



The Practical Politics of Well-being

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'Such essays cannot await the permanence of the book. They do not belong in the learned journal. They resist packaging in periodicals.'

Ivan Illich

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Introduction: The practical politics of well-being

Charles Seaford, Head of Centre for Well-being, **nef**

Why well-being now?

There is, of course, nothing new about striving for well-being: it is the state created by ‘the good life’ and ‘the good life’ has been a goal for political economy since at least the fourth century BC. Restating the goal, however, is timely. Over the 30 years to 2008, perhaps longer, the critics of capitalism were marginalised and government’s role was seen as correcting a few market failures while maximising output and, depending on your political position, redistributing it to some extent. This was the process that was to deliver (and to some extent did deliver) improved chances of a good life. Not everyone has abandoned this *grow, tax, and spend* model, but over the last three or four years it has become clear to a steadily widening group that it cannot deliver improved well-being for the mass of the population, and certainly not in a sustainable and socially just way.

Accordingly, maximising GDP, the intermediate objective that dominated economic policymaking (to the point where it even appeared to be an ultimate policy objective) no longer does the job. Under the grow, tax, and spend model it was useful, for all the well-known imperfections of the metric. Now, however, we need to design new structures to channel capitalist energies effectively. This involves going back to fundamentals and asking how efficient different forms of economic (and other social) activity are at delivering what we really want (i.e. well-being, the good life). Well-being may be a function of economic activity, but it is clearly not a simple one: there are other variables involved as well. In addition, if we also ask what impact these forms of activity have on the environment, we can start to manage the

trade-off between well-being now and well-being in the future (delivering well-being in a way that is sustainable).

This suggests that economic policy needs to be guided by a better set of targets and models than is currently available. The existing set does not discriminate adequately between varieties of growth, the kind we have had in the past, and the more effective kind we want to see in the future. It was this that led President Sarkozy to form the *Commission on the Measurement of Economic Performance and Social Progress* (the ‘Stiglitz Commission’), to several initiatives in the EU, the OECD and the UN, and to numerous national, regional and local initiatives to improve the measurement of progress.

What is happening in the UK?

The UK is one of the leaders in this international effort, with an annual survey that will probe the well-being and circumstances of 200,000 people. Since April, the Office for National Statistics has included in its Integrated Household Survey four subjective questions about how satisfied people are with their lives, how happy they were yesterday, how anxious they were yesterday, and how worthwhile they think the things they do are. The survey also asks a large number of questions about objective circumstances that are influenced by policy, for example health behaviours, housing, education, household income, employment patterns and benefit entitlements.

With such information we’ll be able to build on an existing body of knowledge about the drivers of well-being to trace statistical relationships and so assess the relative impact of various policies. Well-being will then become the common currency for a new form of cost benefit analysis. This won’t replace political judgement and bargaining, but it should inform it. Policy makers will be able to ask, for example, what have been the relative impacts on well-being of steps to reduce unemployment in an area, and steps to preserve the environment? Have measures to increase community cohesion and increase economic activity improved well-being? Have the public health measures in one city been more effective at increasing well-being than in another?

The issue

Policy makers will be *able* to ask these questions, but will they? And if they do, will the answers make a difference? To ask the question another way, will the resulting knowledge and understanding seep into the various party political ideologies in the way that free market economics did in the past? Will ministers care? Will it make a difference?

On the face of it there is a willingness to listen. In the words of David Cameron:

“To those who say that all this sounds like a distraction from the serious business of government, I would say that finding out what will really improve lives and acting on it *is actually the serious business of government*”¹ (emphasis added)

Labour Leader Ed Miliband has said something similar:

“We all care about making a living but we don’t just care about that ... We must never again give the impression that we know the price of everything and the value of nothing ... We must shed old thinking and stand up for those who believe there is more to life than the bottom line.”²

And so have the Liberal Democrats:

“Our central assertion is that a policy should be judged good or bad, on the basis of whether or not it helps to improve people’s quality of life ... policies do not have to justify themselves with reference to a ‘business case’ ...”³

All this implies potential change to policy (as the contributors to this pamphlet acknowledge). But of course change will be painful for some and will be resisted. So, to take one topical example: we already know that when parents move around the country to seek jobs, their children’s well-being is damaged in the short and long term. And yet increased geographical mobility is seen as an important way of reducing unemployment by the current Coalition Government. Similarly, we know that achieving a

work life balance is very important to well-being. And yet the Government is considering restricting maternity rights in order to ease the burden of regulation on business, as a means of aiding economic recovery. More generally, the idea that what is good for business as defined by business leaders is good for the country remains an article of faith in many quarters, perhaps because indeed it very often is good for GDP growth even if not for well-being.

Having said this, not all measures to improve well-being will be so controversial. It is of course a good thing to improve service delivery by factoring in well-being. For example, decisions about hospital closures would be improved if the well-being of patients and visitors was considered alongside clinical factors. It is a good thing to take account of well-being in detailed planning decisions: this might lead to more pedestrianisation schemes, for example, which have been shown to increase social interactions and thus well-being. It is a good thing to encourage employers and schools and voluntary sector organisations to use what we know about well-being in their work – for example to reduce depression amongst young people. It is a good thing to design interventions to ‘nudge’ people into decisions that will improve their well-being – so for example that they spend more time exercising, or volunteering (both good for well-being) and less time commuting (very bad for well-being). All these good things should definitely be done – and probably will be. They may be difficult to do, and may require bureaucratic change, and some political will, but it will be hard to disagree with them.

The danger, though, is that despite these good, incremental changes, knowledge about well-being will only be used to make small decisions – that the central dynamic of our society will remain unchanged, even if some public service delivery is improved. And this matters because the central dynamic is not taking us where we want to go – as argued above, as agreed by more and more people, and as forcefully stated on the streets of New York, London, Rome, Athens, Santiago and elsewhere in recent demonstrations challenging austerity measures. Of course it is possible that a better form of cost benefit analysis that factored in well-being and sustainability could effect a kind of quiet

revolution from below – and indeed the Prime Minister has said that the changes of this type that he is encouraging could be the most quietly radical thing his government does. But our guess is that top down (i.e. political) ideology is needed as well.

Three of the papers in this pamphlet are personal contributions to the development of alternative political narratives about well-being, from a Labour, Liberal Democrat and Conservative perspective. The fourth paper, by Matthew Taylor, sets out a view both of what is necessary for well-being to be an effective driver of policy and what its potential might be. This final paper also draws attention to the issue of individual versus structural level approaches to enhancing well-being – a theme that runs throughout the pamphlet.

In the box below we set out some of the evidence from well-being science that can help inform these different narratives. For more on the implications of well-being evidence for economic policy see *Human Well-being and Priorities for Economic Policy Makers* (nef, 2010) available at **www.neweconomics.org**

Evidence

What kind of evidence is already available? The following are some examples.

Income is important to well-being, but only up to a certain level, which varies from society to society (and of course from household type to household type) and is normally significantly higher than median incomes. Beyond this level there are sharply diminishing returns.

Equality is positively associated with well-being, as is the existence of an effective welfare state.

Levels of **wealth** are more strongly related to levels of life satisfaction than are levels of income.

Economic **instability** is negatively associated with well-being, both because of its impact on job security (and associated fears) and its impact on community stability, social trust and children's well-being.

Loss of income is more damaging to well-being than a comparable gain is beneficial.

Unemployment is very damaging to well-being: the damage is significantly greater than that caused by the associated loss of income (while loss of income is itself much worse than the equivalent gain is good); in addition people do not adjust to it (although they do to some other forms of loss).

The opportunity to do **interesting, stretching work** is highly valued, as are good relationships at work.

Well-being rises as **hours worked** rise but only up to a certain point, after which it starts to drop. Most people in Europe say they would like to work fewer hours and would even accept a corresponding drop in income to achieve this.

There is a positive association between doing at least some **work** and well-being amongst the otherwise **retired**.

Commuting is associated with negative emotion and a reduction in life satisfaction.

There is evidence that **consumption decisions** do not maximise well-being, that they are influenced by advertising and that more active forms of consumption are more conducive to well-being than more passive ones.

Short-term debt damages well-being.

Negative externalities such as noise damage well-being.

Walkability of neighbourhoods and street layout are positively related to well-being; this relationship probably operates indirectly via benefits to social capital for residents.

There is a positive correlation between well-being and participation in the **community** and **volunteering** but more time spent in informal care-giving is associated with lower subjective well-being.

Trust in key public institutions e.g. government, the police and the legal system, is associated with higher life satisfaction.

There is a positive relationship between child well-being and national spending on **family services and benefits**.

For more evidence see *Well-being Evidence for Policy: an Annual Review* (nef, 2011) available at **www.neweconomics.org**

Well-being: The challenge for Labour

Michael Jacobs

In his paper, Michael Jacobs argues that well-being provides a new justification and a new language for goals that Labour already has. However, he also notes the difficulty of creating public support for the provision of public goods – a necessary pre-cursor for high well-being – and the major challenge that well-being science poses to decisions around economic and employment policy.



A new justification and a new language for Labour's goals

For a party of the centre-left such as Labour, the new social science of well-being provides both reinforcement and opportunity. But it also offers a challenge which goes to the heart of the contemporary social democratic project.

Like all mainstream political parties, Labour has long been committed to GDP growth as the primary goal of economic policy. Moreover in recent years, in its New Labour incarnation, it has frequently given the impression that it believes ever-higher material consumption to be the primary aspiration of the voting public. So it would be easy to characterise the party as having a one-dimensional view of well-being which equates it simply with income. But it would also be wrong.

Indeed, closer inspection of Labour's philosophical traditions suggests a striking convergence with key conclusions of recent well-being science.

For Labour never believed that money alone maketh man. It was the 'social wage', and not simply the earned wage, which the twentieth century Labour Party sought to improve. The social wage included those collectively-provided goods which Labour built the welfare state to supply – education, health care, housing, unemployment insurance. The social wage was the measure both of individual welfare and of social progress, since Labour's goal was not just raising average incomes, but specifically the welfare of those at the bottom of the income distribution. Unemployment was the Labour Party's paramount enemy, with Keynesian full employment its most cherished policy goal. More than this, and frequently forgotten, Labour did not at all believe that the working class should aspire only to material consumption. It created the Green Belt and National Parks and protected countryside rights of way out of a strong belief in the power of nature to enhance the well-being of the poor as well as of the middle classes. It passed the Clean Air Act to reduce pollution in urban areas. It nurtured the Workers Education Association, built public libraries and insisted museums and art galleries must be free, from a conviction that learning and culture made everyone better off.

In all this Labour might have been reading from the well-being literature, if it had existed at the time. For such goals embody many of the key conclusions of the new research. Well-being is not just a function of income, but of levels of education, health, housing and job security. Increases in income raise well-being for the poor and those on lower earnings much more than they do for the rich. Unemployment is the single biggest destroyer of well-being. Public goods such as access to green space, reduced pollution and cultural amenities are all important for it.

None of this is really that surprising, of course, since much of well-being science is not exactly, well, rocket science. It has confirmed only what common sense – if not economic theory or free market ideology – has long told us. And so for Labour much of it is less a revelation than a reminder. But it's no less important for that. Well-being provides new justification and new language for goals which Labour already has. Where once Labour tended to make a collectivist argument for full employment, public

goods and a fairer distribution of income – that these made for a better *society* – now it can make a more direct appeal to personal happiness or life-satisfaction. It can argue that such social goods directly increase people's individual well-being, even where they may involve a loss or slower growth of private income. In an individualistic age, this may prove a helpful narrative to connect with the concerns of voters.

The risks of individualising

But there are dangers here too. For the individualistic discourse characteristic of well-being research – the measurement and aggregation of self-judged happiness or life satisfaction – risks undermining a crucial element in how we understand both society and individual psychology. It may perpetuate a view that a good society is defined simply as the sum total of individually satisfied lives.

For those on the centre-left this is not good enough. The well-being of individuals is obviously important. But society is a web of relationships, culture and values as well as of individual psychologies, and a good society is one in which these flourish too. The value of cultural life, scientific knowledge and the biodiversity of the natural world do not lie in their contributions to individual well-being. A reduction in poverty is a good in itself irrespective of whether it makes a majority of people happier. Just and well-governed institutions are important even if many people are indifferent to them.

So Labour should be careful in arguing for public goods because they contribute to the overall level of *personal* well-being. This may chime with the apparently individualistic perspective of voters. But it could serve to reinforce such individualism – which cannot then support, and may risk devaluing, a number of other vital aspects of the good society that need to be protected.

The paradox of societal well-being

The resolution of this lies, in fact, in one of the most striking findings of well-being research. This is that individual well-being

is correlated not just with social goods which are personally experienced, and which can therefore be said to contribute to *one's own* well-being (such as health, education, good housing), but with those which are experienced as part of society at large. Self-judged well-being is highest in societies with high levels of trust in other people and in democratic institutions, and in those with high levels of democratic participation and involvement in community organisations. It is also (in general) higher in societies with lower levels of income inequality than in those which are more unequal – and this is true even for those who are better off. That is, people live happier and more satisfied lives when the society around them is a good one.

This is a crucial result. It confirms a fundamental part of left of centre ontology: that the well-being of the individual is bound up with the well-being of the society he or she lives in. Human beings are not islands unto themselves, but are directly affected by – that is, their own personal happiness is partly constituted by – the quality of relationships between people in society. The new science appears to have confirmed the existence of the ‘expanded self’ to which Labour has always sought to appeal – in which the distinction between personal well-being and the well-being of society are blurred, because the former is bound up with the latter.

In this sense the new science of well-being provides powerful reinforcement for the core beliefs of Labour and other European centre-left parties. But it also creates something of a paradox. For the practical policy implication of the new research is clear: to increase well-being, governments should at the margin seek to raise taxation to provide social goods rather than prioritise higher household income. But taxes are not popular: they are not widely regarded by the public as increasing their well-being.

This can in fact be explained. One possibility is that some members of the public are mistaken about what will increase their own well-being. Three decades of a dominant public discourse in which individual consumption has been celebrated and taxes demonised (one insufficiently challenged, and frequently encouraged, by New Labour) may have contributed to this. But a more evidenced reason is that the public do not believe that taxes

will improve the quality of public goods, because they do not believe that the state is capable of providing them efficiently. Such a decline in belief in the efficacy and trustworthiness of the state is revealed starkly in the British Social Attitudes surveys of recent years.⁴

And herein lies Labour's problem. For while the new well-being research may reinforce its core beliefs in the value of public goods and the necessity of taxation to provide them – indeed, it provides tantalising evidence, in the high well-being rankings of the Scandinavian countries, that it is possible to achieve a virtuous circle of high public trust, high taxation, strong public goods and high well-being – it provides little help in creating such a circle in the first place. That work must be grounded elsewhere.

The task ahead

The task of modern centre-left parties can in this sense be simply stated. It is to re-build the conditions under which the public can be persuaded to support the provision of the public goods that will make them better off. There are three co-dependent parts to this project.

First, voters need to be re-connected to their taxes. It is the monolithic centralised state, supported by general taxation, that has lost public legitimacy. So Labour should be exploring a number of alternative, decentralised payment and ownership models for different kinds of public goods. These might include mutualisation, through which the public are given a direct stake in the ownership of the services they enjoy, in stronger or weaker forms (candidates include pensions and social security, the utilities, and land); devolution, giving control of provision to a strengthened local government (for example, in health, education and social care); and earmarked taxes, where the use to which taxes are put are more clearly defined and separated off (such as for the NHS and environmental taxes – *cf* the BBC). There is not space here to discuss these options in more detail;⁵ none is simple to put into practice; but the general principle is critical to well-being. Voters need to feel a greater connection between the taxes they pay and the public good benefits they get, and more

confidence that one will result in the other.

Second, the institutions and workings of democracy need to be reformed. It is fashionable in certain Labour circles to dismiss constitutional reform as a second or third-order political issue, of interest only to the chattering classes. But that is fundamentally to misunderstand how lack of trust in politics and public institutions undermines public support for government and what government does, including the provision of public goods. This is not just about electoral reform or reform of the Lords. A comprehensive reassessment is needed of how the public are represented and can take part in the democratic system, including participatory and deliberative processes utilising the huge opportunities provided by the new communications technologies. A Royal Commission on the Improvement of Democracy, using such techniques and with countrywide hearings, might in itself help to galvanise public trust as well as to propose imaginative reforms to improve it.

Third, and most difficult, Labour needs to give deep thought to the strengthening of the social bonds in communities which breed trust between citizens. As well-being research convincingly shows, it is this that correlates most strongly both directly with high levels of life satisfaction and indirectly with higher levels of taxation to provide public goods. Though easy to mock, more thoughtful Labour figures have acknowledged David Cameron's 'Big Society' as a proper challenge to Labour's own aspirations to enhance social capital. But there is a crucial difference in purpose. Where the Tories' goal is for communities to substitute for state action, Labour's is for stronger social bonds to help ground support for it.

This is much easier said than done, however, and it is here that the new science of well-being poses an even deeper challenge to Labour. For the importance of public goods to personal happiness represents only one half of the key research results. Labour can be comfortable with this. It will be much less comfortable with the finding that private income is not a good determinant of happiness even in its own terms.

The limits to income

Well-being research shows that people over-estimate the importance of consumption to their own life-satisfaction – that buying more things adds less to our well-being than we think. It shows that many people work longer hours than is optimal for their happiness – leaving insufficient time for family and personal relationships and for voluntary and community activities, both critical determinants of well-being. And it shows that, above a certain income level, the quality of work is a stronger determinant of well-being than the income derived from it. In other words, it shows not just that we should be willing to trade private income for public goods via taxation, but that we should be willing to reduce our private income, or at least our private consumption, for non-income goods.

This is much harder territory for Labour, for both tactical and substantive reasons. Tactically, most politicians will recoil from the idea that they should tell the public what is good for them. For a well-paid MP to observe, however carefully, that higher consumption does not make people better off will simply invite close inspection of their own consumption habits, followed by ready accusations of hypocrisy, moral superiority and worse. The self-defeating aspirations of an ever-expanding, advertising-fuelled consumerism need proper moral questioning, but a language has to be found which does not suggest that those on average incomes (£24,000 a year, remember) should happily consume less. Bans on advertising aimed at children, where ethical challenge coincides with parental anxiety, is the right place to start.

More substantively, this agenda raises hard questions about economic policy. It suggests that the priority to improve well-being should not be raising consumption levels and GDP growth, but cutting working hours and improving the quality of work. At a time when Labour is arguing that growth is paramount to cut rising unemployment and – it should never be forgotten – to raise tax revenues for public goods, this is a counter-intuitive conclusion.

And yet it needs to be taken seriously. The key here is not reducing growth but raising employment. There is no question that with the economy stagnant and unemployment rising, Labour should currently be prioritising a restoration of economic growth. But even the most optimistic observers of the UK economy do not project a return to historically high growth rates over the next decade, given competition from the emerging economies and continuing high energy and commodity prices. So

the long-term economic challenge is precisely to combine likely slow growth with lower unemployment levels. A focus on the redistribution of working hours, particularly if combined with incentives to improve the quality and conditions of work, would offer an important means of squaring this circle. Labour needs to direct serious effort into this agenda.

Creating public legitimacy for the provision of public goods might be thought of as the traditional political goal of social democracy. As industrialised economies adjust to the realities of post-crisis capitalism, it faces the new challenge of achieving full employment in conditions of slow economic growth. Raising society's well-being demands both.

Well-being, liberals and the Liberal Democrats

Jo Swinson MP

In her paper, Liberal Democrat MP Jo Swinson argues that liberals and Liberal Democrats have long appreciated well-being as an important goal of policy. However, she also argues that whilst findings from well-being science may bolster certain liberal principles, they may also pose a serious challenge to them, and this implies a need to consider how wellbeing will sit alongside other key liberal values.



A long-standing tradition

Well-being is not a new concept to liberals or Liberal Democrats. Back in the nineteenth century, renowned liberal thinker, and briefly Liberal Member of Parliament, John Stuart Mill advocated the view that, “actions are right in proportion as they tend to promote happiness; wrong as they tend to promote the reverse of happiness.”

Whilst most Liberal Democrats would not take such a purist view, the idea that happiness or well-being is an important goal of policy has long been appreciated. The 1974 Liberal Manifesto contained a Quality of Life section, which contained prescient observations that, “To the extent that growth has been achieved, it has not increased human happiness” and that, “...we must now abandon the policy adopted by past Governments, based, almost entirely, on the crude maximisation of Gross National Product.”

However, despite the philosophy, the science of well-being was non-existent in 1863 and still relatively undeveloped in 1974. Fortunately, the subject has developed much more since. We are now at a stage where psychological, economic and political research has started to reveal some of the likely drivers of well-being. Some of the findings bolster long-held liberal principles; some suggest changes to the things that liberals should focus on; and others pose challenges to cherished liberal beliefs.

Sticking to our principles

Firstly, there is the research that reinforces existing core liberal beliefs. On an individual level, people tend to be happier when they have a greater sense of control over their own lives. On an international level, there are correlations to show that countries tend to be happier if they are freer, more democratic, do more to financially assist their most vulnerable members and have more progressive tax systems. Nevertheless, correlations are no guarantee of causality. Maybe, for example, happier people are more willing to trust each other with freedom, more accepting of taxation and more eager to see their money redistributed to those in need.

Of course it would be highly selective to note only the areas where the research is consistent with existing liberal beliefs about the world and ignore the areas where it isn't. One sobering finding of the research into well-being is that, across the developed world, levels of measured life satisfaction have been pretty stable for decades. Although a few studies suggest that well-being has gone up, even there the observed increases have been relatively small in magnitude. This poses a challenge to the way all political parties do business, liberal or otherwise.

Doing things differently

Fortunately, the Liberal Democrats have recognised there is a need to do things differently. Two years ago, the party commissioned a policy working group to review the evidence into well-being, to see if anything can be done to set the UK's well-being on an

upward trend. The result was a policy paper, “A new purpose for politics: Quality of Life”, which was debated, and democratically approved, at the Liberal Democrat conference in September 2011.

Some recommendations in the paper are related to specific policy areas. For example, there are proposals to extend the availability of parenting classes, recognising that such classes have been shown to boost the reported well-being of parents and children alike, and improve children’s future behavioural outcomes. Although the Liberal Democrats have supported parenting classes before, the well-being research provides an additional impetus to focus resources in this area.

Perhaps most important are the Liberal Democrat policy proposals for government itself, seeking to embed the promotion of well-being right in the heart of the government machine. Unfortunately, despite the growing amount of research into well-being, there is little indication that government departments are yet reviewing that evidence when they allocate their resources, or design new policy. One proposed fix to this is to require new policies to be subject to ‘well-being impact assessments’, which should help screen out policy that could have a negative impact on well-being, and hopefully focus the minds of public servants earlier in the policy stream. This can be combined with measures to ensure departments and public bodies create ‘well-being plans’ which require them to look at the research and investigate how it applies to their policy areas or client groups on a regular basis.

The paper also acknowledges that policies that affect well-being often cut across the departmental and budgetary silos of Whitehall. An intervention in schools to reduce depression in young people (for example, the UK Resilience Programme) may not lead to huge savings in the education budget, but could reduce pressure on the health budget. Although on a national level the policy makes sense, it may not be appealing for the Department of Education to make the investment. That’s why the paper suggests the creation of a Cabinet Champion for Well-being, supported by a unit within the Cabinet Office (or equivalent) to knock heads together across departments.

The paper also proposes the creation of a National Institute for Well-being tasked with collating the well-being evidence, making it accessible and promoting best practice in increasing quality of life. The Institute would also be able to comment on the success of government policies and others, in a manner analogous to the Institute for Fiscal Studies for taxation. The Institute would both help government departments see how they could increase well-being, and provide accountability, in the form of public criticism, of those who did not. The above policies would combine to make well-being a key strand in all government policy development and evaluation.

Challenging our core beliefs

Unfortunately, well-being research will also throw up issues that will make liberal minds start to whirr.

Let's take the example of religion. It is a long-established liberal view that people should be free to believe whatever they want to believe and change their beliefs as and when they choose. However, the well-being research, at least taken at face value, provides a challenge. Greater religiosity is correlated with greater measured psychological well-being – and the finding is pretty robust. So if liberals really want to increase well-being should we promote adherence to a religion?

Firstly, we should note the limitations of the research. As outlined already, correlation does not mean causation. Even if there is a causal role (for example, religion may provide people with comfort during times of distress), this may not be true in all cases for all people. Whilst a true believer may receive comfort, an atheist, forced to adhere to a religion against their will, would arguably not get the same benefit, and actually experience distress at the imposition. Furthermore, we lack research that compares the well-being of religious people to the well-being of humanists, for example. A more fine-grained analysis could potentially show that there are other belief groups in society with even higher levels of well-being than the religious.

However, let's say that religion is indeed special and can indeed be promoted without forcing people to believe – perhaps through the education system or through increased dissemination of religious doctrine through popular media. Should liberals do this? If we hold well-being as the only thing that matters, perhaps we should. However, not even John Stuart Mill believed happiness should be the only goal. Mill believed that the pursuit of happiness should be coupled with a pursuit of knowledge and understanding of the world: “better to be Socrates dissatisfied than a fool satisfied”. The goal of promoting a position of “one true way”, despite the existence of a number of counter-arguments, is not consistent with the goal of developing knowledge through challenge and argument.

Of course, accepting that well-being is not the sole philosophical goal throws up more questions. What additional goals should we accept as valid? How should the promotion of well-being be balanced against the pursuit of knowledge, or freedom, or equality? How do issues of community empowerment, or protection of the natural environment fit in? These are questions that liberals will enjoy debating and developing answers to.

Clarifying our goals

In years gone by, these questions could easily be swept under the carpet. Since the well-being research didn't exist, anyone could make the argument (and many politicians of course did) that applying their particular principles would lead to happiness without having to confront awkward data to the contrary.

Although liberals have long held well-being to be important, we are now set to have our views tested. In some areas we may need to change policies we advocate and take forward in government. However, there will be some particularly thorny issues, as in the case of religion outlined above. We will need to deal with these issues by being clearer about our goals – making sure we define which values are our cornerstones and how these values balance against each other. That's going to require a lot of thinking; happily, thinkers have never been in short supply in the Liberal Democrats.

Well-being – a conservative issue

Jonty Olliff-Cooper, former Conservative adviser and head of the progressive conservatism project at Demos

In his paper, conservative commentator Jonty Olliff-Cooper notes that whilst Conservative backing of the well-being agenda may at first seem strange, conservatives – whichever strand of conservatism they represent – are interested in how the individual's well-being can be maximised. He argues that well-being offers one possible route to turning conservative thinking into a practical guide for action.



Maximising well-being

The Prime Minister has said that we should measure our progress as a country “not just by how our economy is growing, but by how our lives are improving, not just by our standard of living, but by our quality of life.”

The sight of Conservatives cosying up to the well-being agenda may at first seem strange. In the public mind, conservatism is firmly rooted as a movement in hock to the free market, an ideology firmly rooted in the laissez-faire economics of the 1980s. It is hard to see how the well-being agenda guided the crushing of the miners' strike. It seems all the more odd given that so many of the people who have campaigned for a greater emphasis on well-being over the past four decades self define as being of the left, bitterly opposed to what they see as a conservative establishment.

However, this sweeping view does conservatism a disservice. Thatcher was not the first or only conservative. In fact, of course, there have always been at least two strands of conservatism: yes

the free market brand, but also the communitarian, One-Nation conservatism of Disraeli or Oakeshott. This is a tradition which runs back as far as Edmund Burke's emphasis on the institutions (and indeed Adam Smith's emphasis on the "moral sentiments") which underpin human interactions of all kinds, including economic ones.

At first glance, these two strands can seem like chalk and cheese, the one concerned with tradition and institutions, the other pushing for a radical and sometimes destructive release of Darwinian capitalism. However, at root both strands of conservatism share something in common. Although superficially utterly opposed to each other, in fact, at their heart both place their supreme emphasis on one central idea: *context*.

Both strands of conservatism reject the idea of some universal good that can be created through application of universal laws of behaviour by bureaucracies. Both cherish the specific features of the here and now. In the words of Michael Oakeshott, they share "a propensity to use and to enjoy what is available rather than to wish for or to look for something else, to delight in what is present rather than what was or may be." For Burkean conservatives, this is achieved through a localist, communitarian view of little platoons getting it right for their local area. For neoliberals, fitting action to circumstances is best achieved through market means. Since the state cannot know what you really need, the best that can be achieved realistically is for government to put power in your own hands through money and free choice of where to spend it.

So although the tactics are different, the outcome they seek is the same. Whichever strands they come from, conservatives are interested in how the individual's well-being can be maximised. To a Thatcherite, well-being frames offer the route to correct market externalities and capture full value. To a Burkean conservative, well-being creates a language to understand and prize the intangible and often indescribable (but nonetheless real) benefits of tradition, context and place. Set in this context, it makes perfect sense that conservatives should be interested in the politics of well-being.

Having said this, the emphasis on well-being as a frame of reference for social as opposed to economic policy is very firmly in the Burke-Disraeli-Macmillan tradition. It was Burke who criticised the “vulgar and mechanical politicians” who “think that nothing exists but what is gross and material; and who therefore, far from being qualified to be directors of the great movement of empire are not fit to turn a wheel in the machine.” The well-being frame, with its emphasis on the whole human rather than homo economicus is squarely in this tradition.

Well-being in policy

This is all well and good, it may be said, but what do these rather introverted and theoretical discussions of political philosophy mean for improving the lives of British people today? Why is this relevant now, when more obvious economic and financial problems are pressing? How does it translate into policy, and in particular into Conservative policy within the Coalition Government?

The answer lies in progressive conservative understanding of public service reform. Modern progressive conservatives see a distinction between what we might call ‘human’ problems and ‘technical’ problems. Technical problems are usually about physically delivering something. These problems are fundamentally susceptible to an organised, mass scale and bureaucratic approach. Human problems are about behaviour and motivation. It is the difference between helping someone to achieve A* in French and helping them to love French culture. In public services, we want to tackle both.

For much of the nineteenth and twentieth centuries, as a society, we focused on solving technical problems: building sewers, laying motorways, feeding armies, training nurses and so on. All these are essential, and there is still huge room for improvement in the efficiency of tackling these problems. These are the problems that the ‘Fordist’ state of the twentieth century was designed to solve.

However, as a society we have been less good at dealing with ‘human’ problems: reducing depression, obesity, excessive drinking, family breakdown, loneliness; and promoting a

love of learning, strong communities, happiness, compassion, responsibility and so on. Indeed, the well-being evidence suggests that for all our success with technical problems (and the GDP increases that follow from at least some of these successes) we have failed to increase people's satisfaction with life: it remains at the same levels as in the 1970s. In the 1950s 60 per cent of people said that most people were trustworthy. By 2002 that proportion had fallen to 30 per cent.

The point is that human problems cannot be dealt with through technical and bureaucratic solutions. For example, social problems cannot be reduced to economic problems, as Marx thought, and as many both on the left and the neo-liberal right continue to think. It is not that money doesn't matter of course, but it is wrong to think that money can buy happiness. It is equally wrong to think that economic structures determine whether we are happy or not happy. Far more variation in well-being is driven by variation in personal rather than societal factors: temperament and physical fitness for example. These personal factors are linked to the kind of actions that the research shows⁶ tend to increase well-being; propensity to engage with others, to give of your time, to take notice of the world, to keep learning about the world, to take exercise. Of course economic conditions play some role in making these activities possible (if you have to work all the hours in the day then you will not have time and energy to volunteer, or to engage with others and so on). However personal factors are more important.

What is more, it is difficult to use bureaucratic approaches to influence these personal factors (I do not use bureaucratic in the pejorative sense, but simply to refer to rule based behaviour in large organisations). It is not that governments can do nothing about these things – they can try to influence behaviour, and the current government is deploying the considerable knowledge that exists in this area, through David Halpern's Behavioural Insight Unit at Downing Street for instance. But the resulting changes are small things that have to be designed and implemented locally, often in partnership with the people who will benefit (sometimes called 'co-production'). They are not systematic, grand changes of the kind that social democrats tend to hanker after and

bureaucrats used to think they were good at. The point is that conservatives recognise that such approaches don't tend to work for 'human' problems.

Creating win-win scenarios

Accepting the distinction between human and technical problems has a whole range of policy implications. First of all, and most important, context requires flexibility, and a rejection of universal rules. This explains and dictates the conservative emphasis on localism, removing ring fencing, personal budgets, removing targets, payment by results, 'black box' techniques, and allowing public services to be provided by a much wider range of organisations. It would also make sense to emphasise co-design and co-production in this mould, as pioneered by **nef** (the new economics foundation), Innovation Unit, Participle, ThinkPublic and others, although this remains a curiously blank space in conservative thinking.

It also means that the most promising solution space when considering social problems lies in win-win scenarios. Conservatives tend not to see problems in terms of class conflict. This is not because we do not recognise that individuals may have conflicting interests – of course they do. It is rather that we do not think that it is very often useful or productive to look for solutions for one group at the expense of another. Just occasionally it is, but in general this approach requires deployment of bureaucratic, rule based behaviour – the artillery of policy – when what is really needed to deal with most problems is flexibility, the ability to respond to human beings as they really are – the commandos of policy.

Of course this win-win policy space could become dangerously small if the different parts of society feel in conflict with each other. That is why conservatives put so much emphasis on morality. This generation of conservatives believe it is not necessary to use bureaucratic tools to distinguish between good and bad companies, between productive and predatory capitalism. For modern conservatives, this is a matter of morality: not doing things which are obviously wrong.

Again, this fundamentally connects to the politics of well-being, because it implies a systemic view of cost and harm. It is true that if you put chocolate oranges at child height at checkout queues you will not be breaking any law. However, conservatives demand a more adult approach from business: do not do it because it is just not very sensible. Encouraging children to petition their parents for unhealthy food has a knock-on effect on childhood obesity rates and costs to society. A moral stance of this kind is best rooted in a clear shared sense that the well-being of everyone matters.

However, without some methodology, the conservative emphasis on context becomes simply rootless pragmatism. Well-being offers one possible route to turning the conservative obsession with context into a practical guide for action. What should priorities be for public spending? How should we allocate funds between personal care and hi-tech medicine? What principles should guide planning decisions? How should we design public services? This is where well-being science comes in – as a guide to our policy making.

If you take well-being to mean emphasis on the whole person's flourishing, then it is in essence an attempt to capture the full benefit and cost, the full externalities of decisions. And that is surely something which all brands of conservatism – Burkean and Thatcherite – should be intensely interested in.

In favour of life and wholeness

Matthew Taylor, Chief Executive, RSA

In his paper, Matthew Taylor sets out a view of what is necessary for well-being to be an effective driver of policy and what its potential might be. He draws to a close by highlighting one of the themes that runs throughout this pamphlet – the issue of individual versus structural level approaches to enhancing well-being.



Well-being is here to stay

Of the many rich pieces of dialogue contained within Aldous Huxley's famous novel, *Point Counter Point*, one in particular stands out. Mark Rampion, an affluent artist well known for his outspokenness, is in the midst of criticising another character for his exceedingly austere way of living. Pointing out that one can experience the best of both states – that between the “vivisectioning ascetics” who pursue a simple Puritan life style, and the “hedonistic indulgers” whose first priority is to enjoy themselves with little regard for anyone else – Rampion indignantly declares, “I prefer to be alive, entirely alive. It's time there was a revolt in favour of life and wholeness.”

Currently, it seems, we still find ourselves in the thick of this revolt. The problem is that we are at odds with one another about how to achieve this kind of “wholeness”. While there are those who consider the pursuit of happiness to be a legitimate and wholly achievable aim, there are many others who consider any direct attempt to reach this goal as counter-productive and

ultimately futile. Indeed, you will often hear those in the latter camp invoke one of John Stuart Mill's most famous quotes. "Ask yourself whether you are happy," he said, "and you cease to be so."

Whether or not you choose to subscribe to this viewpoint, it is clear that the subject of happiness has now been firmly planted on the political landscape. By agreeing to begin measuring the nation's happiness, David Cameron has taken an admirable, and perhaps also politically risky, move in an area that his forebears had all too often sidestepped, either for fear of sounding soft and intrusive, or because of a reluctance to open a Pandora's Box of deeper social issues.

Yet couple the latest sluggish growth figures indicating a faltering economy with an increasing realisation among the population that rising prosperity has not made us any more content, and it becomes clear for many across the political spectrum that this is indeed an opportune moment to reconsider what the good life really means, and to begin reappraising measurements, and subsequently policymaking, through the lens of well-being.

Well-being is a means as well as an end

To some this is seen as a necessity, but it should also be recognised as an opportunity. Higher levels of well-being are of course an end in themselves, but they are also a route to a more productive and cohesive society. Happier people are able to achieve more at work, they have better relationships with their partners, and, perhaps most importantly for initiatives like the Big Society, they are also more likely to contribute to their community. In this sense, well-being can be viewed as the essential lubricant which allows what David Halpern terms the "hidden wealth" of our nation to be exchanged.

That the likes of Cameron and Sarkozy have made well-being a focus of government attention is not merely due to moral or ethical reasons then, but also because of the practical benefits it can accrue. Nurturing a happier and healthier nation should therefore rank as a high priority for policymakers in the coming years. But this in turn means having the right kind of

measurements in place, from which the best decisions can be founded and built upon.

Criteria for effective well-being measures

I would argue that for any application of these measurements to be deemed reliable or worthy, they would need to follow a number of key tenets. First, notions such as well-being, happiness and resilience should have conceptual clarity. There is a danger, for instance, that constant happiness could be simply viewed as a state of bovine complacency rather than a rich mixture of pleasure, meaning and virtue. Second, measurements should look at the underlying drivers of well-being, not just subjective accounts of satisfaction. Third, the findings of these measurements should be framed in terms of key thresholds, rather than in an overall aggregate measure. Top-line average levels of life satisfaction, for example, are rarely going to move more than one or two percentage points a year, which would fail to cast any useful light on decision-making. Instead, this figure could be broken down into the aggregate number of happy people (say, those over 80 per cent on the satisfaction measures) and those categorized as unhappy (say, below 60 per cent).

Finally, and most important of all, there needs to be a continually evolving conversation with the public about both what to measure and how to use the data collected. A failure to do so could lead to scepticism about the nature and purpose of these results, particularly if they are seen as being used to legitimise political or policy claims.

Using well-being measures in politics and policy

Should these conditions be met, how then could the information collected be used? In exploring this issue, our starting point should be to acknowledge the limits, self-imposed or otherwise, of engaging government policy in addressing structural obstacles to well-being. From the work of Richard Wilkinson and Kate Pickett we know, for instance, that inequality is strongly correlated with levels of unhappiness. Yet the space for manoeuvring

government policy to reverse the rising gap between rich and poor is somewhat limited, at least in the short-term. Either it is too politically unpalatable to even consider, or the needs of economic growth and private investment simply take precedence over any potentially disruptive redistributive efforts.

That said, new and emerging measurements cannot help but to better inform the strategic direction taken by government departments, particularly in terms of avoiding the potentially damaging impacts wrought by different policies. Though the Coalition may consider the bite of cuts to be a price worth paying in the short term in order to achieve a fundamental restructuring of the state, weighting these objective factors by their long-term impact on well-being could help to encourage more responsible policy making. It is also more than likely that whichever party is in Opposition will use these figures to rein in the more controversial elements of a radical agenda for reform.

More broadly, new measurements of well-being may add fuel to the fire of a debate which is driving the emergence of a new field that might be labelled 'psycho-social policy'. Here there are a number of distinct but overlapping sets of ideas, for instance that greater social justice lies not only in legal, social or economic rights but also in adequate levels of capability and resilience, and that the success of policy interventions involves not simply delivering service outputs but in affecting the values and behaviours of clients and citizens.

In these areas we are already seeing progress being made, particularly in terms of being able intelligently to direct funding to public service interventions which have proven instrumental in boosting the well-being of individual users. Research has shown that investing in mental health services offers a much greater happiness premium than most other forms of public investment. Indeed, the success of particular initiatives such as Lancaster County Council's social prescribing project, which uses non-medical interventions to improve well-being, or Hertfordshire's resilience training programme, which has been embedded across its schools and parenting services, is testament to what central and local government can do once they know 'what works'.

The practical politics of well-being: a structural or individual-level issue?

But is this generating *happiness* as you and I know it? And does the impact of these interventions truly touch upon the lives of the majority of people, beyond the vulnerable and genuinely needy? My hunch is that this is the point where the capacity of the state to wield well-being measurements for good comes to a halt. Beyond this point, it is up to individuals themselves to pursue their own well-being and happiness. After all, the good life depends on our own interpretation of it, something that no level of state intervention could ever hope to fully deliver.

This stance does not necessarily preclude the effective use of well-being measurements. Indeed, if used in the right way, information garnered through these measurements could lead to a more self-aware and empowered citizenry. We know from research, for instance, that we are bad at remembering what made us happy in the past. By using new tools such as Mappiness, which allow users to record their levels of satisfaction every day, people can eventually build up a much better picture of who they are and what activities make them happiest. Nor does this have to be a solely individualistic pursuit. Moodscope, an innovative application for logging levels of happiness, allows people to share their information with close friends and family, thereby allowing others to see when they might be in particular need of some support.

At this point, Barbara Ehrenreich, the American social commentator and author of *Smile or Die* would say that by placing the focus of well-being at an individual level, there is a danger that it encourages people to believe that all you need to be happy is to think differently rather than for society to be organised differently, thus blinding us to the real world causes of unhappiness: unemployment, poverty and injustice. But without action at the individual level, where small changes in lifestyle can indeed increase people's happiness whatever their socio-economic circumstances, little will ever be achieved.

It is only by putting information in the hands of people themselves that we will ever come to see that the things we want

now, the things we want for the long term and the things which seem to make us happiest are often not the same, and that part of being an effective person is understanding and grappling with this side of human nature. To return to Aldous Huxley's spirited prose, the "the revolt in favour of life and wholeness" is just as much an internal as an external battle, and will only ever be realised if we are truly able to know ourselves better. Indeed, if we dare to.

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He was the Director of the Institute for Public Policy Research between 1999 and 2003, Britain's leading centre left think tank. Matthew has written for publications including *The Times*, *Financial Times*, *The Guardian*, *The New Statesman* and *Prospect* and is a regular contributor on Radio 4's Moral Maze.

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Measuring Our Progress

For nearly a decade, the Centre for Well-being at nef has been calling for governments to measure people's well-being and to recognise that the economy – and economic growth in particular – is only ever a means to an end. This report presents nef's contribution to the current debate about how well-being can be measured and how the data can be used to bring about more effective policy-making.



Five Ways to Wellbeing

The Five Ways to Wellbeing is a set of evidence-based public mental health messages aimed at improving the mental health and wellbeing of the whole population. This report presents how the Five Ways to Wellbeing have been used across the UK since their launch as part of the Foresight report in October 2008.



The Great Transition: A tale of how it turned out right

The UK like many nations is in the midst of a triple crunch – a coming together of credit-fuelled financial crisis, accelerating climate change and highly volatile energy prices underpinned by the approaching peak in global oil production. These are no longer abstract, distant issues of financial and environmental policy. They are beginning to affect everyone. The Great Transition shows why we need to get behind solutions that can proactively deal with climate change, the economic crisis and are also socially progressive. These are choices we must take, because ahead, both progressive and poisonous political trains of thought may emerge. The Great Transition sets out why the transition to a new economy is not only necessary, it is both possible and desirable.

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