

*The Political Economy of Human Happiness: How Voters' Choices Determine the Quality of Life*. By Benjamin Radcliff. (Cambridge University Press, 2013.)

Benjamin Radcliff's *The Political Economy of Human Happiness* is an ambitious and provocative addition to one of the most important debates in modern democratic societies: What role should the state have in the market economy? Or, to put it differently, how can the government best ensure the well-being of its citizens? Utilizing his vast knowledge of the burgeoning literature on happiness (or subjective well-being) and an impressive array of empirical analyses, Radcliff is able to compellingly argue that social democratic welfare states exert a positive effect on the life satisfaction of their citizens. As such, this comprehensive and refreshingly interdisciplinary book should be required reading for scholars of the welfare state and subjective well-being, as well as those interested in capitalism and democracy more broadly.

Radcliff starts by outlining the historical and philosophical origins of the competing ideological perspectives on improving the quality of life in society. The main focus is on the new ideas about happiness which developed during the Enlightenment and the revolutions in the United States and France. Thomas Jefferson's famous assertion that all people are endowed with unalienable rights to "life, liberty, and the pursuit of happiness," thus, was a reflection of the paradigmatic shift underway in thinking about the role of government in a democratic society. This period saw the birth of "modern ideologies" (13), where the Left began to call for a more activist state to regulate the market economy in order to ensure greater happiness, while the Right emphasized the protection of private property and the freedom of a market economy unconstrained by state involvement.

These same competing ideologies, of course, can be found in the modern-day rationales in favor or against a free market economy, an economic system which rests on the unavoidable class conflict between workers and employers, and the commodification of labor that it produces. As Radcliff effectively argues, these viewpoints boil down to whether the free market (through greater efficiency, economic growth,

and liberty) or a social democratic state (through the correction of market failures by a democratically elected government, emphasizing fairness and the decommodification of labor) maximizes aggregate happiness (76). Consequently, these prescriptions can be empirically tested, as Radcliff does in Chapters 5, 6 and 7 in the book.

The empirical results are similar to those described in Radcliff's previous work. However, the results are more convincing this time, as the analysis is expanded to include more recent data, more measures of the relevant political variables and controls (including a control for social capital, conspicuous in its absence from prior work), as well as more robustness tests and further analyses over different subgroups. The cross-national analysis relies on data from the World Value Surveys (WVS), and the dependent variable is the standard question on respondents' satisfaction with their life "as a whole these days" (119). The results, using both individual-level and aggregate-level analyses, with a battery of controls and statistical adjustments, show that respondents from countries with social democratic welfare states (measured through various proxies, such as total social spending, social wage, decommodification index, employment protection legislation, and union density, to name a few) exhibit greater self-reported life satisfaction. Finally, using the DDB Life Style Survey, Radcliff is able to show a similar pattern across states in the United States, albeit with slightly different measures.

Radcliff interprets these results to imply that increasing subjective well-being is primarily an issue of satisfying human needs, following Maslow's hierarchy of needs, such as the need for food and shelter, security, belongingness, self-esteem, and self-control (or self-actualization). The universalistic, social democratic welfare state, after all, reduces economic insecurity, anomie, and poverty, while increasing perceptions of self-control (e.g., through labor unions) and human dignity (e.g., by reducing stigmatization through universalistic social policies). Thus, he finds evidence consistent with the "livability theory" of life satisfaction (85–88). While such a claim is seemingly robust, I find the broader argument in favor of a social democratic welfare state weakened by Radcliff's rigid adherence to this theoretical perspective of subjective well-being. After

all, there is strong evidence in the literature that people adapt to their surroundings (though, admittedly, rarely all the way) and are affected by their relative outcome on various dimensions. Ultimately, disregarding such perspectives in favor of an exclusive focus on absolute outcomes, as Radcliff principally does, seems unnecessarily restrictive, given that human judgment is a function of some type of reference point. That reference point does not have to be social, of course, but can be one's own past. Why one type of reference point would take priority over the other seems unclear, a priori, even from the sort of evolutionary perspective underlying livability theory (86–87).

Therefore, introducing the concept of economic inequality would have strengthened not only the empirical analysis, but also the theoretical argument, as social democratic welfare states are both less unequal in aggregate and tend to have less hierarchical working environments (thanks to stronger labor mobilization). While it is true that Radcliff finds that the different proxies of a social democratic welfare state are associated with greater

happiness among both the low- and high-income subgroups (132, 156), one can imagine that it does so, at least partially, through different mechanisms: by making lower-income groups feel relatively less worse off, and by reducing crime and economic insecurity for higher-income groups. Of course, an ideal test of different mechanisms would require better data. However, such data are becoming increasingly available, as recent studies in the happiness literature make use of individual-level panel data and natural experiments. Given that we are beginning to approach the limit of what can be shown using existing cross-sectional data, this seems like an avenue which future research in political science on this area should pursue. That said, future work will undoubtedly have this well-written and pioneering book to thank for advancing our understanding of the political determinants of subjective well-being, not to mention rightfully bringing the political dimension into the discussion to begin with.

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