

Review of William Davies's *The happiness industry: how the government and big business sold us well-being*. London: Verso, 2015. 314 pp.

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Neoliberalism has been broadly accepted as a fairly recent economic and political project. For example, David Harvey, distinguished professor of anthropology at the Graduate Center of the City University of New York, in his widely cited book, *A brief history of neoliberalism* (2005) looks upon the years 1978-1980 to begin his social and economic history of neoliberalism. For Harvey, key figures from this period, including Deng Xiaoping of China, Margaret Thatcher of Britain, and Ronald Reagan of the United States set the stage for “a revolutionary turning-point in the world’s social and economic history” (p. 1). Others mark the turning point for the project of neoliberalism to the work of Milton Friedman and the emergence of the Chicago school of economics in the 1960s. Still others trace it back to the work of Friedrich Hayek and Lionel Robbins and the London School of Economics during the 1930s. It is within this context of “standard” neoliberal economic and political history that the story told by William Davies stands out.

In a bold and intriguing move, Davies places the foundations of neoliberalism in the late eighteenth-century social and political philosophy of Jeremy Bentham. Davies reminds us that the English philosopher’s hedonism had strong connections with business, government, and the market—a point often overlooked in the rush to dismiss Bentham’s hedonistic utilitarian ethics as merely a philosophically weak precursor to the more philosophically mature eudaimonistic utilitarianism of his student John Stuart Mill. “The business of government”, wrote Bentham in *The principles of morals and legislation* (1789), “is to promote the happiness of society, by punishing and rewarding” (cited by Davies, p. 19). “The free market, of which Bentham was an unabashed supporter, would largely take care of the reward part of this ‘business’”—comments Davies—“the state would take responsibility for the former part” (p. 19).

Thus begins Davies creative and convincing journey from the hedonic calculus and surveillance state of Bentham to the contemporary “happiness industry” and neoliberal state. But Davies’s project is much more than merely parsing out some of the originary moments of neoliberal thought in the happiness science of Bentham, it is also to looking beyond the current formation of neoliberalism to its next position, the post-neoliberal era.

Referring to Hayek’s *The road to serfdom* (1944), Davies notes that “[o]ne of the foundational arguments in favour of the market was that it served as a vast sensory device, capturing millions of individual desires, opinions and values, and converted these into prices” (p. 10). However, for Davies, we may be “on the cusp of a new post-neoliberal era in which the market is no longer the primary tool for this capture of mass sentiment” (pp. 10-11). “Once happiness monitoring tools flood our everyday lives”, writes Davies, “other ways of qualifying feelings in real time are emerging that can extend even further into our lives than markets” (p. 11).

It is here, however, that Davies arguments concerning business, government, and the market go well beyond the standard critiques of neoliberalism and the surveillance state—and extend into the fields of psychology, neuroscience, and health care. To be sure, Davies is very hard on all three. For him, governments and corporations have become obsessed with measuring how people feel and then cashing in on it. The measurement and commercialization of our feelings and emotions through “smart technology”, for example, is clearly not something that Davies thinks really improves our “well-being”. Rather, it is only part of a larger effort to cash in on our emotions and place them under continuous surveillance. “Any critique of ubiquitous surveillance”, argues Davies, “must now include a critique of the maximization of well-being, even at the risk of being less healthy, happy, and wealthy” (p. 11). But is this what people *really* want? Namely, to be *less* healthy, happy, and wealthy?

While the eight chapters of the book never really answer this last question, they do a remarkable job of taking us on a two hundred plus year journey from the birth of a science of happiness in the eighteenth century philosophy of Bentham through the various psychologies and sciences of happiness in the nineteenth century to its commercialization in the late twentieth and early twenty-first centuries. The interweaving

of philosophy, psychology, and economics in the book is elegant and fast-paced, and is replete with many fascinating historical facts.

Chapter one, “Knowing How You Feel”, begins with a survey of Bentham’s notion of happiness as a “physical occurrence within the human body” (p. 20) and his thoughts on how it might be measured. Davies offers that Bentham provides two responses to the question, “How does utility manifest itself in such a way that it can be grasped by measurement?” (p. 24). The first is “human pulse rate” (p. 25), a response that Bentham “wasn’t particularly taken with himself” (p. 25); the second was, “that money might be used” (p. 25). Notes Davies, Bentham “was well ahead of his time” in contending that “[i]f two different goods can command an identical monetary price, then it can be assumed that they generate the same quantity of utility for the purchaser” (p. 25). “When Bentham idly wondered whether pulse rate or money might be the best measure of utility”, concludes Davies, “he could scarcely have imagined the industries that would develop dedicated to asserting and reinforcing the authority of particular indicators to represent our inner feelings” (p. 39).

However, it would not be until the mid-eighteenth century before there was a systematic attempt to construct quantitative measures of sensation. Davies cites the work of German “theologian-cum-physicist” (p. 27) Gustav Fechner, whose “psycho-physics”, which argued that “mind and matter are separate entities but must nevertheless have some stable, mathematical relationship to one another” (p. 29), as providing the breakthrough. For Davies, Fechner’s representation of “the relationship between mind and world as a numerical ratio”, “pointed the way to a more intimate micromanagement of individuals” (p. 35). The psychiatrists, therapists, and analysts who followed Fechner, turned their attention to “the subject having the feelings, rather than the object that seemed to be causing them” (p. 35).

Chapter two, “The Price of Pleasure”, explores the idea of an “equivalence between the sensations produced via the nervous system, and money” (p. 46). Davies argues that it is the work of the English psychologist, William Stanley Jevons, namely his *Natural elements of political economy* (1855), that firmly establishes “that economics could not ignore psychology any longer” (p. 50). “Given that labour was central to the classical economic view of capitalism”, writes Davies, Jevons’s insight was that “it must surely be relevant that workers suffer different

levels of pain as they go through their day, which then influences how much they are able to produce” (p. 50).

Jevons strove to found economics on a science of pleasure and pain, and like Bentham, regarded the mind as a kind of mathematical calculator. He is also “one of the architects of what is often referred to as *homo economicus*”, says Davies, “a somewhat miserable vision of a human being who is constantly calculating, putting prices on things, neurotically pursuing his own personal interests at every turn” (p. 61). For Jevons, “[t]o satisfy our wants to the utmost with the least effort—to procure the greatest amount of what is desirable at the expense of the least that is undesirable—in other words, to maximize pleasure, is the problem of economics” (p. 55). As such, for Jevons, the market “was a vast psychological audit, discovering and representing the desires of society” (p. 57). “Jevons was effectively turning the market into one vast mind-reading device”, comments Davies, “with prices—that is, money—as the instrument that made this possible” (p. 57). “The ideal of bringing the invisible realm of emotions and desires into the open”, he continues, “was now bound up with the ideal of the free market” (p. 57).

If the early part of the chapter shows how economics came to be connected with psychology through the work of Jevons, then the latter part shows how it came to be disconnected through the work of economists such as Alfred Marshall and Vilfredo Pareto, who introduced a theory of “preferences” in place of Jevons’s theory that “each pleasure and pain has its own discernible quantity” (p. 61). And by 1930, notes Davies, “the divorce of economics from psychology was complete” (p. 61).

With chapter three, “In the Mood to Buy”, comes a direct attack by Davies on the profession of psychology, particularly as it has developed in the United States. For it is in this chapter that Davies lays out how the history of psychology and the history of consumerism are intertwined projects, if not also co-dependent ones (p. 76). In this chapter, Davies argues that American psychology has “no philosophical heritage” and “was born into a world of big business and rapid social change, which risked spiraling out of control” (p. 85). He builds his case by showing how the first-ever psychology lab of the German experimental psychologist Wilhelm Wundt became the destination for many American psychologists in the late nineteenth century, but why it never became the model for the development of psychology in America. Rather, psychology in America was quickly co-opted by business interests who

were “increasingly hungry for knowledge they could use, especially regarding consumers” (p. 82).

The target in this chapter is less the experimental psychology of American psychologist-philosopher, William James, than the behavioral psychology of John B. Watson, which Davies says “was not merely anti-philosophical”, but also “virtually anti-psychological” (p. 89). For Davies, Watson’s “[b]ehaviourism stretches Bentham’s dream of a scientific politics to its limit, imagining that beneath the illusion of individual freedom lie the cold mechanics of cause and effect, observable only to the expert eye” (p. 88). Unlike Wundt, who conducted experiments on subjects who knew what was being tested, Watson did the opposite. For him, “subjects must remain partly ignorant of exactly what is being tested, or else there is the fear that they might adjust their behaviour accordingly” (p. 92). Watson’s greatest sin though was not the anti-philosophy or anti-psychology of his behaviorism, but rather that he sold it to Madison Avenue.

By 1920, the advertising industry was aware of the potential of using psychology to increase their effectiveness. And it was in the same year that Watson joined J. Walter Thompson, a large Madison Avenue advertising firm, at “a salary four times what he was earning at Johns Hopkins” (p. 94). Many other intellectuals though were also pulled into Madison Ave. Even Frankfurt School Marxist Theodor Adorno got into the act a short time later working on a study of CBS radio audiences (p. 99). During this period of merging the world of psychology with the world of business, the market was designed as a “space in which desires can be pursued but never fully satisfied, or else the hunger for consumption would dwindle” (p. 103).

Chapter four, “The Psychosomatic Worker”, brings the world of psychology even deeper into the world of capitalism by showing how and why managers and policy makers came to “yearn for a science of workplace happiness” (p. 109). According to Davies, however, “it was with that sort of hard science that many of our problems begin” (p. 109), namely, the birth of what he terms the “happiness industry”. Writes Davies:

For Bentham, happiness was something which resulted from certain activities and choices. Neo-classical economists such as Jevons and behaviourist psychologists such as Watson assumed something similar, implying that individuals could be lured to make certain choices by dangling a pleasurable carrot in front of them. But in the

context of business consultancy and individual coaching, happiness looks altogether different. Suddenly, it is represented as an input to certain strategies and projects, a resource to be drawn upon, which will yield more money in return. Bentham and Jevons's psychological premise, that money yields a proportionate quantity of happiness, is spun on its head, suggesting instead that a quantity of happiness will yield a certain amount of money (p. 114).

Symptomatic of this reversal, Davies cites neuroscientist Paul Zak, who suggests that we view happiness like a muscle that requires regular exercising in order to keep it strong and healthy (p. 114). This chapter does a fine job in showing how our notion of a "good worker" has come full-circle since the 1870s when Frederick Winslow Taylor was developing his brutalist approach to management (the notorious "Taylorism" that would be laid out in *The principles of scientific management* (1911)) to today's scientific scrutiny of bodies, movement, and performance in the workplace. Davies ends this chapter asking whether or not the latter are a "discreet return of the 'scientific management'" of Taylor (p. 136).

It is finally in chapter 5, "The Crisis of Authority" that the ugly head of neoliberalism as a contemporary problem finally reveals itself. For Davies, neoliberalism is a "depressive-competitive disorder" that "arises because the injunction to achieve a higher utility score—be that measured in money or physical symptoms—becomes privatized" (p. 179). He shows how the Chicago school of economics (and the St. Louis School of psychiatry) breaks with the logic that says we have a moral and political responsibility toward the weak—one that often asks us to impose restrictions on the strong. For Davies, authority in neoliberalism "consists simply in measuring, rating, comparing and contrasting the strong and the weak without judgment, showing the weak how much stronger they might be, and confirming to the strong that they are winning, at least for the time being" (p. 179). Or, in short, that the very rich, successful, and healthy firms and people should become even more so.

This chapter, one of the best in the book, explains both how Thatcher and Reagan ushered in the era of neoliberalism (the more well-known story) as well as the role of a "renewed reverence for *both* competitiveness *and* the management of happiness" in its rise (the less well-known story). Davies is careful to note that American neoliberalism does not favor *competitive* markets, but rather markets as "a space for victors to achieve ever-greater glory and exploit the spoils" (p. 160). In

other words, competition according to the Chicago school of economics was about destroying rivals, not co-existing with them—and the market was the central site of this destruction. The key shift in the chapter though is from an account of the neoliberal man who is “possessed with egoism, aggression, and optimism of a Milton Friedman or a Steve Jobs” (p. 161)—to the many others who are not.

It is at this point that Davies turns his attention to the development of anti-depressant drugs such as Prozac and to changes in the various editions of the *Diagnostic and statistical manual of mental disorders* (DSM). In 1980, DSM-III was published—a text which Davies describes as one of the most controversial and revolutionary in the history of psychiatry (p. 174). Whereas its predecessor (DSM-II) had 180 categories over 134 pages, DSM-III had 292 categories over 597 pages; whereas DSM-II said a symptom had to be present for a month before diagnosis was possible, DSM-III reduced it to two weeks; and most importantly, with DSM-III mental illness was detectable by observation and classification without need for an explanation why it had arisen (p. 174). According to Davies, DSM-III replaces “psychiatric insight into the recesses and conflicts of the human self” and the psychiatrists who conduct psychiatric counseling with “a dispassionate, scientific guide for naming symptoms”, which can be utilized for prescriptions by medical doctors and primary care practitioners (p. 174). In short, with DSM-III, psychiatry was cut out of the happiness industry to the point where today 80% of the prescriptions for antidepressant drugs in the US are written by medical doctors and primary care practitioners, and not by psychiatrists (p. 175).

Chapter 6, “Social Optimization”, takes the destruction wrought by the neoliberal era from the individual to the group. It shows how the interweaving of the science of happiness with social media innovation in the age of neoliberalism brings about its own unique set of problems. For example, it has been shown that the social media technology, Facebook, actually makes people feel *worse* about their lives rather than better. “If happiness resides in discovering relationships which are less ego-oriented, less purely hedonistic, than those which an individualistic society offers”, writes Davies, “then Facebook and similar forms of social media are rarely recipes for happiness” (p. 209). “The depressed and the lonely, who have entered the purview of policy-making now that their problems have become visible to doctors and neuroscientists”,

concludes Davies, “exhibit much that has gone wrong under the neoliberal model of capitalism” (p. 211).

Davies describes a world where individuals seeking to “escape relentless self-reliance and self-reflection” (p. 211) turn to social media such as Facebook only to find that it further deepens the malaise brought upon them by the extreme individualism of neoliberalism. In short, “neoliberal socialism” sees the “social” as “an instrument for one’s own medical, emotional or monetary gain”—and in doing so perpetuates the “vicious circle of self-reflection and self-improvement” (p. 212). “Once social relationships can be viewed as medical and biological properties of the human body”, writes Davies, “they can become dragged into the limitless pursuit of self-optimization that counts for happiness in the age of neoliberalism” (p. 213).

The penultimate chapter, “Living in the Lab”, takes a look at the explosion of happiness and wellness data, which Davies views as “an effect of new technologies and practices of surveillance” (p. 219). The rise of “big data” is different from that of the “data survey”, as the latter was collected with the intention of analyzing—whereas with the former this is not the case (p. 233). Davies speculates that the “dream that pushes ‘data science’ forwards is that we might one day be able to dispense with separate disciplines of economics, psychology, sociology, management and so on”, replacing it instead with a “general science of choice” (p. 237). For him, “‘the end of theory’ means the end of parallel disciplines, and a dawning era in which neuroscience and big data analytics are synthesized into a set of hard laws of decision-making” (p. 237). “Add mass behavioral surveillance to neuroscience”, continues Davies, “and you have a cottage industry of decision experts, ready to predict how an individual will behave under different circumstances” (p. 238). In an ironic twist, the history of consumerism may even soon be looking at “predictive shopping”, where our purchasing decisions are made for us based on algorithmic analysis or smart-home monitoring—and sent directly to our home without our having to “ask” for them (p. 239).

In the final chapter, “Critical Animals”, Davies looks for an alternative to the Benthamite and behaviorist traditions critiqued throughout the book, that is, those “which view psychology as a step towards physiology and/or economics, precisely so as to shut the door on politics” (p. 267). What if, in contradistinction to these traditions, we view psychology as a “door through which we pass on the way to

political dialogue” (p. 267)? In one of my favorite lines from the book, one which supports his call for political dialogue, he writes “‘Critique’ will not show up in the brain, which is not to say that nothing happens at a neurological level when we exercise critical judgement” (p. 269). “The attempt to drag all forms of negativity under a single neural or mental definition of unhappiness (often classified as depression)”, notes Davies, “is perhaps the most pernicious of the political consequences of utilitarianism in general” (p. 269). Pernicious, yes. But also yet another explanation as to why some today feel that critique has lost a lot of its steam (see, for example, Di Leo 2014).

Davies concludes that if only we took a fraction of the billions of dollars we spend “monitoring, predicting, treating, visualizing, anticipating the smallest vagaries of our minds, feelings and brains” and spent it “instead on designing and implementing alternative forms of political-economic organization”, we would at least start to move in a better direction (p. 271). But fat chance, right? Still, Davies notes that inroads are being made to de-medicalize misery albeit in direct opposition to the pharmaceutical industry and its representatives within the American Psychiatric Association (p. 271).

Critique and resistance though to the joining up of economics and medicine will not come easily. The science of well-being and “the monistic fantasy of a single measure of human optimality” is firmly entrenched in the age of neoliberal managerialism and measurement (p. 274). Davies says that we should consider adopting as a point of principle that “the pursuit of health and the pursuit of money should remain in entirely separate sphere” (p. 274). On the final page of the book, Davies asks, “What would a critique of smartness look like?” (p. 276). To be sure, from the perspective of *The happiness industry*, it is difficult to see what it would be. Davies’s historical account of the collaboration among psychology, economics, and business from the age of Bentham to the era of neoliberalism is convincing—and sets the stage for only deeper affiliations, if not the general science of choice noted above.

While historians of psychology and economics will surely want to haggle with some of the details of Davies’s accounts of these respective areas, these disagreements should not get in the way of appreciating his amazing account of “how government and big business sold us well-being”. The value of this book is the way in which it links developments in economics to those in psychology and social and political philosophy,

particularly in drawing these into a dialogue with the work of Bentham, Friedman, Watson, and many others. *The happiness industry* is a thought-provoking and daring intervention into the crowded field of neoliberal political economy. Nevertheless, its bold theses and elegant historical foundation provides political economists with much new material to consider as the object of critique.

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