

BOOK REVIEW

The Political Economy of Human Happiness: How Voters' Choices Determine the Quality of Life by Benjamin Radcliff. Cambridge, UK: Cambridge University Press, 2013.

Benjamin Radcliff's book on how politics affects human well-being is the first major book by a political scientist to fall squarely within the field of happiness economics. It is an ambitious work, attempting—and in large measure, succeeding—in two tasks. The first is the development of a theory of happiness that is rooted in the commodification of labor (and the wider contours of the market economy). The second, more contentiously, is to offer an empirical answer to the question of what governments should do so as to best contribute to a world in which citizens lead fulfilling and rewarding lives.

The book does not radically depart from the extensive literature on the scientific study of subjective well-being (much less political economy), but rather carefully and appropriately draws upon it, linking the various arguments and patterns of analysis into a new whole. Where the book makes its first unique mark is in laying out an elegant and compelling theoretical argument about what the role of government can be within capitalist democracies and, based upon the econometric assessment of the data, what it should be, in so far as we are interested in maximizing human well-being.

Such an appraisal could hardly be more timely or salient. Around the world, a global debate is raging more loudly than ever about the value of “Big Government.” Critics focus on the detrimental effect of governmental activity on the economy, believing bigger government implies inefficiencies that translate into slower growth and higher unemployment, the creation of impediments to growth through regulations and restrictions on business, and a deleterious impact on the work ethic. Proponents take the more sanguine view that a larger government may not only have these negative consequences, but that regardless the total, net effects on human well-being that come from limiting what Radcliff calls the “sovereignty of the market” may outweigh whatever costs are involved.

Radcliff devotes his first three chapters to a thoughtful examination of human nature and the origins of the debate between Left and Right,

arguing that the basic conflict between these two ideological poles is a natural consequence of the structure of the market society that begin to emerge around the time of the American and French Revolutions. While it must be said that the summary of arguments for and against the welfare state, labor unions, and economic regulations that takes up most of Chapter Three is unlikely to change anyone's mind, nor indeed clarify these familiar issues to those familiar with them, Chapters One and Two are insightful and rewarding.

Chapter One frames the debate between Left and Right in terms of the American Founding, using Madison and the Federalists on the one hand and Jefferson and especially Paine on the other. Radcliff traces historically the development of the consensus on what he calls “the politics of happiness,” i.e. the wide agreement that emerged at the end of the 18th century that a central purpose of government is to care for the “happiness” of the people, and the resulting ideological conflict over the means to that end. He stresses too a theme developed more clearly later: that there has always been a debate (within the market society) over whether sovereignty is, in the end, to be thought of as residing in the people as expressed through democracy (i.e. politics), or in the people as expressed through their free choices in a free market.

Chapter Two quietly develops this theme. Radcliff begins with what he (following both Smith and Marx, to say nothing of Madison) argues is the defining or foundational institution of the modern world: the division of society into classes, based on the ownership of property—or, more specifically, to the creation of a society in which one class must of necessity sell its labor power as a commodity in order to survive and flourish. He builds upon the consequences, beginning with the advent of the liberal regime of competitive elections and the protection of basic rights of the person, and onto the structure of political conflict. Little of this is new, but it is smartly presented, and it successfully shows how the interests of workers and employers, and their resulting levels of happiness, are heavily determined by political conflict over the welfare state, labor unions, and labor market regulation. What is most compelling about this treatment is that it provides what almost all prior work in happiness economics as neglected to provide: an actual theory

of how market democracy produces and distributes different levels of well-being to different kinds of persons. According to Radcliff, the state (much as he argues Jefferson envisioned) is ultimately the principal determinant of well-being, in that it determines the level of and equity of distribution of well-being.

The question is thus what kinds of policies—which ideological bundle of policies that arise within the market system—works best. Before turning to the empirical chapters that address this question, Radcliff introduces something of an “interlude” in the form of an overview and summary of the “scientific study of happiness.” This lengthy chapter has two more subtle agendas, beyond the general review of the literature necessary for the econometric chapters that follow. One is innocuous enough: to convince the skeptical that subjective well-being can indeed be studied using survey research and ordinary statistical methods. He is at pains thus to stress that the subject matter at hand—human happiness—lacks the philosophical complexity or ambiguity that people attach to it, in that social scientists need define it merely as the extent to which people “actually enjoy their lives.” More subversively, he attempts to direct attention away from approaches to happiness that depend on genetics, set-points, adaptation, and (to a far lesser degree) social comparison. While Radcliff embraces the Easterlin Paradox, and seems to believe that his own approach “dovetails nicely” with the practical implications that come from it, he devotes much energy to arguing against the utility “in comparative macro-social research” of approaches to understanding happiness that are not “based on the extent to which our needs as human animals are fulfilled.” Doubtless those readers fond of these approaches may not approve, and the agonistic (such as myself) cannot help but wonder why this agenda is pursued so aggressively, as his general theoretical do not depend upon a purely needs-based approach.

Chapters Five, Six, and Seven provide the empirical analyses. Five is devoted to the welfare state and the general size and scope of government. The statistical evidence is powerful and convincing, in part because the author adopts an adversarial relationship with the reader, as if attempting to convince the most cynically doubtful. The result is an admirable and even intimidating (and by its conclusion, exhausting) accumulation of statistical evidence (replete with innumerable robustness

checks, in both footnotes and a lengthy appendix addressing every conceivable objection). Using both individual level and aggregate level data (for both the general population and income-subgroups), and using a large variety of different indicators of the welfare state, tax burden, government consumption, and various summary indicators of the size of government, he demonstrates that all the measures exert a positive and significant effect on human happiness. More remarkably, the evidence shows that the measures of government increase levels of human happiness among all income groups, both rich and poor alike.

Chapter Six moves the analysis from the size of the state to the role of labor unions and government regulation of the economy, demonstrating that both improve the quality of life that citizens experience. Another interesting finding here: non-union members benefit from stronger labor unions i.e. labor union density is positively associated with well-being for the general population. The same is true of economic regulation, with various indicators all suggesting that greater labor market regulation produces greater happiness; as before, this result applies to all income groups. Chapter Seven shifts attention from industrial democracies to the American States, illustrating that differences in state-level policies produce the same differences in quality of life as those across countries did. Again, the welfare state, labor unions, and economic regulation all serve to improve the extent to which people lead satisfying lives, regardless of social class.

The final chapter picks up the challenge, implicit through the book but hitherto wisely avoided, of openly discussing the normative and ideological implications of both the book’s theoretical and empirical conclusion. The chapter’s title—“Between Market and Morality”—sets the tone. While Radcliff consistently stresses throughout the book that whatever the market’s failures, “it remains one of humanity’s greatest achievements,” he here tempers that support with the social democratic ideals that his analyses relentlessly support. Two points are likely to be highly divisive. One is his characterization—more nuanced and carefully expressed than this brief summary can attempt—of a contradiction in market societies between the basic market imperative to employ persons at a profit for oneself versus our shared, implicit normative belief that (following Kant) we should not use other persons as a means to our ends. As himself a defender of the market,

Radcliff sees social democracy as the resolution to that dilemma. The other is the motif of the locus of sovereignty noted earlier. Radcliff believes that his analyses show “it is clear that the quality of human life improves as more of the productive capacity of society comes under political—which is to say *democratic* control.” He thus concludes that when market values and democratic values conflict, as they so often do, that “we should genuflect toward democracy.”

Whatever one thinks of those conclusions, one has to admire the argumentation behind them. The careful, thoughtful, balanced discussion of these themes makes for a suiting ending to a beautifully written, powerfully argued, and meticulously researched book that makes a vitally important contribution to the study of human well-being.

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