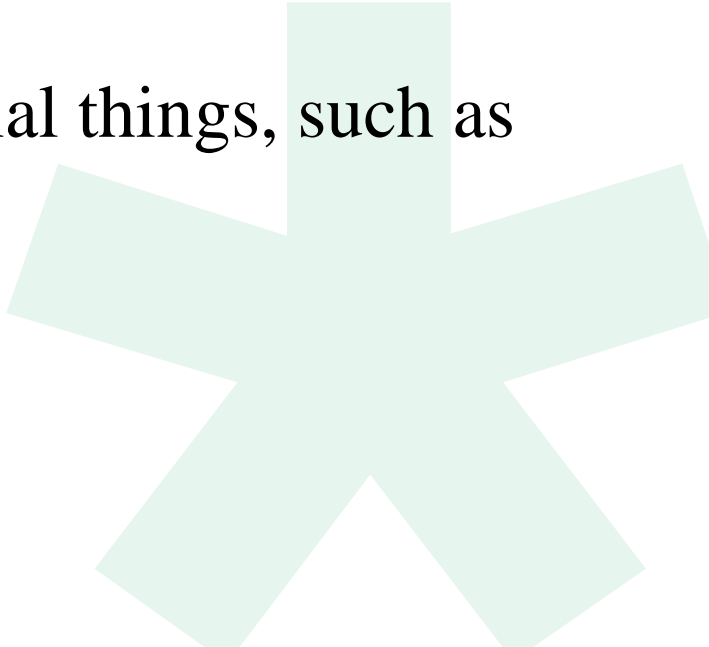
The economics of smiling



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Why smiling?

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- We are all interested in people's well-being.
 - But too often we equate well-being with material assets and economic resources of people...
- and we forget some more immaterial things, such as happiness.
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Why smiling?

physical, psychological, social relationships,
and environmental issues are important in
assessing quality of life



People can be materially poor, yet happy...

*What makes you happy?

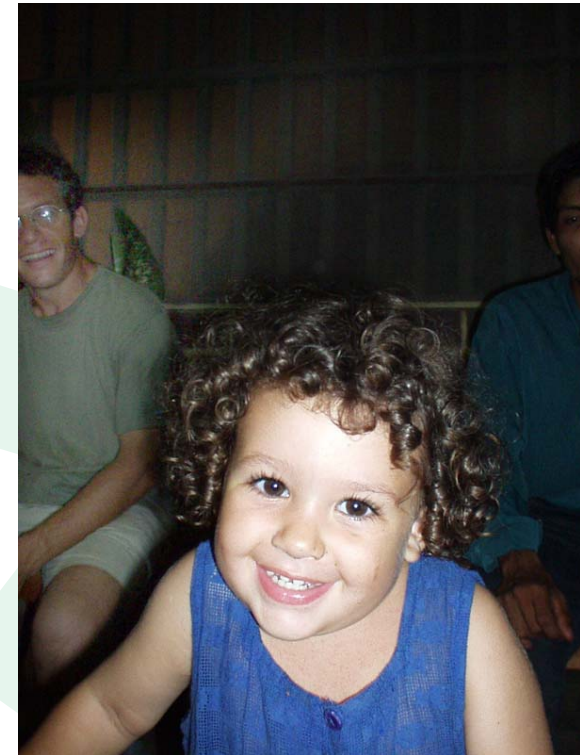
- To be with my family
- To have a good plot
- To have food
- A good hunt
- To drink chicha (home beer)
- To go fishing
- To have good health
- To be visited
- To visit family
- To go shopping
- To have money

Responses to free-listing with 35
Tsimane' informants



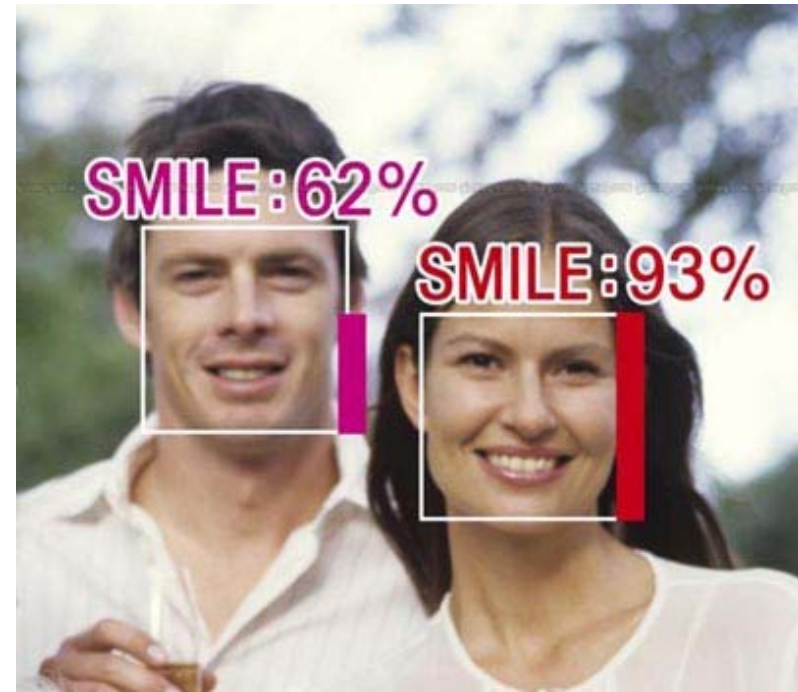
The evidence

- So: Subjective indicators of well-being (=happiness) matter because they give insights of how people perceive the socio-economic processes that affect them



But, how do we measure subjective indicators of well-being, or happiness?

- Experimental and observational studies suggest that –across cultures – smiling bears a positive association with self-reported happiness





The evidence

Other than an indicator of happiness, smiling pays off

Research shows that smiling correlates with

- social rank,
 - dominance,
 - occupation,
 - and earnings (at least in developed nations)
- 

*...I smile because I know it pays.
It means dollars and cents in many ways...
I can't sell goods with a hard luck tale,
So I smile, keep happy, and make my sale*

W.E. Hooker, “The Smile That Pays”, 1911,



Why would smiling pay off?

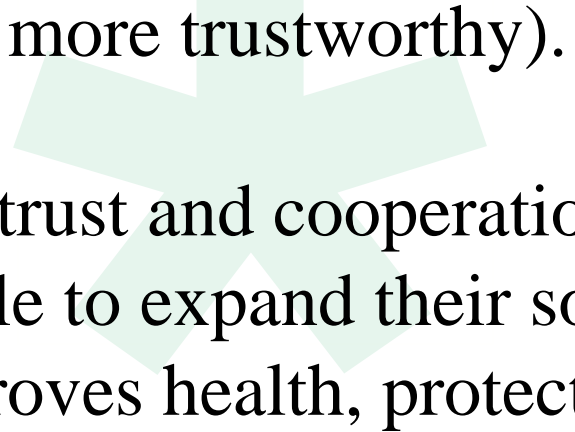

Across cultures, people associate the felt smile with friendliness, happiness, enjoyment, and with responsiveness.

Observers like smiling persons, and perceive them as more intelligent, pleasant, sincere, optimistic, and kind. In new situations, smiles induce reciprocity, pro-social behavior, and altruism, not only toward the person who smiles, but to others as well.

Smiling might signal trust, cooperation, and social capital among anonymous actors



Smiling might pay off:

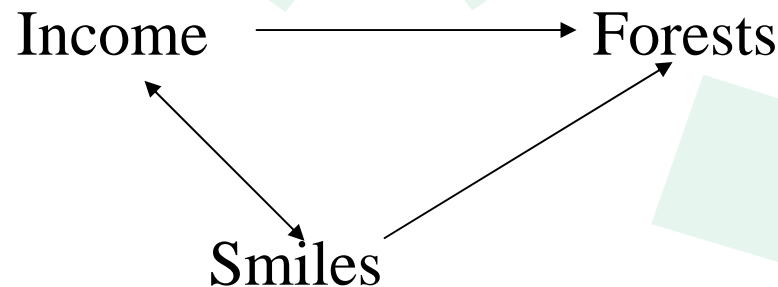
- ✓ By easing access to scarce resources by promoting greater trust, and reciprocity. (Eg. creditors perceive smiling customers more trustworthy).
 - ✓ By encouraging trust and cooperation, smiles should allow people to expand their social capital. Social capital improves health, protects consumption, and, in rural areas of developing nations, contributes to income.
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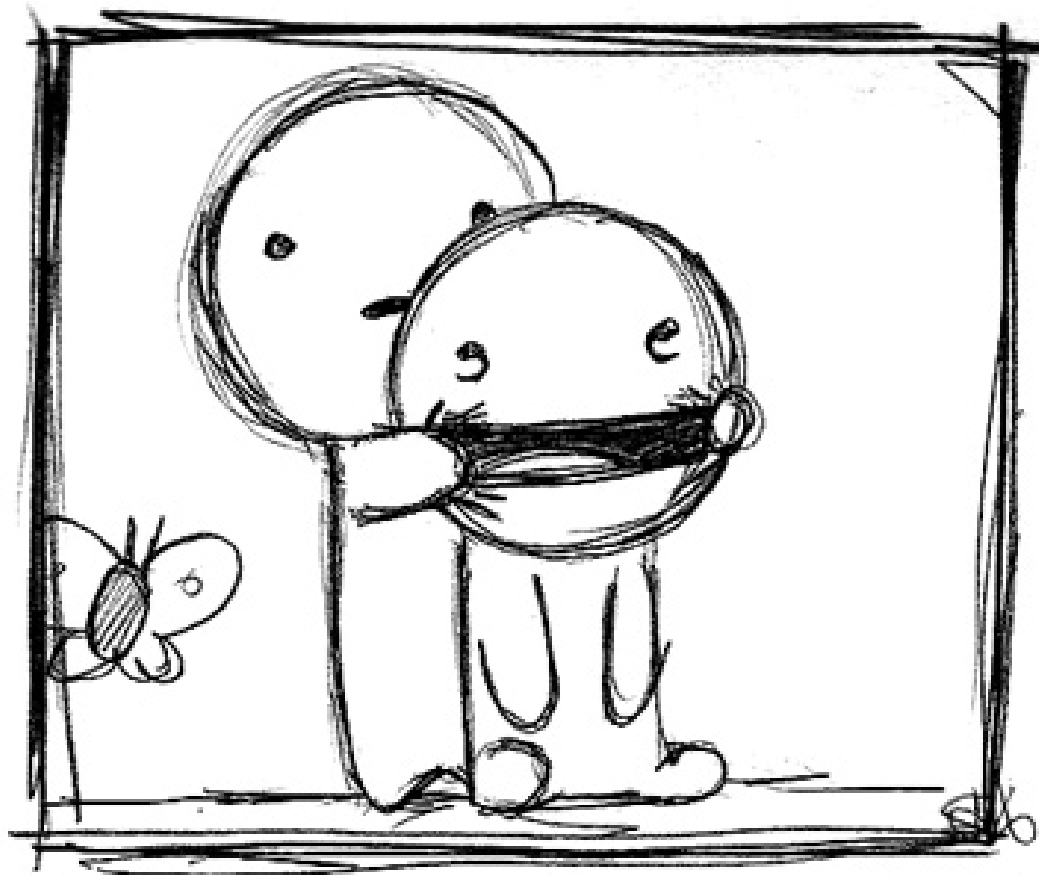
Why do we care about smiling in PEN?

1.- Because we care about people's well being

How important are forest for poverty alleviation↓?
and people's happiness!

2. – Smiling can be the instrument you are looking for





I CAN ALWAYS MAKE
YOU SMILE.