

Happiness and Public Policy in the United Kingdom

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'Government has the power to help improve well-being' - David Cameron





'I thank the Prime Minister for asking me to lead a national debate on the measurement of well-being' –

Jil Matheson, National Statistician UK

25 November 2010

- Prime Minister asked the ONS to devise a new way of measuring well-being in Britain
 - Can't capture happiness on a spreadsheet
 - A general picture of how life is improving
- National Statistician responded
 - National debate on measuring national well-being
 - New questions on subjective well-being in household surveys from Apr 2011
 - Report summer 2011 on wider plans

National Well-being Debate

- Consultation paper and survey on www.ons.gov.uk/well-being
- Email response box, phone line, twitter
- Events to encourage discussion and response
- Advisory Forum
- Working with partners
- Conclusions around April 2011, then publish plan for next steps and delivery

National Well-being Debate

- ONS questions:
 - What national well-being means to you
 - Why measure national well-being?
 - Ways of measuring national well-being
 - Objective and subjective measures
 - Making sense of it all

Questions for public consultation

- What things in life matter to you?
 - Income and wealth
 - job satisfaction and economic security
 - Ability to have a say on local and national issues
 - Good connections with friends and relatives
 - Present and future conditions of environment
 - Crime
 - Health
 - Education and training
 - Personal and cultural activities inc caring and volunteering

Consultation questions (2)

- Of the things that matter, which should be reflected in measures of national well-being?
- Which information helps measure national well-being?
 - GDP, unemployment rate, life expectancy, life satisfaction, crime figures, education levels, income distribution, social capital measures, health statistics, environmental statistics

Consultation questions (3)

- Which way is best to give a picture of national well-being?
 - Economic measures only
 - Single measure overall life satisfaction/happiness
 - Small selection of indicators
 - Large selection of indicators
 - Single index (lots of info combined)

Consultation questions (4)

- How would you use measures of national well-being?
 - See how the UK is doing
 - assess the performance of govt & public services
 - Compare UK with other countries
 - Compare different parts of UK
 - Compare different groups of people
 - Understand longer term implications of current activities

Measuring subjective well-being

- A few questions, part of other household surveys
- Rolling sample – can link results to local area, gender, age, ethnicity, employment, sexual identity, religion, day of week, weather, Royal wedding, Olympics...
- Some piloting and testing, committed to starting from April 2011

Beyond GDP, Beyond Happiness

- Stiglitz framework for wellbeing:
 - Material living standards
 - Health
 - Education
 - Personal activities including work
 - Political voice and governance
 - Social connections and relationships
 - Environment (present and future)
 - Insecurity (economic and physical)

Which indicators? Spot the difference

- Indicator is useful if:
 - Resonates with the public as measuring something important
 - Timely, statistically robust
- and:
 - Enables comparisons over space or time
 - ? Responds as expected to causal factors ?

How much difference?

- Change may be random
- Measure rates to adjust for demographic change
- Changes in distribution may be more important than change in mean
- Understand root cause of variations ('if you want to be happy, live in Exeter')

National Well-being and Policy

- Policy focus on specific outcomes (domains of well-being):
 - Clear aims
 - Clear trajectory of expected impact, time lags
 - Clear measures of intended outcome
 - Measures to be responsive and timely
 - Assumption: change in outcome is attributable to the policy delivery

Painting the picture – simple view of complex reality

- Many separate numbers, dashboard
- A few key numbers – based on consensus of what is important
- A combined index, using fixed weights
- A help-yourself index?
 - Starting point: UK personal inflation calculator

Digression:

Public Service Output in National Accounts

- Output of public services is part of economy, measure in same way as market sector
- But no prices - so traditionally, input=output
- Measure output as activities e.g. operations
- Atkinson review 2005 –
 - ‘the output of the government sector should in principle be measured in a way that is adjusted for quality, taking account of the attributable incremental contribution of the service to the outcome’

Single index of well-being?

- Conditions of validity:
 - All domains of well-being are measured adequately
 - There is an accepted judgement on relative importance of domains
- If used to measure success of public policy:
 - Changes reflect the incremental change attributable to public policy?
- Or: 'happiness' index shows synthesis of other indicators as valued by the public

Conclusion

- UK has new government commitment to work to improve well-being
- Well-being is wider than happiness
- Office of National Statistics leading debate on measurement of national well-being
- Measures of 'happiness' important as part of the mix
- UK is introducing large continuous survey sampling on a 'happiness' question
- Keen to link measurement of well-being to policy delivery: but many conceptual and measurement problems