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IS WELLBEING A USEFUL CONCEPT FOR PROGRESSIVES?

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An Economy that Works

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Abstract

There is nothing new about striving for wellbeing but the concept is particularly useful at the moment, both because the need for an alternative to conventional measures of policy success is acute, and because developments in measurement and analysis make such an alternative practical. We need to ask how efficient different forms of economic activity are at delivering what we really want, and to manage the trade-off between wellbeing now and wellbeing in the future. Wellbeing means we can. Labour, the UK's largest progressive party, is about to create a new economic narrative and policy set. In this paper I argue that wellbeing could play a part in this process.

Is wellbeing a useful concept for progressives?

Introduction

It is widely agreed that the Labour party – for better or worse the largest progressive party in England and Wales – did not have a coherent economic story at the last election. In the words of Jon Cruddas, its head of policy until the election,

> "We failed to re-establish the essential character of the Labour party. We developed a dice-and-slice strategy that balkanised the electorate. Labour only wins when it has a unifying, compelling, national popular story to tell. It has only really won in 1945 ["a country fit for heroes"], in 1964 [on the scientific and technological challenges of the 1960s] and in 1997 [on economic and social modernisation, a compelling vision of national renewal] – when it speaks in deeper, animated language about national prosperity and collective endeavour. [In 2015] we ended up with a cost-of-living, transactional politics."[1]

Labour is now trying to develop a "compelling, national popular story," under a new leadership and using a different, more democratic process. In this paper I will argue that wellbeing could play a part in this story: not the leading part perhaps, but still a significant one.

There is nothing new about striving for wellbeing: it is the state created by 'the good life' and 'the good life' has been a goal for politicians since at least the fourth century BC. Progressives – that is those advocating significant social change – have always used the possibility of increasing wellbeing to support their arguments. However, the concept is particularly useful at the moment, both because the need for an alternative to conventional measures of policy success is acute, and because developments in measurement and analysis make such an alternative practical.

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 indeed often did deliver) improved chances of a good life. Not everyone has abandoned this *grow, tax, and spend* model, but since 2008 it has become clear to a steadily widening group that it cannot deliver improved wellbeing for the mass of the population, and certainly not in a sustainable and socially just way. The argument is no longer just about how much to tax and spend (although of course austerity politics have sharpened that disagreement), but also about the extent to which governments can and should influence the shape of the economy as well as its size.

Those who want to influence the shape of the economy will argue that we need new structures to channel capitalist energies effectively. Designing these involves going back to fundamentals and asking how efficient different forms of economic activity are at delivering what we really want, i.e. wellbeing or the good life. For while wellbeing may be a function of the quantity of economic activity (measured by GDP), it is not a simple one: the quality of the activity is also important. In addition, if we also ask what impact these different forms of activity have on the environment, we can start to manage the trade-off between wellbeing now and wellbeing in the future, making it easier to deliver wellbeing in a sustainable way.

In theory, then, wellbeing, the state produced by the good life, should become central to political discussions. For if we can only measure wellbeing, it will provide a common standard of success for diverse policies aiming at diverse intermediate objectives, and affecting the quality and quantity of economic activity. This common standard will allow us to judge these intermediate objectives according to their contribution to the end goal, wellbeing, rather than simply accepting them as givens. It will also make it easier to consider interactions between policies in different areas and to develop an integrated policy framework, rather than one that lets traditional intermediate economic objectives trump all others. This integration is essential, it has been argued, if we are to achieve sustainable development.[2]

On the other hand, if you still believe that the traditional intermediate objectives of economic policy – a growing economy, efficient markets and a fair distribution of income – really are givens and really are all that matter, then you are unlikely to think that wellbeing as an independent standard of success is useful, at least in economic policy.

So it is highly significant that wellbeing *can* be measured, at least approximately, by using survey data about people's experience - what is normally referred to as 'subjective wellbeing'. In this respect, wellbeing is not like utility in neo-classical theory and can be used to assess outcomes in a precise way. Hence the recommendations of the *Commission on the Measurement of Economic Performance and Social Progress* (the 'Stiglitz Commission'),[3] and hence measurement initiatives in the EU, the OECD, and at national, regional and local level. These initiatives typically measure wellbeing (that is to say *subjective* wellbeing) alongside traditional measurement of its various drivers and components. It is this which allows us to assess the impact of alternative policies on our ultimate objective – the creation of good lives. The Office for National Statistics' Measuring National Wellbeing programme is one of the leading examples.[4]

This measurement and associated analysis make wellbeing all the more useful for progressives, permitting as they do the translation of idealism into the language of bureaucracy and economics: it is much easier to argue that something is efficient than that it is right. These advances also point to a potentially larger prize: the incorporation of a richer and more expansive concept of wellbeing into government economic ideology, to replace the rather narrow, consumerist one which currently prevails. At the moment this is still potential, an intellectual agenda rather than completed work. (In actually existing policymaking, wellbeing remains a tool for improving certain kinds of public service delivery).

In short wellbeing is potentially useful for progressives because it allows them to outflank conservatives. They no longer have to fight on the ground preferred by their opponents – what it takes to deliver economic efficiency traditionally defined – but can engage in a broader argument about what it takes to deliver wellbeing, using measures of subjective wellbeing as the standard. This opens up new possibilities for change. And progressives can support the resulting arguments with analysis and evidence.

The rest of this paper is structured as follows. As a preliminary I describe briefly how the notion of a better life has been used by progressives – and conservatives - in the past: the modern debate has more credibility because it is part of a long tradition. I then describe in more detail modern conceptions of wellbeing – the aspirations that give the use of wellbeing as a standard for policy

some progressive bite and moral force – and the way it can be measured. Next, I describe how wellbeing can be used in policy in general and its implications for economic policy in particular. I also describe how it can help those developing plans for sustainability. I then touch on its role as a unifying narrative before describing the way it can represent a break with standard welfare economics, and thus a break with the economic ideology which currently predominates. Finally I offer some suggestions on next steps.

How wellbeing has been used by progressives – and conservatives - in the past

Wellbeing is not the exclusive property of progressives. For while wellbeing, or the good life, *can* be a standard for judging social institutions – are they delivering it? – it can equally be defined in terms of those institutions. It then becomes the property of conservatives. In extreme cases, such as the Hindu caste system, these institutions define who is capable of living a truly good life: traditional justifications of caste refer to innate difference between the capacities and desires of members of different castes, differences which make them fit for higher or lower forms of life. Pre-modern attitudes in Europe were less rigid, but often justified inequality on what were in the end the same grounds.

However, even if it is agreed that the good life is and should be available to all, conservatives can still argue that it has to be understood in the context of existing institutions, rather than in the abstract. Indeed they may argue that abstractions arise from institutions and tradition and not the other way round. In this spirit, Michael Oakeshott celebrated the conservative "propensity to use and to enjoy what is available"[5] and Edmund Burke emphasised that what is of value exists within a tradition, "an inheritance from our forefathers" , a matter of "ancient laws and liberties"[6]. To talk of some better life that might exist under some alternative arrangements is at best utopian and at worst the first steps to tyranny.

The modern version of this 'inheritance' is the 'free market', an institution which in the neo-liberal interpretation of welfare economics is the most efficient way of delivering wellbeing, and which is the contemporary embodiment of 'ancient laws and liberties'[7]. When progressive wellbeing advocates challenge its outcomes, neo-liberals are even now inclined to see the shadow of Robespierre.

And perhaps they really do have something to be afraid of, for wellbeing can be subversive, and ideals of the good life have been used to judge institutions in the past. Rousseau and Marx, for example, even if they did not frame their arguments in terms of wellbeing, believed that we can conceive of a good life that is not defined by existing institutions. Indeed they argued that existing institutions constrained and corrupted human potential and therefore needed radical reform. Hence, as Rousseau put it, "everything is good as it comes from the hands of the Creator; everything degenerates in the hands of man,"[8] with the result that "man is born free and everywhere he is in chains." His conclusion was we need a new 'social contract' to underpin our institutions.[9] Marx saw work as central to what it was to be a human being (and thus as we would now say, to certain forms of wellbeing). He wrote that "In creating a *world of objects* by his personal activity, in his *work upon* inorganic nature, man proves himself a conscious species-being." However, existing economic institutions prevent this from happening:

> "In tearing away from man the object of his production, therefore, estranged labour tears from him his *species-life*, his real objectivity as a member of the species and transforms his advantage over animals into the disadvantage that his inorganic body, nature, is taken from him."[10]

Arguably Luther too should be placed in this tradition, in so far as he proclaimed that the gospel of Christ rather than the Catholic church was the route to a Christian life, and that the church as an institution was failing in its mission. And Jeremy Bentham's doctrine of utilitarianism, the view that pleasure should be maximised and pain minimised, offered a standard, an authority, with which to critique a whole array of traditional institutions in the late 18th and early 19th century. As he put it:

> "Nature has placed mankind under the governance of two sovereign masters, *pain,* and *pleasure.* It is for them alone to point out what we ought to do, as well as to determine what we shall do."[11]

So while wellbeing is not the exclusive property of progressives it has a solid pedigree of use by progressives as the foundation for a critique of society.

Two concepts of wellbeing: experience versus relationship.

There is also a long standing disagreement amongst theorists of wellbeing over whether it should be conceived of in individualistic or collectivist terms. This is not a matter of whether wellbeing is a property of individuals or collectives – good *lives* always belong to individuals (that at least is how I am using the term). The question is rather whether wellbeing characterises man's *experience* or his *relationship* to the world around him. Experience, even when summed, is individual, but relationships add up to the collective.

Bentham is one of the best known advocates of *experience*, for of course the pleasure and pain that form the foundation of his ethics are varieties of experience. In the 19th century his utilitarianism became the ethical basis of economics and recently this doctrine has been enthusiastically propagated by Richard Layard and Paul Dolan of the London School of Economics, both progressive advocates of happiness as a policy objective.[12] [13] This is sometimes known as the hedonic account of wellbeing. (Utilitarianism, incidentally, appears so obvious to its exponents that they sometimes simply cannot grasp that there is an alternative point of view – for example if you say you value friendship or work for their own sakes, they are inclined to tell you that what you really value is the happiness they bring.)

Advocates of the *relationship* view sometimes write within religious traditions, in which an individuals' relationship with God and his creation is paramount. However, secular writers will often refer to Aristotle's ethics, sometimes as re-stated by Alasdair Macintyre in the 1980s[14]. Aristotle defined wellbeing as eudaimonia – an elusive concept, sometimes (over-)simplified by modern writers to mean the state achieved when living a life that is worthwhile (this 'eudaimonic wellbeing' is often contrasted with the hedonic version). Macintyre amplified this idea by emphasising the role of narrative in the good life:

> "I can only answer the question 'what am I to do?' if I can answer the prior question 'of what story or stories do I find myself a part?'... What is better or worse for X depends on the character of that intelligible narrative which provides X's life with its unity'"[15]

Two features of such narratives as conceived by Macintyre are relevant for our purposes. First they are essentially social, and rooted in the live traditions and 'practices' (activities with internal standards of excellence to be achieved through exercise of the virtues) that make up society. Second they involve a *telos* or purpose just as individual practices do, a 'quest'. This is not for some predefined good – instead "The good life for man is the life spent seeking the good life for man"[16] and involves ordering and balancing the fulfilments available from individual practices. The result should be a coherent, intelligible narrative both for the individual life and the collective life of which it is part. Sen and Nussbaum's theories of 'capabilities'[17] can be interpreted as a focus on the conditions for achieving such narratives.

Of course it is open to utilitarians to argue that what give a life story coherence and purpose is the pursuit of pleasure and the avoidance of pain, that all the rest is simply a means to these overarching ends. It is difficult to *prove* this position is wrong. But arguably it reveals the failure of Benthamite utilitarianism to capture many of our intuitions, and many will shy away from its solipsistic conclusion. Above all, perhaps, relationships, being part of something bigger than oneself, the sense of meaning that is derived from narrative and engagement with the world (through participation in traditions and practices), make individual mortality less catastrophic.

Furthermore this preference for a view of the good life in which relationships rather than experience are primary has a sound philosophical basis. Man may not always be a political animal, as Aristotle claimed, but it can be (and has been) argued that he is by his nature a social animal, and in a quite fundamental way: human consciousness is the result of language (allowing that there may be other varieties of consciousness experienced by dumb animals) and language is by its nature social.[18] In other words, so the argument goes, relationships are prior to human experience, are in some sense more fundamental than experience.

A modern progressive conception of wellbeing

In the last decade or two, accounts of wellbeing have converged somewhat around the concept of 'flourishing.' This concept is underpinned by psychological research and to some extent draws together the two ethical traditions just described, with their emphasis on experience and relationship respectively (it does not reconcile them).

Flourishing as a psychological concept has been elaborated by Corey Keyes and other members of the positive psychology school. Flourishing individuals, in Keyes's words, have positive feelings, an absence of negative feelings, and "function" well, by which he means they

> "like most parts of themselves, have warm and trusting relationships, see themselves developing into better people, have a direction in life, are able to shape their environments to satisfy their needs, and have a degree of self-determination".[19]

They also have a positive relationship with society: they

> "see society as meaningful and understandable… as possessing potential for growth… they feel they belong to and are accepted by their communities… they accept most parts of society… they see themselves as contributing to society".

This is rather clearly a matter *both* of experience – positive feelings and an absence of negative feelings - *and* relationship, most obviously in the account of the relationship with society, but also in

the more personal aspects of functioning (it is true, though, that the focus and unit of analysis remains the individual – it is after all part of Western psychology). One might expect – though as far as I am aware it has not been demonstrated quantitatively – that someone living a good life as prescribed by Macintyre is relatively likely to flourish in the way described by Keyes.

Other psychologists – notably Richard Ryan and Edward Deci[20] have shown that good functioning broadly as just described is associated with good feelings, both being grounded in satisfaction of psychological needs. However, the functioning and the feeling remain conceptually distinct and it has been pointed out, for example by Carol Ryff and Burton Singer,[21] that there are positive feelings which are not associated with good functioning. As far as they are concerned it's the functioning that matters, not the feeling, but others such as Paul Dolan disagree: he maintains it is the feeling that matters, even if the feeling is that agreeable sense of purpose that arises from good functioning[22]. In short the philosophical disagreement about what is important continues, even if for practical purposes both sides can converge on the concept of flourishing because as a matter of empirical fact it is a good way of delivering good feelings.

It is important though that because flourishing is more than feelings or life satisfaction, it is possible to question whether someone spending his life watching television game shows in solitude is flourishing, even if this is the activity he freely chooses, and even if he reports that as a result he feels pleasure and is highly satisfied with life. Similarly it is possible to ask if someone taking a happy drug and spending all day content but in bed is flourishing. For we can examine whether these people demonstrate the characteristics identified by Keyes as signs of flourishing, or whether their psychological needs as identified by Ryan and Deci have been fulfilled – and we might well expect they are not. The implications of this will depend on your ethical position of course. If flourishing is what you value then the answer to the question is important, if feelings or life satisfaction pure and simple are what you value then the answer is less important. (Note that this distinction between flourishing and reporting satisfaction with life does not mean that at a statistical level aggregate scores of life satisfaction are not good proxies for population levels of flourishing).

What *do* people value? I am not aware of any Bentham versus Aristotle poll, but if the features of flourishing can be grouped into successful human relationships and successful human agency (the ability people have 'to shape their environments… and have a degree of self-determination'), then it appears (from the World Values Survey and other sources) that while relationships are valued everywhere, agency tends to be valued more highly in societies where more basic concerns of security and subsistence have been achieved. (In line with this, it is arguable that the construct 'fits' better those societies demonstrating what Ronald Inglehart and Christian Welzel have called 'secular rational' and 'self-expression' values, that is mainly the English speaking and protestant European countries.)[23]

Finally, and crucially as far as policy is concerned, the extent to which a population is flourishing can be measured, at least approximately. For example, the Warwick Edinburgh Mental Wellbeing Scale (WEMWBS) is a survey instrument designed to measure 'positive mental health', a closely related construct including as it does both hedonic aspects ('the subjective experience of happiness') and eudaimonic aspects ('psychological functioning, good relationships with others and self-realisation' and including 'the capacity for self development, positive relations with others, autonomy, self-

acceptance and competence')[24]. Although the instrument has been criticised by the UK Chief Medical Officer[25], the Office for National Statistics now publishes the results as one of 41 indicators of 'national wellbeing', alongside four other subjective measures of wellbeing (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).[26] What is more, the surveys containing these questions also measure objective circumstances that are more directly influenced by policy such as housing, education, employment patterns, benefit entitlements and so on, so it is possible to establish statistical relationships between these and flourishing and thus identify potential policy priorities. (In fact most studies around the world establish associations between objective conditions and life satisfaction rather than flourishing; this is an adequate pro tem proxy but not perfect). Of course different people flourish in different ways and what they want and value and need in order to flourish varies, but statistical techniques allow the aggregation of diversity – just as the money and markets do.

Flourishing thus looks like a pretty promising concept for progressives, allowing them to judge current social institutions – and all too often find them wanting. Because it is now possible to measure flourishing and the conditions which encourage it, its advocates believe it should be possible to design and promote reforms that will help put this right. Furthermore, given that people want to flourish and that it makes them feel better, flourishing's advocates feel there must be a way of phasing, packaging and communicating the reforms so that they become electorally feasible – a set of reforms that as it happens will also make it easier to achieve sustainability and social justice (see below).

Wellbeing in policy making

However, as yet neither flourishing nor wellbeing is in any meaningful way the object of public policy. This is striking, not just because of flourishing's attractions as just described, but because the state is generally held responsible for many of the things which influence whether people will flourish: health, education, employment prospects, economic stability, absence of poverty, a decent environment. Of course flourishing is something individuals do and not something the state delivers, but the evidence is clear that the state can influence the conditions which make flourishing more or less likely.

The reason for this absence is simple, however. It is taken as a given by policy makers that the various goods just listed are required for wellbeing, and that the challenge is to optimise each of these. Thus the object of health policy is better health, the object of education policy is better education and so on – in each case better is as traditionally defined, typically by professionals in the field. Interactions between the policies do arise, but are either relatively unimportant, or best dealt with through political negotiation or special projects. Given all this, wellbeing as a policy tool appears largely redundant. In fact it *has* had some influence on public health policy, for example on how to deal with alcoholism and loneliness, and on policy for getting people back to work, in both cases largely to guide how to influence people's behaviour. It has also had a limited impact on transport infrastructure decisions,[27] but here, as in the other examples, it is still at the margins, within the specialist decision making frameworks that each policy area uses. What is more it has been argued that this is as it should be. Mathew Taylor, for example, has argued in a New Economics

Foundation (NEF) essay collection that "the capacity of the state to wield wellbeing measurements for good [probably] comes to a halt" once we move "beyond the vulnerable and genuinely needy." After all, for the most part "it is up to individuals themselves to pursue their own wellbeing and happiness".[28]

But Taylor misses the point: it is of course up to individuals to pursue their own wellbeing, but as already argued governments influence the conditions which in turn influence how successful individuals are likely to be in this pursuit. Subjective wellbeing analysis, by establishing statistical relationships between the objective conditions which are the direct targets of policy and subjective measures of wellbeing, allows us to establish how successful government and specific policies are at doing this. This may not be useful when traditional standards of policy success – better health, better education and so on – are taken as givens, but it is useful when they are called into question, either because of some issues within the field (what are the objectives of education?) or because of interactions between fields (might this regulation improve health but damage employment?).

Subjective wellbeing analysis can then be used to assess the relative impact of various policies on wellbeing, via their impact on intermediate objectives. In this way wellbeing, at least as measured subjectively, becomes the common currency for a new form of cost benefit analysis, as advocated by former Head of the Civil Service Gus O'Donnell and others in a recent report[29]. This doesn't replace political judgement and bargaining, but it can inform it – and it could also inform more deliberative forms of democracy such as citizens' juries. Policy makers – and citizens - will be able to ask, for example, what have been the relative impacts on wellbeing of steps to reduce unemployment in an area, and steps to preserve the environment? Have interventions to increase community cohesion and increase economic activity improved wellbeing? Have the public health interventions in one city been more effective at increasing wellbeing than in another? Can reasons for any differences be identified?

The result of these and similar analyses should be improved decisions 'on the ground'. For example decisions about hospital closures may be improved when the wellbeing of patients and visitors is considered alongside clinical and cost factors. Wellbeing can be taken into account in detailed planning decisions, leading for example to more pedestrianisation schemes, which have been shown to increase social interactions and thus wellbeing. Employers, schools and voluntary sector organisations can be encouraged to use what we know about wellbeing in their work – for example to reduce depression amongst young people. Government can design interventions to 'nudge' people into decisions that will improve their wellbeing – so for example that they spend more time exercising, or volunteering (both good for wellbeing) and less time commuting (very bad for wellbeing).

Wellbeing and progressive economic policy

But, the reader may well ask, is that really it? Such techniques sound like useful, practical improvements to public administration, but they hardly set the blood racing, or constitute an alternative to the *grow, tax and spend* model referred to at the beginning of this article. They appear for the most part to be improving decisions in situations where markets are not available, rather than representing a challenge to the market paradigm.

However, there is more to play for because the traditional intermediate objectives of economic policy *have* been called into question, and are no longer givens. This is partly because of issues within the field (for example is growth producing rising incomes and rising employment as traditionally assumed? [30] Are there trade-offs between stability and growth?[31]) and partly because of interactions between economic and other policy fields (what are the interactions between economic and environmental objectives? Or between economic and health objectives?). In other words the conditions under which wellbeing analysis becomes relevant are satisfied.

And what kind of policy does this analysis point to? Fortunately there is a wealth of evidence on the economy and wellbeing, and this suggests among other things that:-

- Income is important to wellbeing, but only up to a certain level, which varies from society to society
- Equality is positively associated with wellbeing, although the relationship is complex
- Unemployment is very damaging to wellbeing
- Insecure employment and economic instability are both damaging to wellbeing
- The various components of a 'good job' (in addition to income and security) are strongly associated with well- being; this includes the right amount of work – not too much but not too little either
- Long commutes and having to move home to find work are damaging to wellbeing; children's wellbeing in particular is damaged by geographical mobility[32].

This evidence suggests the need for an economic policy designed above all to deliver good jobs in all parts of the country. NEF has used the evidence to define good jobs as those offering a decent income, job security, opportunities for progression, satisfying work, decent conditions, and work-life balance.[33]

Given this and similar evidence, the All-Party Parliamentary Group (APG) on Wellbeing Economics recommended in 2014 that "stable and secure employment for all should be the primary objective of economic policy".[34]

Now, it is not that stable and secure employment for all is rejected as an objective by current policy makers – indeed there are programmes such as the Regional Growth Fund specifically designed to increase employment where it is most needed. But this is not the broad framework for policy, which follows neo-classical prescriptions to deliver growth and efficient markets. The problem for this framework is the overwhelming evidence that growth and efficient markets often fail to deliver stable and secure employment for all. Regional Growth Funds and the like are sticking plaster – the main thrust of policy is not focussed on the goals that the wellbeing evidence points to.

This emphasis on good jobs reflects a more fundamental difference between 'wellbeing economics' and neo-classical economics. The wellbeing evidence draws attention to the importance of quality work in a person's life – its role in flourishing. Thus in the wellbeing account of the economy, work itself is valuable, and its value is dependent not simply on what someone will pay for it, but also on the extent to which it helps the worker him or herself to flourish. As we have already seen, Karl Marx

emphasises the centrality of work to human identity and more recently Pope John Paul II wrote in his encyclical *Laborem exercens*:

> "…as the 'image of God' [Man] is a person, that is to say, a subjective being capable of acting in a planned and rational way, capable of deciding about himself, and with a tendency to self-realization. As *a person, man is therefore the subject of work*….[Work] actions must all serve to realize his humanity, to fulfil the calling to be a person that is his by reason of his very humanity….[Thus] in the final analysis it is always man who is *the purpose of the work*."[35]

However, in neo-classical accounts of the economy what matters is output – and work is a cost to be minimised. This is reflected in a bias towards consumer rather than producer interests. As Sir Nick Macpherson, Permanent Secretary to the Treasury has put it quite explicitly "From the repeal of the corn laws to the present day, [The Treasury] has tended to favour consumers over producers."[36] In other words, if wellbeing were to be taken seriously on this score, it would require a fundamental rethinking of economic policy.

The APG also called for smaller changes to economic policy. On the basis of the evidence it heard, it recommended that the Low Pay Commission be given a mandate to consider wellbeing evidence when making its recommendations on the minimum wage, that government should address the wellbeing consequences of inequality, that government should actively seek ways to make it easier to work shorter and/or more flexible hours, and that BIS should encourage employers to prioritise employee wellbeing. NEF has also argued that a wellbeing driven economic policy would not use increased geographical mobility to reduce unemployment, nor would it sacrifice maternity rights and the work life balance of mothers of young children so as to reduce the burden of regulation on business.[37]

Wellbeing and sustainability

And then there is sustainability – that is ensuring that delivering wellbeing now does not compromise wellbeing in the future. In principle this could be achieved through cost-free technological innovation, but this seems unlikely. In reality, as I and Karen Jeffreys, a NEF colleague, have written, it will probably require

> "much higher prices for some goods, with the use of natural resources limited through changes to consumption patterns. This will involve either a reduction in aggregate consumption (in the developed world), or at least a change in what is consumed".[38]

This may be achievable in democracies, we wrote, only because

> "the evidence from survey data shows that *beyond a certain point*, consumption is not a particularly important driver of wellbeing.[39] [40] Other things then matter more, for example security, job satisfaction and social relationships[41]. If this is the case, it may be possible to change patterns of consumption, or restrict growth in consumption without too much damage to wellbeing. Indeed, it may even be possible to increase wellbeing".

In other words the wellbeing evidence suggests there could be a politically feasible pathway to lower or changed consumption: this need not involve a change to human nature (not possible) but rather to the particular conditions, the particular socio-economic structures and culture, which translate universal needs and aspirations into particular consumption patterns.

This may involve quite radical change – for example to institutions and relative wages so as to make a shorter working week feasible for more people. More generally, the economy can be managed explicitly to achieve the various drivers of wellbeing: economic security, social contacts, improvements to the physical environment, improved health, and so on.[42] Wellbeing evidence does not on its own tell you what to do, what will or will not be feasible – analyses of the economy and of power structures are also needed - but nonetheless progressives can draw on it to *help* map out what to do, to turn aspirations into a plan.

The wellbeing narrative

Now it might still be asked, apart from the bit about sustainability, what is new? The need for stability and security of employment, the relative importance of raising low rather than high or middle level incomes, the dignity of labour – these are all quite traditional social democratic themes. As Michael Jacobs has put it:-

> "Much of wellbeing science… 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." [43]

But, he goes on to say,

> "…it's no less important for that. Wellbeing 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 wellbeing, 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."

At the same time, because wellbeing can be measured, it allows us to use the language of evidence and efficiency as opposed to justice and idealism, and sometimes it is useful to couch arguments in these terms. It becomes possible to quantify a critique of capitalism, to quantify the size of its failure to deliver good lives as understood by many people. Progressives can translate a subversive, but all too often ineffective because vague and apparently elitist, critique into the language of bureaucracy, evidence based policy, quantified analysis. In this they are following in the footsteps of 19th century social reformers who used health statistics as tools of advocacy.[44]

Jacobs's individualistic narrative and the evidence base are both important, and not just to persuade voters. They may also give progressive politicians the confidence that their interventions are legitimate and founded on a scientific analysis. And that, as anyone familiar with British politics knows, is crucial in the war of nerves between progressives and conservatives. Indeed it is arguable that the only way the state can deliver 'stable and secure employment for all' (to say nothing of sustainability) is by creating a consensus, shared by progressive politicians and progressive business leaders alike, a consensus that supports a package of significant state interventions. The wellbeing narrative and evidence base is likely to be important in building this.

Towards a new economics – and next steps for progressive politicians

The current debate between progressives and conservatives about wellbeing is primarily about the role of the market. The conservative view is rooted in a liberal version of neo-classical economics,

and in particular welfare economics. Liberal welfare economists argue that wellbeing (welfare) cannot be measured directly, and that we are forced to fall back on *that which is chosen* as evidence of where wellbeing exists, with the quantity measured in money ('utility' is the construct used, which is simply defined as that which individuals maximise when they make choices; it is then equated with welfare). Wellbeing thus becomes associated with market choices and serves to justify the market as a social institution. Indeed given this assumption it can be shown with elegance and rigour that if our original income distribution is optimal and if we take steps to preserve it, then a perfect market will produce optimal outcomes. It can then be argued (with strikingly less rigour) that politicians should focus on the distribution and economists on the markets.

Neo-classical economists remain correct – of course – that the market remains the best mechanism for allocating much (not all) productive effort. No-one is proposing the creation of a wellbeing based version of Gosplan (the Soviet planning agency) even if some sectors such as health care do require central planning. However, there are two important qualifications to the traditional view. One is that it was never in fact the case that neutral questions about how to maximise the value of output (the province of economists) could be separated from value based questions about how to distribute that output (the province of politicians). This is partly because how you produce output affects the final distribution, given political constraints on re-distribution (the argument put forward by advocates of 'pre-distribution'),[45] but also because it is always inefficient to re-distribute after the event to the extent that markets generate production structures geared to particular patterns of demand, which are in turn a function of the distribution.[46] However, more important from our point of view is that the arrival of subjective wellbeing evidence means we are no longer forced to fall back on *that which is chosen* as evidence of where wellbeing exists. We now have statistical data to supplement or even replace this. Thus even if we believe that the primary moral imperative is to maximise wellbeing (the normal assumption of economists), and even if we accept a little lamely that numbers trump moral conviction (another normal assumption of economists), the judgement that we should rely on markets has become empirical not axiomatic, in other words a judgement on the inevitably limited competence of central planners.

More important perhaps, we can now introduce elements into the economic calculus that are systematically excluded from neo-classical theory. Recognising that choices are functions of structures, we can use wellbeing evidence to critique structures, rather than simply using the choices they produce to validate them (echoes of the difference between Rousseau and Burke). In particular we can address how to optimise two sources of wellbeing – work and community – where individual choices are circumscribed by existing structures. For example in neo-classical economics free trade is always a good thing (except when tariffs are needed to protect an infant industry), since the extra output it results in can be redistributed to compensate losers. In reality, even if that redistribution takes place (a very big if indeed), the impacts of free trade on quality of work or on communities can be negative, and there is no reason to suppose that the additional output can let alone will be used to buy better quality work or better communities. So the net impact on many people's wellbeing will be negative.

This, it needs hardly be said, is a very different account of the world from that adopted by H.M Treasury and indeed most economists.

So what is to be done? The difficulty, to return to the free trade example, is that while at the moment we can be clear that free trade may not always be a good thing, it very often *is* a good

thing. H.M. Treasury has an advantage, as things stand, because it can say that free trade is (almost) always a good thing – indeed it has an easy answer to most things. What is needed is the construction of an empirical wellbeing economics, in which outcomes expressed in terms of wellbeing can be predicted given different policies and assumptions.

This is a long term project. But significant progress can be made in the short to medium term. The first step is for progressive politicians and their advisors to use the wellbeing evidence to develop a view of the society they wish to construct. Then they can consider the impact of alternative policies in advancing us towards that society (a matter at least in part of a form of economic analysis that incorporates wellbeing outcomes), together with the barriers to the effective introduction of those policies, and the actions needed to overcome those barriers. This work can begin now.

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[1] Quoted by Toby Helm *Jon Cruddas: this could be the greatest crisis the Labour party has ever faced* in The Guardian 16 May 2015, insertions added – accessible at www.theguardian.com/politics/2015/may/16/labour-great-crisis-ever

[2] For example by the sustainability think tank E3G www.e3g.org and the European Commission FP7 research project BRAINPOoL www.brainpoolproject.eu

[3] Stiglitz J., Sen A. and Fitoussi J-P., *Report by the Commission on the Measurement of Economic Performance and Social Progress* (2009)

[4] www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc146/wrapper.html

[5] Oakeshott M., On Being Conservative, in *Rationalism in Politics* (Liberty Fund, 1962).

[6] Burke E*., Reflections on the Revolution in France (1790)*

[7] Indeed Jonty Oliff-Cooper made a similar point in his essay *Wellbeing: a conservative issue* in Seaford C. (ed) *The Practical Politics of Wellbeing* (New Economics Foundation, 2011).

[8] Rousseau J-J., *Emile* (1762)

[9] Rousseau J-J, *The Social Contract* (1762)

[10] Marx K., *Economic and Philosophical Manuscripts of 1844* (1932)

[11] Bentham J., *An Introduction to the Principles of Morals and Legislation* (1781)

[12] Layard R., *Happiness: lessons from a new science* (Allen Lane, 2005)

[13] Dolan P., *Happiness by Design* (Hudson Street Press, 2014)

[14] Macintyre A., *After Virtue* (Duckworth, 1981)

[15] Macintyre A., *After Virtue* (Duckworth, 1981) pp 216-225

[16] Macintyre A., *After Virtue* (Duckworth, 1981) p219

[17] Sen A., *Development as Freedom* (OUP, 2001), Nussbaum M., Women and Development: the capabilities approach (CUP, 2000)

[18] As Daniel Dennett has put it "Perhaps the kind of mind you get when you add language to it is so different from the kind of mind you can have without language that calling them both minds is a mistake" – in *Kinds of Minds: towards an understanding of consciousness* (Basic Books, 1996). This has a neuroscientific basis in so far as split brain research has shown that information is only fully conscious if it reaches the language dominant left hand brain (Dietrich A., *Introduction to Consciousness* (Palgrave, 2007))

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[22] Dolan P., *Happiness by Design* (Hudson Street Press, 2014)

[23] World Values Survey, *findings and insights* at www.worldvaluessurvey.org/WVSContents.jsp

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[25] *Annual report of the Chief Medical Officer 2013* (DH 2014)

[26] www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc146/wrapper.html

[27] Presentation by ONS on the Measuring National Well-being programme (given to NETGREEN policy workshop 16 June 2015)

[28] Taylor M., *In favour of life and wholeness* in Seaford C. (ed) *The Practical Politics of Wellbeing* (New Economics Foundation, 2011)

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[34] Berry, C. *Wellbeing in four policy areas: Report by the All-Party Parliamentary Group on Wellbeing Economics* (New Economics Foundation, 2014)

[35] Pope John Paul II, *Laborem exercens* (1981), insertions added

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[37] Seaford C. (ed) *The Practical Politics of Wellbeing*, (New Economics Foundation, 2011)

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