Comments on Betsey Stevenson's article, by Ioana Marinescu

What is there to fear in a post AGI world? Betsey Stevenson's article zooms in on the issue of well-being. How could transformative AI affect people's happiness, meaning and purpose? She draws on the empirical evidence about the correlation between income, meaning and purpose to help us reflect on AI's possible impacts. In my discussion, I explore both economic and philosophical perspectives. I start by describing three interrelated but distinct dimensions of well-being: income, happiness, and meaning and purpose. I then discuss how AI could affect these dimensions, both through its impact on jobs, and through broader societal impacts. Ultimately, AI could either undermine or help us find our ikigai, a Japanese term for that which makes life worth living.

The three dimensions of well-being: income, happiness, and meaning and purpose

As economists, we treat income as a key measure of people's well-being because income is a fundamental instrument to procure whatever a person wants, i.e. to satisfy consumers' preferences. But there are at least two other dimensions of well-being economists like Betsey Stevenson have studied, namely happiness, and meaning or purpose. Perhaps surprisingly to economists, these three dimensions of well-being are not systematically positively correlated.

The less surprising fact Stevenson documents in her contribution is that happiness as measured by life satisfaction is positively correlated with income. As expected based on the common assumption of decreasing marginal utility, there are diminishing returns to income in terms of achieving happiness: the cross-country relationship between income and happiness is positive and linear in logs.

The more surprising fact – at least to me – is that there is a negative cross-country correlation between GDP per capita PPP and people finding that life has meaning or purpose. It looks like higher incomes do not buy people a greater sense of meaning, but rather undermine it; now, this is a correlation, which, as we all know, does not imply causation. However, it is interesting to see that the greater opportunities brought by higher incomes do not necessarily translate into more meaning for people. Presumably, there are other forces at play in high income countries that must undermine people's sense of meaning.

Another intriguing finding documented in Stevenson's contribution is that women's life satisfaction declined over the last few decades, even while their economic outcomes improved.

This fact is in tension with the positive association between income and life satisfaction observed more broadly across countries. It shows that, in some cases, increases in income can go hand-in-hand with decreases in life satisfaction, and therefore income is not a reliable predictor of life satisfaction. The evidence discussed by Stevenson shows that both working and stay-at-home mothers saw a decrease in their life satisfaction. This suggests that the decline in life satisfaction might be driven by shifts in social norms, with new norms requiring women to "have it all", a successful career *and* a successful family. This is a critical finding because it suggests that the relationship between income and life satisfaction is mediated by social norms, and could therefore change depending on specific social and economic circumstances.

In a nutshell, income buys you happiness, but it doesn't buy you meaning, and it doesn't even buy you happiness when social expectations about success shift. This sets the stage for considering how technological change, such as transformative AI, might reshape these dimensions of well-being.

The impact of transformative AI on the three dimensions of well-being

Jobs: a key vehicle for the three dimensions of well-being

Jobs not only provide income but can also contribute to individuals' happiness and sense of meaning and purpose. Basic labor supply models assume that wages (income) compensate workers for the disutility of work, implying that employment negatively affects well-being. However, more advanced models recognize that workplace amenities can increase workers' utility. Empirical evidence indicates that job loss significantly increases mortality (Sullivan and von Wachter 2009), suggesting that *not* having a job is a source of disutility rather than the other way around.

AI may lead to massive job losses, undermining the role of jobs in well-being

In some scenarios, transformative AI leads to the automation of most jobs. In my view, this is unlikely to happen in the medium run because jobs requiring in-person work – physical jobs for short – cannot be automated in a cost-effective way (Kording and Marinescu 2025). However, even if automation is more limited, transformative AI will likely lead to a sizeable reallocation of workers across sectors, e.g. from intellectual to physical jobs (Kording and Marinescu 2025). Such reallocation typically entails job loss and prolonged spells of unemployment and lower earnings for affected workers (Jacobson et al. 1993; Couch and Placzek 2010).

Because jobs provide people with income, and often happiness and meaning, transformative AI that leads to job loss will challenge people's well-being. The income aspect of jobs can be replaced thanks to the social safety net and new policies that can be developed to provide people with stronger insurance against AI induced job loss, and with an unconditional source of income (Marinescu 2025). Replacing people's incomes will be even easier if transformative AI leads to large productivity gains. However, replacing jobs' contribution to happiness and meaning may prove more challenging, especially as merely giving people more income does not necessarily increase well-being in the long-run (Miller et al. 2024).

AI-induced worklessness raises important philosophical questions about the impact on people's flourishing. In *Automation and Utopia: Human Flourishing in a World without Work* (Danaher 2019), John Danaher examines the impact of Artificial General Intelligence on human flourishing. Chapter 4 of the book (Table 4.2) lists five threats to human flourishing associated with the adoption of automating technologies, with two closely linked with the loss of work. The first is the severance problem: if AI replaces human work, it undermines human flourishing by severing the connection between human activity and what happens in the world, which reduces people's sense of achievement. The second is the agency problem: AI replacing human work undermines people's ability to experience moral agency, i.e. their ability to contribute something of value to others, or to exercise their virtues.

AI and ikigai, that which makes life worth living

In Japanese, ikigai literally means "reason for being" or "that which makes life worth living". This is a concept that Betsey Stevenson emphasizes, making the point that you don't need a job to be happy. Instead, tending to a garden or participating in a knitting circle can be enough for people to flourish by combining activity with community.

To me, the (anti-)hero Hirayama in Wim Wenders's movie Perfect Days is a fitting illustration of ikigai. Hirayama finds joy in the analog life, cleaning public toilets for his daily job. In doing this physical work with dedication, he embodies praxis in Aristotelian philosophy, i.e. an action done for its own sake, rather than poiesis, which refers to actions aimed at producing something beyond the act itself. By finding meaning in the act of cleaning itself, Hirayama's approach demonstrates how fulfillment can be rooted in ordinary, mindful living, echoing ikigai's emphasis on purpose found in daily routines. Hirayama's daily rituals, such as carefully tending to his cleaning tasks, listening to "Perfect Day" by Lou Reed on cassette, and taking pictures of trees with an analog camera, show how he derives satisfaction from simple pleasures and present-moment awareness.

Hirayama escapes what John Danaher calls the severance problem, which refers to the undermining of human flourishing through the severance of the connection between our

activities and their impacts in the world, reducing our sense of achievement. Because Hirayama senses that his activity matters and takes pride in it, he avoids this existential disconnect. In addition, Hirayama supports others, such as an anonymous child at the park, even without recognition from the child's mother. Through these acts, he exercises moral agency and thus escapes the agency problem described by Danaher, which is the loss of the opportunity to contribute value to others or to exercise virtues.

Importantly, I would argue that the specifics of what Hirayama does are not important: it is not that his toilet cleaning job is somehow inherently virtuous. Rather, it is his attitude toward the world, combining appreciation for everyday things with a sense of service to others, that makes his life meaningful. This resonates with Camus' philosophy in "The Myth of Sisyphus," where Sisyphus, condemned by the Greek gods to eternally push a boulder up a mountain only for it to roll back down, ultimately finds contentment by embracing the absurdity of his condition (Albert Camus 1942). Just as Sisyphus finds contentment in his repetitive task by embracing it fully, Hirayama's daily routine becomes meaningful through his conscious appreciation and sense of service. Both figures must repeat their work each day, and while Sisyphus's situation carries more tragic undertones, Camus explicitly connects this to the human condition of workers. In both cases, meaning is derived not from the nature of the work itself, but from the individual's response to it. This deepens the parallel between Hirayama and Sisyphus, highlighting how fulfillment can emerge from even the most repetitive or humble activities when approached with intention and awareness.

By replacing the drudgery of jobs, and providing abundant income to live on, AI may usher the era of ikigai, when each person has the freedom to pursue what truly matters to them. Nevertheless, the case of women's declining life satisfaction should be a reminder that this positive outcome is not guaranteed: if social norms do not change to accommodate a world without work, if there are no market-like mechanisms to encourage people to pursue their ikigai just as wages incentivize people to work, a world with transformative AI but without work could undermine people's well-being. This is especially the case as AI threatens other aspects of human flourishing that are less directly connected to work: it may capture our attention for profit, leading us away from our ikigai (the attention problem), it makes the world increasingly uncomprehensible, leading to cognitive alienation (the opacity problem), and it can threaten our autonomy by filtering the options we have and manipulating us (the autonomy problem) (Danaher 2019).

Conclusion

Stevenson's article reminds us that well-being is not determined by income alone. Even if transformative AI leads to high incomes and plenty of leisure time, questions remain about how

people will achieve well-being, happiness, and a sense of meaning and purpose. Data across countries indicate that meaning and purpose declines as income rises. For women, personal incomes have increased while reported happiness has decreased. These complex patterns suggest that we need to consider both income replacement for AI-driven job loss, and ways to ensure people have an opportunity to achieve meaning and happiness. AI may threaten human flourishing by undermining people's sense of agency, but also offers the promise that people, freed from the need to work, will be able to find their ikigai, that which makes life worth living. The eventual impact will be shaped by cultural responses and policies developed to adapt to transformative AI, including mechanisms designed to incentivize and support activities that promote human well-being.

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