
Book Review

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Policies for Happiness

**by: Stefano Bartolini, Ennio Bilancini, Luigino Bruni and
Pier Luigi Porta**

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This edited volume makes substantial contributions to the current debate regarding the role of policy in advancing happiness. The volume contains 12 chapters organised into three sections with many being contributed by well-respected leaders in the field. The first section addresses whether or not happiness research should ‘be taken seriously for policy-making purposes’. After concluding in the affirmative, the second section then addresses which policies should be targeted in order to increase happiness. The last section puts the tradition of happiness research in its historical context with particular emphasis on the Italian tradition and a plea to return analysis to the Aristotelian concept of eudaimonia in contrast to the modern utilitarian focus.

The opening chapters paint a scathing portrait of the role of happiness research in determining matters of public policy. Frey and Stutzer conclude that the results of happiness research should not be used to influence policy in a technocratic way but instead should be interjected as a part of the public discourse subjected to the competition of ideas amongst and between citizens and politicians. “As an ideal consequence, people become better able to advance their idea of the good life, individually and collectively”.

The essay by Sugden and Teng offer a perspective on Richard Layard’s (2005) *Happiness: Lessons from a New Science* which questions his devotion to classical utilitarianism. Their critique stems from the work of Rawls (1974) as they argue that Layard’s conception “of a well-ordered society lacks psychological stability”. The system of order in a society “must reproduce both a general belief that the principles are fair and a general willingness to abide by them”. They argue that Layard’s policy proscriptions are lacking this quality. For example, Layard proposes a tax on income or consumption to squelch the happiness reductions that stem from status seeking behaviour and social comparisons. The tax works by taking away the gain, in comparison to others, that comes with success thus reducing the incentive to achieve and insulating us from the pain caused by the success of others. “In Layard’s well-ordered society, the education system is teaching young people that it is morally unworthy to be concerned about social comparisons, or to complain about other people getting ahead. But at the same time, the political system is recognizing such complaints as legitimate”. For Sugden and Teng, the answer is not governmental micro management or paternalism. The answer for them

is a way of thinking about society whereby “mutual advantage is not just one way of organising the economy, to be overridden whenever the government judges that people’s private choices are not in their best interests. It is essential for the psychological stability of a social system in which human happiness is promoted”.

The remaining chapters of the first section are, for the most part, more empirical and less philosophical in nature. The exception being the brief response by Layard to the criticisms levied by Sungden and Teng. Both chapters by Andrew Clark and Carole Graham tackle the complexity that new research on adaptation brings to the policy debate. The data shows that people are quick to adapt to increases in income as they experience only a temporal increase in happiness. In fact, sharp increases in GNP per capita are not met with increases in average happiness. Clark stresses that gains in everyone’s income do not seem to increase happiness while gains in one’s own income while holding constant the income of individuals in a reference group does. Policy priorities must keep in mind that “social comparisons and adaptation seem rife with respect to income”. What is left “is to identify the policy variables which have both significant and long-lasting effects on subjective well-being, without suffering from social comparison or adaptation”. Graham notes that “people can adapt to almost anything: bad health, divorce, poverty, unemployment, and high levels of crime and corruption”. With that in mind the, variables available to the policy maker are quite limited indeed.

The second section begins with a chapter by Tim Kasser. In it he reviews the literature connecting the materialistic values of the market to lower levels of well-being. While the literature cited does show that such a correlation exists it does not give an argument that allows for causal inference. Tim Kasser (2003, p.9) himself said “we cannot be sure from these results whether materialistic values cause unhappiness”. It is highly plausible that unhappiness (lower well-being) in an individual will lead that person to find ways to increase it. Unhappiness and the accompanying distress can induce a variety of unhealthy behaviours (illicit drugs, alcoholism, sexual promiscuity, etc.) as individuals seek to heal or bandage their emotional pain. Unhappy people may even view increased financial success or material possessions as the key to reversing their plight. Unhappiness may cause people to be materialistic. It is not good practice to create policy without a clear causal argument. Without a clear causal path, the policy directions suggested by Kasser are nothing more than his disagreement with the validity of market oriented values. His recommendation is to “Discourage the internalization and pursuit of materialistic values and goals, and instead encourage people to internalize and pursue intrinsic values and goals”. It is hard to read the essay of Kasser as little more than a call for propaganda to take down the economic system of capitalism.

A case for the use of self-reported measures of well-being and life satisfaction through survey instruments is made in the chapter by Helliwell. He argues the case “that when people evaluate their life satisfaction they mean what they say, and their answers are meaningfully comparable across communities, nations and cultures, and through time”. His analysis and the chapter by Bartolini, Bilancini, and Sarracino provide convincing evidence that social capital is one of the main determinants of well-being. In particular, patterns in social capital are strongly related to happiness in the long run. This suggests that policy makers in pursuit of policy targets that are removed from the problems of adaptation and social comparisons may have found their prize in the form of social capital.

It is well-known that some of the principal factors in social capital are trust and reciprocity. The chapter by Pelligra argues that the “desire for social approval, trust and reciprocity” should be considered in the designing of institutions which promote well-being and organisational performance “where the focus is on how to foster compliance rather than how to discourage deviance.”

The chapter by Pugno adapts the ideas of Scitovsky – “maximum enjoyment of individual welfare requires adequate skills... necessary to appreciate novelty and enjoy learning” – into an economic model. In this model skill accumulation, and the tendency to seek novel activities adequate to the skill already acquired are represented in a dynamic consumer choice framework. The model, along with evidence taken from the relevant literatures, supports the argument that investments in parenting, early education, and humanistic culture are worthy policy goals.

Section 2 of the volume suggests policies for happiness in a logical chain. Chapter 6 by Kasser attacks the materialistic values intrinsic to the capitalist system while chapters 7 and 8 offer a potential policy target in social capital and the values of trust and reciprocity. Chapter 9 suggests an engineering of institutions to promote trust and social capital development while chapter 10 offers up education, particularly early childhood education, as the institution that should be redesigned to promote trust and social capital development. All of this is offered up in Section 2 presuming that happiness research is in fact relevant for policy beyond the messaging and informative roles highlighted by Frey and Stutzer and Sugden and Teng in Section 1. In my assessment, the volume has moved on to the promotion of policy objectives without a satisfactory argument to the objections against such policies raised in the opening section. While I found the volume an interesting and enlightening contribution, I find this lack of a satisfactory conclusion to the questions raised in the first section extremely problematic.

References

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Book Review

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Handbook of Research Methods and Applications in Happiness and Quality of Life

by: Luigino Bruni and Pier Luigi Porta (Eds.)

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This book is a part of a handbook series (*Handbooks of Research Methods and Applications*) that aims to provide overviews of research methods with an emphasis on practical applications. According to the series editor, while reference may be made to conceptual issues and abstract ideas in chapters reviewing the main theories, real-world applications are the intended focus.

The 23 chapters of *Happiness and Quality of Life* fulfil the aims of the series by providing both theoretical contributions about concepts and measurements of subjective well-being, and empirical analyses about determinants of quality of life, happiness or life satisfaction. In the first chapter, the editors (Bruni and Porta) address three issues to which the book returns several times. First, self-reported indicators are only one component of well-being, and are supplements to objective indicators of quality of life. These subjective and objective dimensions should be combined to create meaningful and informative indicator sets for scientific research and public policy, i.e. happiness is multidimensional. Second, relational and eudaimonian dimensions are important parts of human well-being. Third, history and measurement issues of happiness should not be neglected. Most of the remaining chapters are connected to these three points more or less closely.

The concept of quality of life, well-being or happiness (or more precisely the missing concept of quality of life) is probably the most central issue in this book; and is the focus of several chapters. Rojas writes ironically and rather critically that “most efforts have concentrated on measuring quality of life rather than on discussing its conception. (...) researchers hope that its measurement will suffice in providing definition; in consequence, the concept of quality of life frequently ends up being defined by how it is measured” (p.229). Demonstrating that ‘conceptualisation must come first’, several authors propose their concepts about quality of life. Rojas provides a two-qualities-of-life framework, where assessment of life quality is based both on experienced well-being (inner quality of life) and on the contribution to the well-being of others (outer quality of life). Veenhoven proposes his concept identifying four qualities of life. He distinguishes between chances for a good life and outcomes of life, and between external and internal

qualities. The combination of these two dimensions results in a fourfold matrix, where 'appreciation of life' (or subjective well-being) represents outcomes of inner qualities. The meanings of subjective appreciation of life are also classified into a fourfold matrix based on the dichotomies of life aspects vs. life as a whole, and passing vs. enduring appreciation of life. Delle Fave reviews various indicators of self-reported well-being – briefly summarising the concepts behind them – and concludes that “this variety of approaches and opinions reflects the complexity and articulation of the issue that is addressed. It raises further questions, rather than suggesting straightforward solutions” (p.85). Similar to the chapter by Delle Fave, Guerini and Nuvolati also review several theoretical frameworks of happiness, focusing on the measurement of happiness within these frameworks. Other chapters contribute by summarising the history of the idea of quality of life from Aristotle through Thomas More and Francis Bacon to Easterlin and Sen (López Noval), and by showing the history of the issue of happiness in economics (Bruni). This short summary of the above chapters shows that a widely acknowledged concept and definition of happiness and/or subjective well-being is still lacking, indicating there is much to do in the conceptualisation of happiness.

In addition to the theoretical or conceptual chapters, the book includes empirical analyses of narrower research questions as well. These chapters are the most interesting part of the book. They use innovative methods and therefore serve as exemplary analyses for other researchers in this field. Lucchini, Della Bella and Crivelli investigate the heritability of life satisfaction by analysing the role of genetic factors. In a sample of families with a biological father, mother and the first two children, they use an ACE multilevel model to decompose the total variance of life satisfaction into a genetic effect, a shared environment effect and a unique environment effect. Krause explores how inequality within and between different life domains affects life satisfaction. Using data from East and West Germany as natural experiment he is also able to analyse the convergence of income expectations. Crivelli, Della Bella and Lucchini try to answer the question whether the relationship between subjective well-being and health is a causal one. They use a fixed effects model to investigate the dynamics of habituation or inertia, and a general method of moments dynamic panel analysis to analyse the autoregressive nature of life satisfaction (i.e., state-dependency in life satisfaction).

Several other topics are addressed in the remaining chapters, including: quality of life and smart cities (Granata), globalisation and quality of life (Sirgy and Miller), policy relevance of subjective well-being measures (Diener and Tay), common aspects of quality of life and positive psychology (Marujo and Neto), women and happiness (Matteucci and Vieira Lima), the effects of television and internet on happiness (Stanca), relational goods and happiness (Pelloni), and the history of studying happiness and quality of life in Italy (Porta). However, the order of the chapters seems to be somewhat *ad hoc* with chapters on theoretical issues mixed with chapters on empirical issues. Chapters about concepts and measurement are interspersed between chapters about practical applications. For example, a chapter about the effect of inequality is followed by the history of the idea of quality of life, then by an analysis about genetic factors in life satisfaction, followed by a review about measurement of happiness (Maggino), and then by a chapter about conceptualisation of quality of life. Although labelled a handbook, it seems like just a collection of papers with remarkably varying quality. There is even a chapter that only relates very loosely to happiness research: a chapter about culture, fine arts, aesthetics and curiosity.

Happiness and Quality of Life is an interesting read despite its weaknesses. Content of some chapters may be familiar to readers already acquainted with the most important scholarship in the field of quality of life and happiness. Yet, most of the chapters fulfil the aims of the handbook series by providing theoretical and conceptual background, or giving examples of empirical methods and real-world applications.