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**RELATIVE ECONOMICS AND BALANCED LIFE**

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*“If you want to be successful, have faith in your capabilities. Concentrate on it. Experience the feeling of oneness with your Guru or ideal. Concentrate on the Centre of Bliss (near the heart). Just perceive and experience. Do not think about the favourable and the unfavourable. You will experience the awakenings of a new energy.”*

**- H H Shri Acharya Mahapragya Ji**

The conceptualization of pleasure is a difficult effort. Recently, a large number of experimental studies provide a base for the analysis of subjective well-being via questionnaires. Beside these positive studies focusing on self-reported happiness, however, there are also normative studies as to what one should expect to make people really happy. The question on the determinants of happiness is probably one of the oldest questions of mankind, as can be seen from the answers that are provided e.g. by religion and philosophy. Now-a-days, there are also answers from psychology, namely positive psychology. In this subject, formalization and quantification is a good attempted using basic relative economic analysis. The objective of this procedure is to clarify the implications of the concept by taking into account that people face constraints when trying to make their lives more comfortable. The most fundamental constraint is the time that is available. Therefore, we introduce a time constraint for people pursuing their different goals in his life.

Our approach is an economic and a quantitative one. It is economic as it focuses on decisions about the allocation of resources. It is quantitative as the



amount of time spent on the different "routes" to happiness is measured. More researches in the subject relative economics have been conducted and concluded that suitable use of time is most important concept for happiness. It is necessary to balanced life for human beings.

### **BALANCING LIFE :-**

According to a great Economist "Seligman" - for a pleasurable, engaged and meaningful life only personal preferences are not important but individual opportunity and costs of time are also more important. Observable differences in the behaviour of people are not only based on different (or even "false") preferences, but also on different time costs. For a personal optimum, the marginal increases of satisfaction due to the respective activity divided by its time costs are stable. For this reason we say that balancing one's life should be the ultimate objective in our life span.

Balancing life is difficult if the time costs for providing the material necessities of life are very high (as it is in less developed countries). As long as a certain level of economic development is not yet attained, it might be impossible for a large part of the population to aim higher at engaging and meaningful life activities which require surplus time. The latter may be interpreted with respect to the influence of economic development on the hobby of happiness. Economic progress gives people more free time in the sense that the material basis of life is quicker established and, hence, more time is left over for other activities than earning a living. Consequently, people gain more time for a happy life.

Furthermore, balancing a life is not possible in absolute deficiency. The approach taken here enables us to define three kinds of absolute deficiency in a society: A person is depressed if she or he is unable to meet the basic needs concerning –

- (1) Pleasure-seeking life goals,
- (2) Pertaining to activities aimed at an engaged and
- (3) A meaningful life.



As an outcome, her or his full life index would be equal to zero. Furthermore, in this case the first-order conditions for the best allocation of time are not valid and the demand functions presented above do not hold, too. It seems remarkable that the full life concept of absolute deficiency is broader than concepts that are based exclusively on income or consumption. According to the former concept, a person might be absolutely deprived if she or he is unable to meet her or his basic needs concerning engaging and meaningful life activities by being at the same time rich with respect to income or consumption. In comfortable societies, this could be the prevalent form of absolute deficiency since the material basis for a full life is by and large granted by the welfare state. However, the welfare state does neither have the ability nor the instruments to provide the bare necessities for an engaged and meaningful life.

Moreover, a person is relatively deprived if her or his level of well-being is lower than that of the “significant others” in her or his peer-group. A person might experience relative deprivation even if she or he has the same income and social status as her or his significant others because of lacking an engaged and meaningful life. Again, the full life concept seems broader than other approaches.

A further aspect of balancing life is the occurrence of time stress in rich societies. It is generally acknowledged that there exists a positive relationship between free time and quality of life. Using a survey method to characterize the affects of daily life experiences, it was shown that the least positive effects were generated by housework, work and commuting. The crucial question is, then, why do people work so much in rich societies. This tendency is actually observable however, there is also empirical evidence that particularly richer people suffer from time stress. These empirical results in connection with the optimality conditions above may be interpreted as if people fail to behave in their own best interest. In another way, not all persons seem to be able to balance their lives. The spiritual and social mechanisms behind this occurrence are not completely clear, but at the core of it seems to be a kind of harmful status competition via prominent consumption. In the final analysis, externalities of a functional social norm might be diagnosed as the main criminal for this misleading concept on the route to happiness.



## **CONCLUSION :-**

Rational choice theory is employed to formalize the concept by employ persons maximize a utility function with respect to the opportunity costs of time for activities that belong to three happiness categories. The utility function was specified in such a way that it incorporates basic needs as well as preference parameters for the three areas of happiness pointed out by Seligman.

Using this framework from relative economics, it is shown that people have first of all to meet their basic needs whatever their time constraints may be. This explains quite easily why economic development is not only wealth increasing, but also welfare and happiness enhancing. Becoming richer means becoming more productive, and this implies that less time is necessary to meet basic needs. Thus, more time can be used for happiness and welfare upgrading activities.

A further implication of the theory for balanced life is that more material wealth does not necessarily lead to more happiness. While more wealth may be easily transformed in a more pleasant life, it is not so easy to use it for a more engaged and more meaningful life. The economic interpretation of this concept shows that the time opportunity costs are essential in this respect. The more time is used for earning money to buy additional goods the less time is available for the activities of an engaged and meaningful life. The result of study conducted by Economist Hamermesh and Lee (2003) that people with higher incomes perceive more time stress for the same amount of working time than people with lower incomes - may be interpreted along these lines. For those people it would be better to use less time for work (and earning less) and to reallocate their time to activities that are directly related to an engaged and meaningful life.

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