

Are socialists happier than capitalists?

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Driven by a decline in satisfaction with work life and family life, overall well-being initially plummeted in countries directly affected by the fall of the Iron Curtain, reveals an important new study.

The research, forthcoming in the August 2009 issue of the *Journal of Economic Behavior and Organization*, expands our understanding of the correlation between happiness and democracy — and whether economic concerns outweigh political reforms in their impact on subjective well-being.

"Although one might suppose these questions are of interest — some might even say fundamental interest, considering that they involve comparing capitalism and socialism — they have received little attention in the voluminous literature on transition economies," says Richard Easterlin, USC University Professor and professor of economics at USC.

Easterlin examines [life satisfaction](#) in thirteen countries in the so-called communist-bloc using self-reported data from a range of sources, particularly the World Values Survey. Communist-bloc countries first appeared in the large-scale Survey in 1989, when a representative population in each country was asked to rate "life these days, as a whole" on a scale of 1 (dissatisfied) to 10 (satisfied).

Other surveys before and after the fall of the Soviet Union in 1991 asked similar questions about specific aspects of life — such as work, health, and standard of living — and about "the way democracy works in (your country)."

"The dissolution of the police states and increase in political and civil rights in many of the transition countries might have been expected to increase life satisfaction," Easterlin says. "The sharp decline that initially occurred suggests that adverse economic and social conditions trumped the political in their impact on subjective well-being."

The study finds that the trend in overall satisfaction with democracy is actually slightly negatively correlated to the trend in reported happiness after the fall of the Iron Curtain. This correlation is not statistically significant, according to Easterlin, but undermines the assertion by some scholars that democratization in these countries significantly increased happiness.

"There is evidence that, when asked about their sources of well-being, people rarely mention political circumstances," Easterlin explains. "Rather, they put foremost those concerns that principally occupy their time, most notably making a living, family life and health."

Satisfaction with work, childcare and health all decreased significantly during the transition from socialism to capitalism, reflecting a marked rise in symptoms of social stress such as divorce rates, suicide rates, domestic violence and increased alcoholism and drug use, Easterlin finds.

However, people were much more satisfied with one particular aspect of their lives after the fall of the Soviet Union: their material circumstances, including standard of living, goods availability and the environment.

"The positive contribution of life satisfaction to improved material living was outweighed by losses in employment security, health and child care, and provision for old age," Easterlin says.

Disparities in life satisfaction also increased after the fall of the Soviet Union, particularly along the lines of age and education. Those older than 30, who had already established careers under the socialist system, were far more likely to be dissatisfied with life under capitalism than younger adults. Older people also faced the deterioration of old-age pension support and rising unemployment rates.

Men and women had about equal declines in life satisfaction, Easterlin finds.

"The human cost of the transition was enormous, with the lives of millions turned upside down," Easterlin says. "The impact of these changes on people's personal lives and their well-being is almost totally missed by GDP per capita."

While life satisfaction had rebounded somewhat by 1999, there is evidence to suggest that even by 2005 it had not yet reach pre-transition levels, according to the study. By this time, GDP in the countries studied had increased 25 percent on average since the collapse of the Soviet Union.

"The life satisfaction measure, which reflects not only material well-being, but the everyday concerns and worries of women and men about work, health and family, is more indicative of the far-reaching changes that were taking place," Easterlin says.

He continues: "Life satisfaction is not an exhaustive measure of well-being. But if, in formulating transition policy, some consideration had been given to this measure, perhaps there would have been fewer 'lost in transition.'"

Source: University of Southern California ([news](#) : [web](#))

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