

All-Party Parliamentary Group on Wellbeing Economics

Minutes of the meeting '*Measuring wellbeing and the implications for policy*' on 16th February 2011 in Committee Room 5 of the House of Commons.

Jo Swinson MP welcomed everybody to the APPG '*Measuring wellbeing and the implications for policy*' and introduced the speakers.

Jil Matheson, National Statistician

Ms Matheson began with a reminder that the Office for National Statistics (ONS) is an independent body. She talked about the growing interest in the whole area of wellbeing, especially over the last few months, but emphasised that this was an initiative that did not just begin with the Prime Minister's announcement in November 2010 – the ONS has been working in this area for some time. She then gave some background to the national debate on measuring wellbeing – she explained that it was an area of considerable international interest, that the whole process was going to take time, and that the real test of it would be whether the measures developed were useful for policy makers.

Ms Matheson described the work of the Stiglitz Commission and briefly highlighted their framework of economic measures, environmental measures and quality of life measures, emphasising that subjective wellbeing measures are just one part of this framework, but a very important part as they supplement our understanding of the other areas. She also described the international debate: it has been framed in terms of measuring the progress of societies by the OECD, and it is also on the UN agenda. Ms Matheson welcomed the publication of the new report by the new economics foundation (*nef*) '*Measuring our progress*' which she said was a very good introduction to the issues and complexities of the current debate. She talked about how now was a crucial time in the debate as there is currently no internationally agreed framework for measuring wellbeing (or progress) and compared this process to the long time it took for GDP to be developed as a measure and how this was necessary for it to become established and widely used. She presented the ONS framework of measuring progress as a triangle encompassing the relationships between people, the planet and the economy.

Ms Matheson reiterated that because wellbeing was such a complex concept the measure needs to have several properties, including being useful for decision makers and being a concept that the population as a whole can grasp because it reflects their experiences.

She highlighted the options in terms of producing a final indicator/index/measure: a dashboard of measures (but which has the danger to being too difficult to dissect and understand), or a few key numbers (but how many, and which ones?), or a composite index, or perhaps a help-yourself index, where people can select their own indicators according to what is important to them. She emphasised that this was an ongoing debate, and that nothing had been decided at this stage, and that the ONS were consulting lots of experts on these matters.

There will be four subjective wellbeing questions included in the Integrated Household Survey (IHS) with a sample size of 200,000 people. Ms Matheson spoke about the power of including these questions in the IHS – that because of the sheer numbers involved, they will have access to data about wellbeing at the level of different communities and different subpopulations. She talked about the experimental status of the data that will be produced, in terms of how the ONS will analyse it and how they will present it, and that there will be lots of collaboration with academics and researchers. Ms Matheson concluded by emphasising that wellbeing is a much wider concept than happiness; that the debate is ongoing; that subjective measures really are an important part of the mix as so far there has been a large gap in this information; that the ONS are really keen that this measure is useful in policy-making; and that this was a long-term agenda with cross-party support, which would be necessary in the development, international acceptance and worldwide implementation of wellbeing measures in a similar way to the historical establishment of GDP.

Oliver Letwin MP, Minister of State for the Cabinet Office

Mr Letwin began by talking about how in November 2009, he spoke at the first meeting of the APPG Wellbeing Economics where there was speculation about measuring wellbeing, and that it was fantastic to see the ONS now working on this. He

welcomed the cross-party consensus on this issue and spoke about how it was definitely better that the ONS, as an independent organisation, was in charge, as all politicians of every party are deeply mistrusted by the public when it comes to statistics!

He spoke about the necessity of having an internationalised measure – that to have it taken seriously internally, it needs to be taken seriously externally – and that we naturally measure ourselves against other countries. He also welcomed Britain being at the forefront of this debate.

Mr Letwin made a plea in favour of the use of subjective measures, although not in lieu of objective measures, arguing that subjective measures are good representations of how people's lives are going and there is a high correlation between people who report being happy, and people who are objectively considered likely to be happy e.g. employed, enough money, good family and friend relationships (although this correlation is not really surprising). He emphasised that this was not the zany, loopy idea that is often portrayed by the popular press.

He spoke about the tendency in politics to concentrate on quite dry things – that you are considered a 'softie' if you talk about feelings or emotions in politics, but that these are of great significance in everybody's lives – there is a systematic underestimation of the importance of these things, and that this debate on measuring national wellbeing will help to rebalance this issue. Mr Letwin emphasised that objective conditions were obviously always important, and that although it was not always easy for governments to deliver on these, it was relatively easier than delivering policies on subjective factors.

He highlighted the importance of how it is used – the government places a huge premium on usability – and that a dashboard of indicators can sometimes be too difficult to understand; that with a single number e.g. GDP it is easy to see trends and make comparisons. It *must* end up being salient and we *must* be able to see differences across time and between countries.

Mr Letwin spoke about how the political discussion would follow the introduction of a subjective wellbeing measure – that its existence would create further demand, describing it as the intellectual property equivalent of the introduction of high speed broadband i.e. that demand was generated *after* it was introduced. He proposed that it would create kinds of political debate, social enquiry, and policy action that we are not thinking about right now. It will influence the things around us and in turn will influence how we think. He spoke about the profound effect this will have in the medium and long term.

He also described the intergenerational utility of this kind of measure, and that this was one of the least properly studied or accommodated subjects in political discourse currently. He agreed that it net present value (NPV) is an entirely rational means to make short-term decisions, but that great things like the Sistine Chapel, novels, works of art etc., would never have been written if they had been assessed in this way! We need to leave something for our grandchildren, to regain that notion of stewardship that in the past was intrinsic to social attitudes but that is systematically undervalued now. He reiterated the need to move from the dry to the emotional and to valuing the long-term as well as the short.

Mr Letwin then talked about how the purpose of this measure, and measures in general, is to get to a stage where the genuine complexity of things is recreated. When there was no data at all, governments didn't understand the reality of people's lives, but that with the availability of more and more data grew the increasing fascination and obeisance to measures, which have had to be simplified in order to be understood. In the course of this process, complexity has been forgotten about, and this has narrowed things down to a stage where it misses great segments of our lives – social, national, personal. It is therefore so important politically to reintroduce measures to redress this.

Jon Trickett MP, Shadow Minister of State for the Cabinet Office.

Mr Trickett also welcomed the consensus between parties that measuring wellbeing is important and ought to be done, and reminded the audience that it builds upon work that was begun several years ago under the last government. However, he emphasised that when we don't know what the outcomes of these measures will be, it can lead to unexpected directions and could therefore be seen as being quite politically risky.

Mr Trickett relayed an anecdote of the time he spent when his father was dying, where 37 different care workers helped him and his father. He felt his house filled with love and saw this as public services at its best. However the (then Labour)

government was driving these workers to the private sector by trying to measure the precise inputs and outputs. Crucially, this couldn't adequately measure care – although it did try to put a price on it. He spoke about how it is now habitual to measure things in this way.

He argued that although most people feel that the welfare of our state depends on growth, GDP, economic processes, the acquisition of material possessions, we all know there is more to life than this. Mr Trickett emphasised the idea of the common good, saying that it was good that we were now properly debating what it is we value, so that we know what to measure, and so that we can know how we are progressing towards a common good. He proposed that wellbeing will pose radical challenges to our current structures.

Mr Trickett talked about how epidemiological and other research has showed that the societies which could be considered dysfunctional – where there is the least amount of wellbeing, are the ones where inequality is high. He also pointed to the other consequences of inequality, such as poor health, crime etc, that studies such as those by Michael Marmot and Richard Wilkinson have found. He argued that if we are to measure wellbeing, we must consider inequality. He also highlighted the evidence that unemployment leads to low wellbeing and pointed out that we are now expecting unemployment to rise. He challenged the government on the recent plans to sell publicly owned woodland, and on closing libraries, emphasising the evidence that access to public spaces is good for wellbeing, and that societies that promote the public domain have higher wellbeing – if we remove this then wellbeing will go down. He argued that statistics are needed that measure the movement of wellbeing in response to policy changes.

Mr Trickett then argued that individual subjective wellbeing measures ought not to be the sole guide in making policy, particularly questions such as 'how happy did you feel yesterday?' He argued that there is an element of hedonism in all of us and what a person wants is not necessarily what they need, giving the example of cigarettes, alcohol, drugs and junk food. It is about what is in the best interest for people, and therefore it calls into question how much account governments should take account of subjective measures. For example, long-term interests such as biodiversity, the planet, species, humanity, as well as an individual's own long-term interests will not necessarily be the same as those reflected in subjective wellbeing measures. This highlights a conflict inherent in our societies: for example, taxing bankers isn't going to make them happy, but it will probably make lots of people happier, but is it in the long-term interests of the UK? – these competing issues are not easily measured.

Mr Trickett concluded by highlighting that it is very difficult to get the questions right but that we should try to take a longer-term view, that he was pleased that Ms Matheson had described it as an experimental process – that there was much more debate to be had before answers appeared, and that although the government accepts the duty to help foster wellbeing, there was a point of disagreement between the three parties about how this should be done.

Jo Swinson MP thanked the speakers and opened up the floor to discussion.

Enver Solomon (Children's Society), Alison Marshall (UNICEF UK) and Melian Mansfield (National Children's Bureau and Early Childhood Forum) all emphasised how important it was that children's wellbeing was a central part of measuring wellbeing.

Nic Marks (Centre for Well-being, **nef**) welcomed the debate and spoke about the importance of moving into the space in politics of talking about people's lived experiences. He responded to Jon Trickett MP by saying that subjective indicators of wellbeing are really asking people about their wellbeing on a typical day, and that the fact that they are subjective does not mean we should not have confidence in them – the consumer confidence index is a subjective indicator and is well respected.

Simon Lawton-Smith (Mental Health Foundation) described how inequalities underpin so much wellbeing, and should be taken into account especially when designing questions. Although there is a desire to keep it simple, wellbeing is a very complex issue and it is hard to unpick what is influencing what, so we need a range of indicators that are sensitive and subtle to a degree.

Martin Horwood MP described how it *is* possible to take very subjective qualities and measure them accurately – in his previous role as a charity fundraiser he measured things like a 'sense of service to other people' and a 'sense of wellbeing for others'. He also commented how the Stiglitz report seemed a bit too reliant on obvious hard data and that he

welcomed measures such as a sense of autonomy, sense of service, sense of non-inequality, sense of identity e.g. with family, tribe, locality, and a sense of art, music and beauty. He emphasised how we should try to measure these concepts partly because we've never measured them in the past so there is such a huge information gap, and that it would actually muddy the water if we had too many economic measures (or other objective measures like life expectancy, crime rates, health status) as these might decrease attention away from the subjective measures. He reiterated Oliver Letwin MP's point about shifting the focus onto apparently 'fluffy' things which are actually incredibly important.

Baroness Elaine Murphy described how there are few objective indicators that are well correlated with subjective measures of pain and feeling poorly, but despite this, objective indicators are still used in healthcare analyses which is a great shame. She also asked about the political differences between parties in incorporating this measure.

Professor Lord Richard Layard strongly advocated *one* index, describing how it is important to know what impact policies have on *one* number – either an index or an answer to a single question. He argued that it has to only be one number for policy makers to use it e.g. in Green book. He also suggested that there had been some confusion during the national debate so far about measuring outcomes and measuring the factors that contribute to them.

Duncan Hames MP asked if a measure of adjusted GDP was still a viable proposition in addition to a subjective wellbeing measure.

Louise Aston (Business in the Community) described the need for wellbeing measures in work – as a strategic boardroom issue for employers, and suggested that this measure should build on existing outputs.

Oliver Letwin MP responded by acknowledging that the perspective of children is very important because they constitute a large proportion of our population, and that one of the problems with GDP is that it inevitably focuses on the working age population. He suggested that one advantage of a new wellbeing measure would be that it refocuses on children. He didn't think that there would be a dispute between government and opposition as everybody wants wellbeing to increase, and he couldn't foresee a dispute about responsibility. Mr Letwin also supported the idea of using one number as it makes it easy to see if things are getting better or worse – of course you need to drill down to more details, but if you don't have one headline number the measure will get lost. He talked about how politicians are used to several key economic measures but since they are not used to wellbeing measures, it is better to introduce one number at a time!

Helen Goodman MP summarised the different viewpoints between Oliver Letwin MP and Jon Trickett MP as both falling within wellbeing – the concept encompasses both hedonic ideas and Aristotelian ideas about 'flourishing'. She commented that the thing that links them both is the issue of time – the intergenerational transfer that Mr Letwin spoke of and the issues with care services that Mr Trickett spoke about. She also reiterated Mr Trickett's point about the recent government plans to sell forest land and argued that wellbeing measures could be used to hold the government to account on this.

Greg Fisher (ResPublica) talked about how there is no need to frame the issue of single versus multiple indicators as an either-or, and that we can do both. He also suggested that there should be a national consensus about weightings in a composite index, and that there should be public access to data for all the indicators. He also spoke about the need for political leadership to catalyse the debate to beyond GDP.

Professor Felicia Huppert (University of Cambridge) also spoke about the need for one and many measures because it is early stages in the science of wellbeing – we'll only know whether a headline measure works when we know about its components. She suggested the ONS should have subsidiary surveys which covered concepts such as positive emotions, engagement, meaning and purpose, confidence, self-esteem, resilience, optimism, competence, vitality, positive relationships and stability, since different policies will affect some of these but not others.

Gaia Marcus (RSA) asked about the role of social networks in relationships and suggested that the standard questions that have been developed within the field of social network analysis should be considered in this debate.

Jude Stansfield (NHS North West) pointed out that there is a dual continuum in wellbeing – that the absence of anxiety and depression is not equal to wellbeing.

Ms Matheson emphasised that the subjective would be at the heart of the measurement, and reiterated that this was based on lots of research, and that the ONS were consulting experts with regards to the four questions to be used in the IHS. She said that the jury is still out on the issue of a single index versus sub-indices and that the ONS will be taking views on this. She also pointed out that when you produce a single number, people will ask 'what can you do about it?' so we need to understand the drivers of wellbeing as well. This will be partly experimental and partly based on existing empirical data. We need to have framework which includes these subjective measures, the domains of wellbeing that might impact on them, and the context of people's lives e.g. equality. She also highlighted that although initially the measurement of subjective wellbeing from April 2011 onwards is for ages 16+, the output won't just be the four questions for the IHS, there will be lots of other opportunity for analysis of children's wellbeing. She also referred to Helen Goodman MP's point about the value of time and agreed that the use of time may be a way of understanding differences in wellbeing and that internationally it is emerging as an important thing to measure. In the UK there is no up-to-date data on time use – the last survey was in 2005, but she surmised that it may move higher up the agenda now. She also talked about the need for a metric for wellbeing, for example when weighting the sub-indices.

Jon Trickett MP welcomed this lively debate, concluding that this is a good initiative taking place and the Opposition supports this. He also reiterated the point that it is important to listen to children as there is much wisdom that they hold and they can tell us a lot about communities and families. In response to several questions about measuring subjective wellbeing he agreed that it *is* important to measure it and produce an aggregate indicator of wellbeing. However, although this is an immensely powerful tool, it cannot be the only measure of wellbeing. He gave the example of the life expectancy in Glasgow males – there is a 28 year difference across the city between the richest and poorest neighbourhoods – as showing how important poverty and inequality remain, and this should not be neglected by a focus on subjective measures of wellbeing. He argued that there is objectively something wrong with our society, and that this will not necessarily be captured by subjective indicators, however he acknowledged that a society which engenders wellbeing will be one in which inequality is lowest.

Jo Swinson MP thanked the speakers and everyone who attended.