



Well-being and social policies

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How are you?



Beyond GDP/ beyond income as measures of progress



Why? Quotes and opinions
Draw a card!



European Commission: „Beyond GDP“ initiative

- “Measuring progress, true wealth, and well-being”
- Aim: developing indicators that are as clear and appealing as GDP, but more inclusive of environmental and social aspects of progress
- “Economic indicators such as GDP were never designed to be comprehensive measures of prosperity and well-being. We need adequate indicators to address global challenges of the 21st century such as climate change, poverty, resource depletion, health and quality of life.”



United Nations: happiness matters

UN: July 2011 resolution “Happiness: towards a holistic approach to development”:

- “invited Member States to pursue public policy steps that would better capture the importance of **pursuing happiness and well-being** in development.”
- The **GDP indicator** “was not designed to and does not adequately reflect the happiness and well-being of people in a country.”



France: the „Stiglitz Commission“

- **Commission on the Measurement of Economic Performance and Social Progress** with Joseph Stiglitz (President), Amartya Sen and Jean Paul Fitoussi
- Well-being is multidimensional (2009):
 - Material living standards (income, consumption and wealth);
 - Health;
 - Education;
 - Personal activities including work
 - Political voice and governance;
 - Social connections and relationships;
 - Environment (present and future conditions);
 - Insecurity, of an economic as well as a physical nature.
- Both subjective and objective indicators are essential



OECD: Better Life Index

- Compare well-being across countries, based on 11 topics the OECD has identified as essential.
 - *material living conditions* (housing, income, jobs) and
 - *quality of life* (community, education, environment, governance, health, life satisfaction, safety and work-life balance)
- Each topic: 1-4 specific indicators



UK - Measuring National Well-being Programme

- 2005: UK Government committed to creating "a new indicator set, which is more outcome focused"
- Nov 2010- April 2011: Office for National Statistics: a **national debate** on measuring progress and on the development of appropriate measures, consulting organisations, businesses as well as individuals.
- Annual Population Survey
 - range of subjective well-being indicators, including measurements of happiness, life satisfaction and purpose in life
 - with analysis by country, region and local areas and individual characteristics.



UK – Measuring National Well-being Programme

- working with others to include the measurement of the **well-being of children and young people** as part of national well-being
- *measures of 'personal well-being'* - individuals' assessment of their own well-being
- [headline indicators](#) to summarise national well-being and the progress we are making as a society



Measurement: conceptual consensus

Consensus among the major actors promoting the use of “well-being”:

- *a portfolio of indicators*, rather than just say a single measure of say self-reported happiness;
- *non-monetary aspects of life*, focusing on social outcomes, rather than just resources (e.g. income);
- *subjective* (self-assessed) measures as well in addition to objective ones.



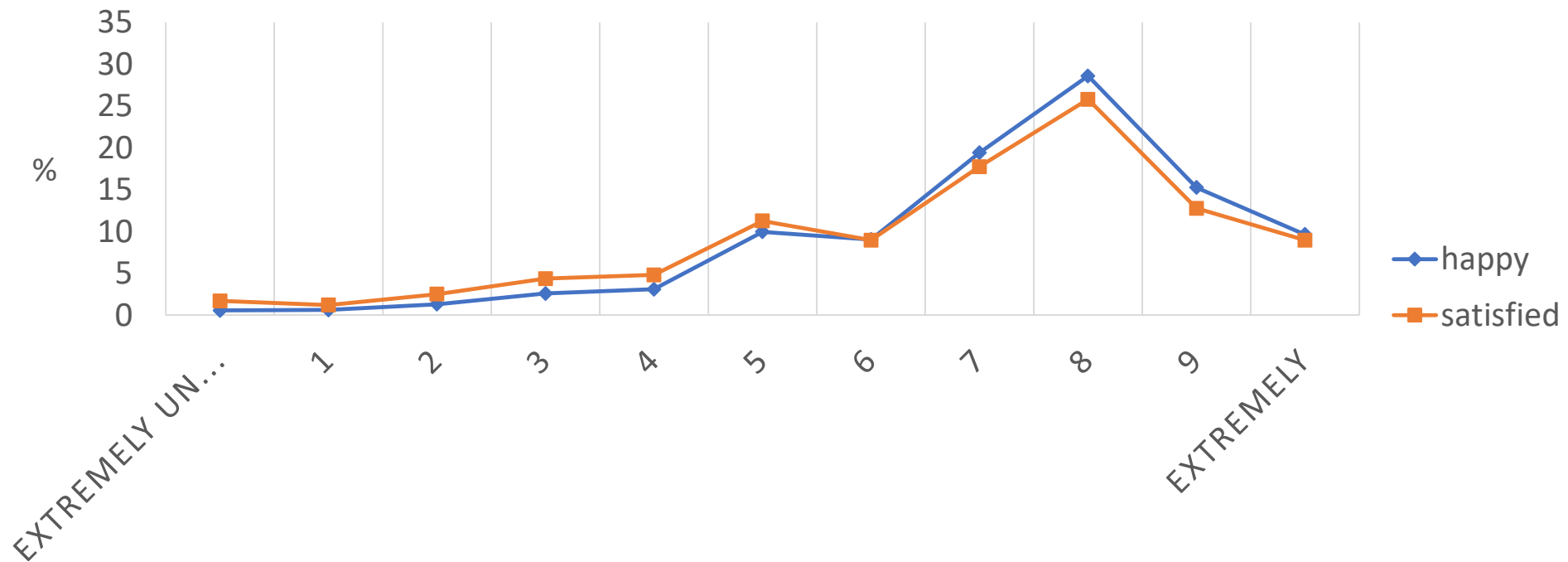
Measuring happiness





AND ON A SCALE
OF ONE TO TEN WOULD
YOU SAY...

“Shiny, happy people”: Distribution of self-reported well-being scores



A minority
does most
of the
suffering



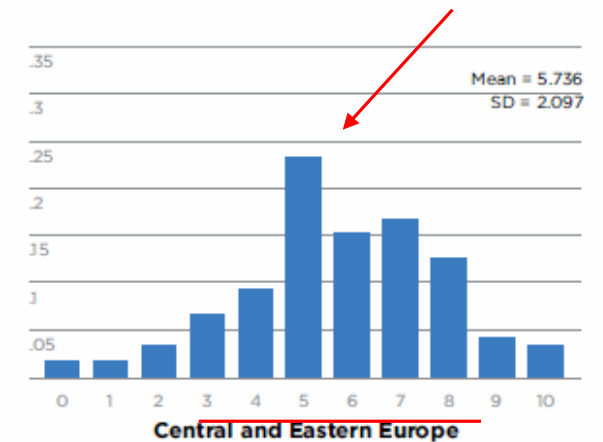
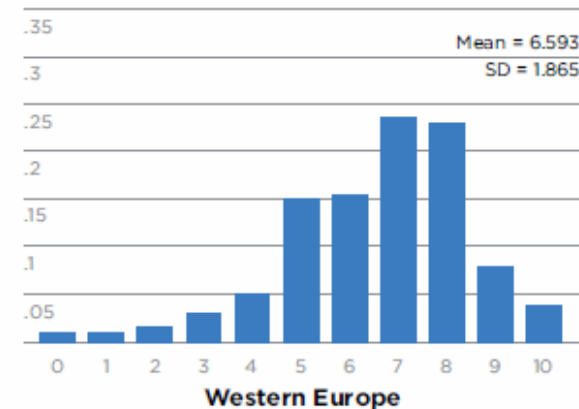
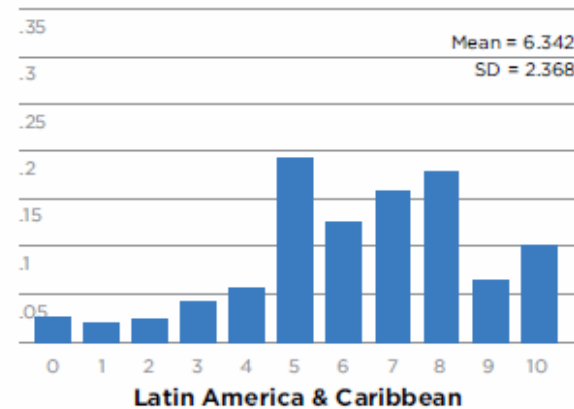
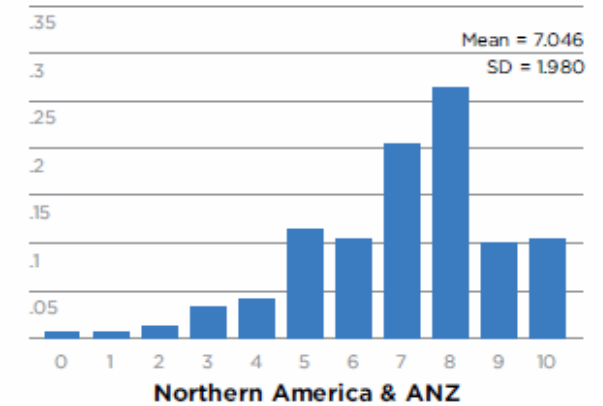
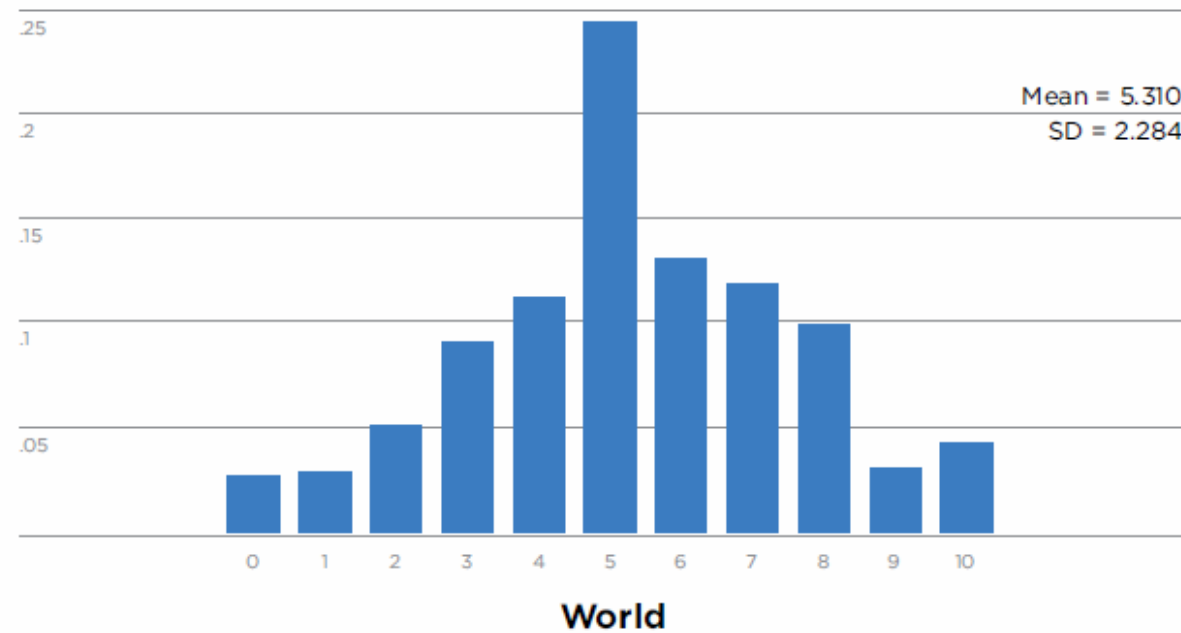
A minority does most of the suffering

- U-index: the amount of time a person spends in an unpleasant state.
- Strong inequality in the distribution of emotional pain:
 - “About half our participants reported going through an entire day without experiencing an unpleasant episode. On the other hand, a significant minority of the population experienced considerable emotional distress for much of the day. It appears that **a small fraction of the population does most of the suffering** – whether because of physical or mental illness, an unhappy temperament, or the misfortunes and personal tragedies in their life.” (Kahneman 2011)



Happiness „gap“

Figure 2.1: Population-Weighted Distributions of Happiness, 2014-2016



Well-being and social policies



Well-being and social policies

Governments can influence individual's life circumstances, but also their attitudes.

NEF recommendations (2004):

1. Create a well-being economy: employment and meaningful work.
2. Reclaim our time through improving our work-life balance.
3. Create an education system to promote flourishing.
4. Refocus the health system to promote complete health.
5. Invest in early years and parenting.
6. Discourage materialism and promote authentic advertising.
7. Strengthen civil society, social well-being and active citizenship.



Well-being and social policies: employment and meaningful work

- **good work**
 - Why? linkages between quality work, productivity, and worker retention
 - Autonomy, involvement in decision-making
 - Collaborative work relationships, mutual support, friendliness
 - Flow experience: “optimal” challenge”
 - Work should fit strengths and interests & provide opportunities for skills development
 - Avoid unnecessary relocation: destructive for social ties
- acknowledge unpaid work: work at home (care, domestic chores), volunteering



Well-being and social policies: work-life balance

- We tend to **overestimate** the happiness effect of extra income, **underestimate** the benefit of non-work activities
 - Systematic errors in individual decision-making, **action on a collective level** is necessary
- Less working time – increase in productivity
- Unemployment hurts => increase opportunities for all
- Citizens' income?



Well-being and social policies: education system

- Current system: decline in well-being, curiosity, flourishing of children
- Aim: promote emotional, social and physical well-being
 - Each school should have a strategy
- Giving pupils a say: school governance, teaching methods, assessment
 - promote the growth of autonomy and self-determination
- Broaden the curriculum, include „life skills“
- Flexibility in methods
- Positive social outcomes (entrepreneurial spirit, less anti-social behaviour, fewer mental health problems)



Well-being and social policies: health system

- Psychological factors influence people's physical health
 - happiness affects longevity: 7,5 yrs ("nun study")
- More integration between physical health and the promotion of individual and societal well-being
 - Complete health = "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" (WHO)
- Community-based solutions: healthy living centres, cottage-hospitals
- Importance of mental health problems: prevention, causes, treatment
- Process of treatment: empathy, engage patients => better outcomes



Well-being and social policies: **invest in early years and parenting**

- Cost-benefit analyses:
 - investment will pay itself back many times over both financially and non-financially through increased academic achievement, enhanced health outcomes, and reduced social disruption
- Quality of nurseries is crucial
- Best well-being solution for both parents and children: **paid parental leave** for at least the child's first two years of life.
 - This is could be taken by either parent.
 - But: flexibility is needed, incl. support for grandparents, registered child minders
- Support for parents in parenting
 - pre-natal support, home visits by nurses, intergenerational exchange, supportive peer groups



Well-being and social policies: discourage materialism, promote authentic advertising

- Materialism
 - Lower happiness, negative social consequences (environmental degradation)
- Control advertising:
 - No unrealistic promises
 - Ban / curb advertising aimed at young children



Well-being and social policies: civil society and active citizenship



- Support community engagement, political participation
 - Means-tested „participation income“
- Involve people in the design and delivery of public services

What have you learnt? What is a discovery you are taking away with you?



Resources, literature

- [Beyond GDP - European Commission](#)
- [OECD Better Life Index](#)
- [Report by the Commission on the Measurement of Economic](#) Performance and Social Progress (Stiglitz-Sen-Fitoussi)
- [World Happiness Report](#)
- [National Accounts of Well-being – New Economics Foundation](#)
- [A Wellbeing Manifesto for a Flourishing Society - New Economics](#) Foundation
- [Measuring National Well-being - Office for National Statistics](#) (UK)
- [Growth in Transition](#) (Austria)
- [Videos and further readings: Richard Layard, Happiness - Action for Happiness](#)

