

We conduct empirical research using international data from 29 countries to examine what makes people happy, taking into consideration factors such as marriage, children, money, and job status. We focus particularly on how social policies and social context directly affect people's happiness. We hypothesize that social democratic welfare states redistribute happiness among policy-targeted demographic groups in these countries. The redistributive properties of the social democratic welfare states generate an alternate form of "happiness inequality" in which winners and losers are defined by marital status, presence of children and income.

We find that happiness closely resembles the redistribution of resources in these countries: Happiness is redistributed from low-risk to high-risk individuals. For example, women with small children are significantly happier, but single persons are significantly less happy in the welfare states. This suggests that pro-family ideology of the social democratic welfare states protects families from social risk and improves their well-being at the cost of single persons. Further, we find that the happiness gap between high versus low-income earners is smaller in the social democratic welfare states, suggesting that happiness is redistributed from the privileged to the less privileged.