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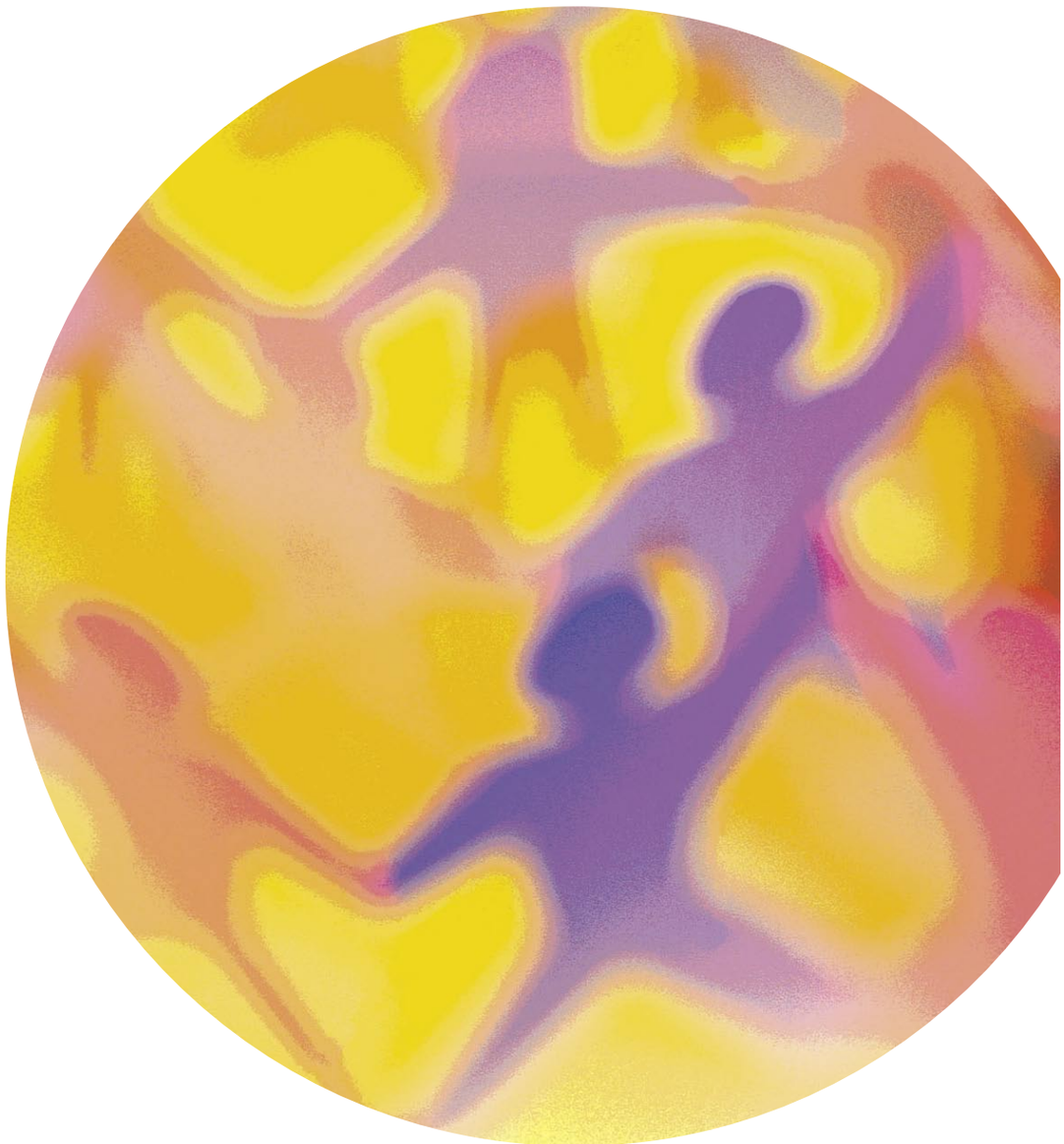


a well-being manifesto for a flourishing society

The power of well-being **3**

nef is an independent think-and-do tank that inspires and demonstrates real economic well-being.

We aim to improve quality of life by promoting innovative solutions that challenge mainstream thinking on economic, environmental and social issues. We work in partnership and put people and the planet first.

economics
real wealth
means well-being

Current priorities include international debt, transforming markets, global finance and local economic renewal

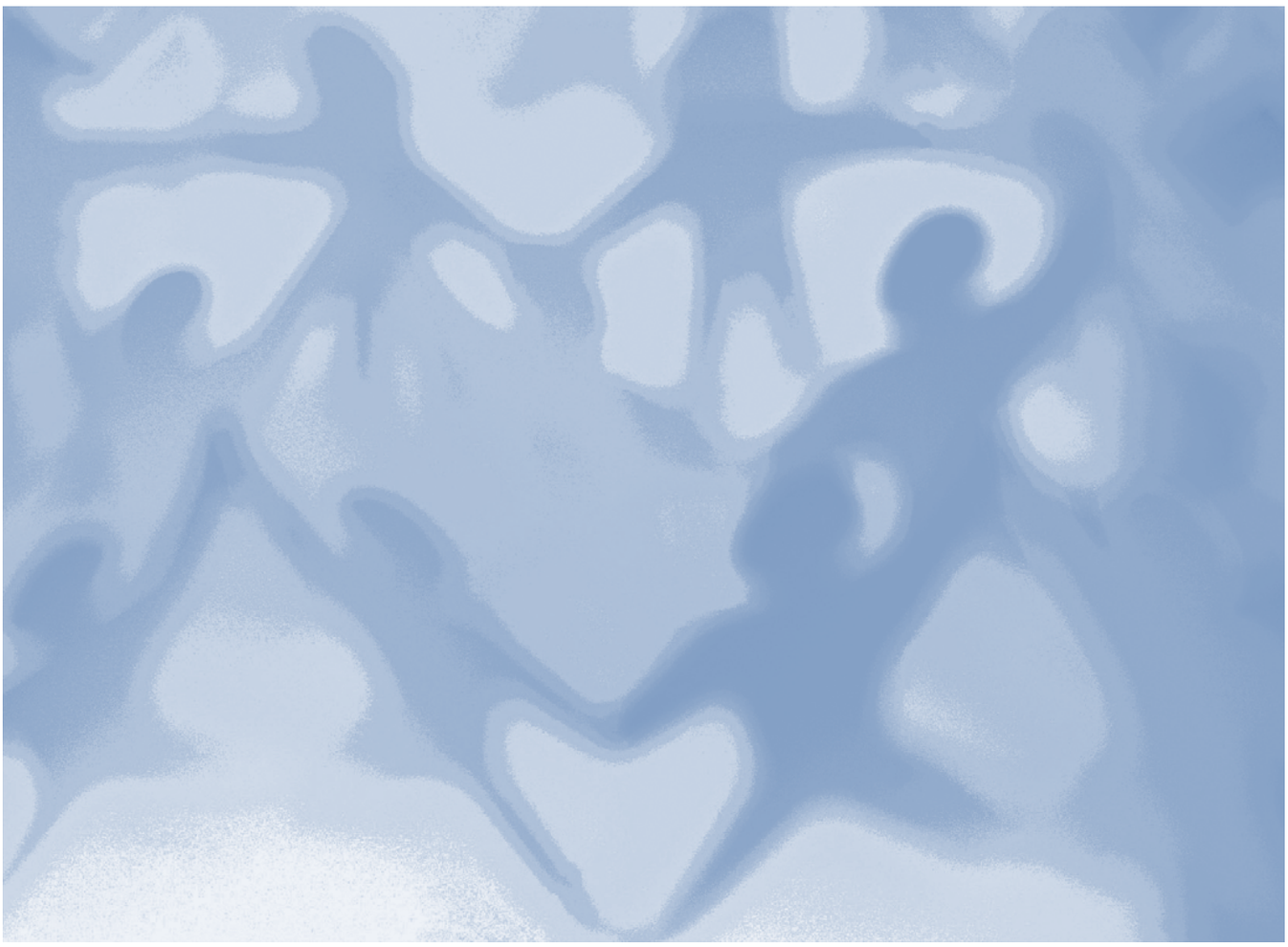
environment
lifestyles must
become sustainable

Current priorities are climate change, ecological debt and local sustainability

society
communities need
power and influence

Current priorities include democracy, time banks, well-being and public services

nef (the new economics foundation) is a registered charity founded in 1986 by the leaders of The Other Economic Summit (TOES), which forced issues such as international debt onto the agenda of the G7/G8 summit meetings. It has taken a lead in helping establish new coalitions and organisations such as the Jubilee 2000 debt campaign; the Ethical Trading Initiative; the UK Social Investment Forum; and new ways to measure social and economic well-being.



This well-being manifesto seeks to answer the question “what would politics look like if promoting people’s well-being was one of government’s main aims?”

“The impression, which slowly dawns on one as one reads this manifesto, is that, if this is all true, then really what we’re facing is the need for a significant revolution in the way we organise just about everything in our society: how we think about work, childcare, family, transport, the environment etc.

Unlike most previous calls to revolution, this one proceeds logically, calmly and remains always grounded in an appeal to that thing we all care about in a very deep and uncomplicated way: happiness. I can’t commend the work highly enough.”

Alain de Botton (writer and philosopher)

Well-being manifesto

One of the key aims of a democratic government is to promote the good life: a flourishing society, where citizens are happy, healthy, capable and engaged – in other words with high levels of well-being. This well-being manifesto seeks to answer the question "what would politics look like if promoting people's well-being was one of government's main aims?"

Well-being is more than just happiness. As well as feeling satisfied and happy, well-being means developing as a person, being fulfilled, and making a contribution to the community.

Where does our well-being come from? Research suggests that there are three main influences:

- ***Our parents**, through our genes and our upbringing, influence about 50 per cent of the variation in happiness between people.*

- ***Our circumstances,** which include our income, as well as other external factors such as the climate and where we live, account for only 10 per cent. Does money make us happier? Not after our basic needs are met, because we are always moving the goalposts. We adapt very quickly to the material gains which come from increases in income and we also compare ourselves to others who have more and this can lead to dissatisfaction.*

- ***Our outlook and activities** – like our friendships, being involved in our community, sport, and hobbies as well as our attitude to life – account for the remaining 40 per cent. This is where we have the most opportunity to make a difference to well-being.*

What can government do?
Policies can't make us happy or more engaged with life, but they can shape the culture and society in which we live. Many policies tend to focus on enhancing people's income by growing the economy. This has only a small effect on well-being, however, and may be achieved at the expense of our time with others, the environment in which we live, or the vibrancy of local communities. This well-being manifesto suggests eight areas where government could act to promote well-being:

1. ***Measure what matters***
   A detailed set of national well-being accounts would allow us to understand well-being better and track changes over time. Local government could carry out well-being audits of their communities in order to help integrate their services and allocate their funds more effectively and efficiently.

2. ***Create a well-being economy***
   Growing the economy does not necessarily result in higher levels of well-being. So what directions should the economy take to promote well-being? High-quality work can profoundly affect our well-being by providing us with purpose, challenge, and opportunities for social relationships. It can constitute a meaningful part of our identity. There are many models of good workplaces whose lessons need to be drawn out and disseminated to employers. Well-being research provides many insights into what makes for good work. Unemployment has terrible effects on the well-being of the unemployed, but also lowers the well-being of the employed. Hidden unemployment in the UK is high, with many incapacity-benefit claimants able and willing to work but not counted in the unemployment figures. The Government needs to help these often hard-to-reach groups to find meaningful work.

   The well-being of future generations depends on not destroying our environment. We need to start moving towards a system of taxing environmental bad's, such as fossil fuels, and reducing the tax burden on good's, such as work. This could pay a double dividend of protecting the environment and improving people's well-being.

3. ***Reclaim our time***
   We systematically over-estimate the amount of happiness extra income will bring us and work too many hours to get it. We fail to account for the fact that our expectations also rise with our incomes. Spending more time with our children, families, friends, and communities would bring us more happiness. We should start taking our productivity gains in the form of time. We should end individual opt-outs to the EU Working Time Directive and thus institute a maximum 48-hour working week. We could then reduce this maximum working week until we reach a maximum 35-hour week. This could be achieved whilst maintaining our present standards of living within around 15 years if accompanied by appropriate pension reform and a managed migration policy. We should accompany this with increased flexible working provisions and more bank holidays.

4. ***Create an education system that promotes flourishing***
   The purpose of the education system should be to create capable and emotionally well-rounded young people who are happy and motivated. At its heart, education policy must acknowledge that the best way of enabling people to realise their potential is to value them for who they are rather than their performance against targets.

All schools should have a strategy to promote emotional, social and physical well-being. The curriculum needs to be broadened to include more opportunities around sports, arts, creativity, and other engaging activities. Early on in their lives, young people should be exposed to evidence about the kinds of satisfaction derived from different sorts of life choices, perhaps through broader study of what makes a 'good life'. An education system which promotes flourishing will lead to higher productivity, a more entrepreneurial society, and greater active citizenship.

5. Refocus the health system to promote complete health

There are important links between health and well-being. The scale of the effect of psychological well-being on health is of the same order as traditionally identified risks such as body mass, lack of exercise, and smoking.

The National Health Service (NHS) and other health institutions need to continue to broaden their focus to promote complete health, which is defined by the World Health Organisation (WHO) as "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity". To do this, we need to accelerate the move towards a preventative health system. We also need to tackle mental health far more systematically. Treating people holistically means that health professionals need to go beyond just curing the biomedical causes of disease to thinking about the social and psychological aspects of how patients are treated. All health institutions should have some system in place to involve patients as partners in the business of delivering health; there needs to be investment in training frontline staff on good practice around this. Local authorities could promote healthier communities through encouraging local organisations, such as healthy living centres, to take the well-being agenda forward.

6. Invest in the very early years and parenting

Children need a lot of responsive individual attention in their first years, preferably from their parents. Cost-benefit analyses show that investment in the age group 'zero to three' will repay itself many times over, due to reduced health, education and social costs in the future.

Parental leave should be extended to cover at least the first two years of a child's life. This could be taken by either parent, or potentially shared between them. High-quality childcare should be subsidised for those parents who need, or wish, to work. Parents should also be actively supported to be the best parents they can be. This will require a mixture of community support, good local facilities, and education.

7. Discourage materialism and promote authentic advertising

We don't become sexier and more attractive by switching brands of shampoo or buying a new car. So the media generally, and adverts specifically, should stop using imagery that suggests we do. Young children lack the critical capacity to distinguish between facts and selling messages. Materialism is not only bad for the environment, it also undermines our well-being. We should ban commercial advertising aimed at the under-eight's, and have a strong code of conduct for such advertising for the under-16's.

A society more engaged in meaningful pastimes is likely to be less focused on the illusion that material goods will bring it happiness. We should endeavour to make the well-being choice the easy choice, to wean us off our national pastimes of shopping and TV watching. We need to increase support for cheap and local leisure provision, such as sports centres and arts venues, as well as informal open spaces and parks.

8. Strengthen civil society, social well-being and active citizenship

Being actively engaged with communities has been shown not only to give us a personal sense of well-being but also to have positive knock-on effects for others. This bolsters the case for government to support different sorts of community engagement and civil society organisations and spaces through, for example, a Citizen's Service, a participation income, and mutual solutions such as reward cards and time banks.

There is a link between well-being and democratic involvement that has implications for public-service delivery. We need to go beyond giving a choice of provider in public-service delivery to involving people in the design and delivery of the services they receive. We should also drop the swathes of central-government targets that service providers face and replace them with a process of stakeholder engagement and accountability which places the user in the centre.

Call for a flourishing society

We have achieved a high standard of living. But we must be careful that a singular focus on economic efficiency does not destroy the real causes of well-being in our society. This is a new area and further research needs to be done, but this manifesto suggests some ways of moving towards a flourishing society. The most important step, however, is for all policy-makers to ask "What would policy look like if it were seeking to promote well-being?" This should be one of the defining questions of politics in developed countries.

The well-being evidence

One of the key aims of a democratic government is to promote the good life: a flourishing society where citizens are happy, healthy, capable, and engaged – in other words with high levels of well-being.

For most of human history, trying to understand what led to well-being was the stuff of philosophy or poetry. Recently, however, some psychologists and sociologists have finally turned away from studying illness and dysfunctionality and begun to study well-being, happiness, and flourishing. The results have profound implications for individuals and for government. This well-being manifesto seeks to answer the question "what would politics look like if promoting people's well-being was one of government's main aims?"

One of the main ways in which governments in developed countries try to promote well-being is through increasing economic growth. The logic to this is that by increasing national and individual incomes, people have more choices about how they should lead their lives. Psychologists, however, have thrown a large spanner in the works. The relationship between economic prosperity and both individual and social well-being in developed countries seems to have broken down. For example, whilst economic output has almost doubled in the UK in the last 30 years, life satisfaction has remained resolutely flat (see Figure 1). Meanwhile depression has risen significantly over the last 50 years in developed countries.[1] In order to make better judgements about what government should be doing in response to this situation, we should consider the lessons from well-being research.

Well-being research

What is well-being? Some academics argue that well-being is best understood in terms of our overall happiness or satisfaction with life. But evidence shows that there is much more to life than satisfaction: people also want to be leading rich and fulfilling lives – developing their capabilities, fulfilling their potential, and leading socially useful lives.[2]

Therefore, **nef**'s (the new economics foundation's) model of well-being has two personal dimensions and a social context:

- *People's satisfaction with their life which is generally measured by an indicator called life satisfaction: this captures satisfaction, pleasure and enjoyment.*
- *People's personal development for which there is not yet one standard psychological indicator – the concept includes being engaged in life, curiosity, 'flow' (a state of absorption where hours pass like minutes), personal development and growth, autonomy, fulfilling potential, having a purpose in life, and the feeling that life has meaning.*[3]
- *People's social well-being – a sense of belonging to our communities, a positive attitude towards others, feeling that we are contributing to society and engaging in pro-social behaviour, and believing that society is capable of developing positively.*[4]

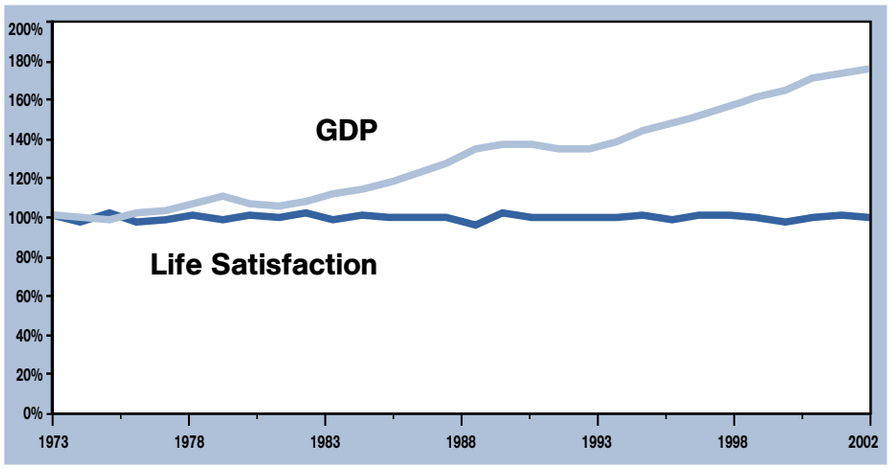


Figure 1: UK Life Satisfaction and GDP – 1973-2002

Box 1: Well-being promotes a better society

Well-being is an important end in itself. It also has many benefits and contributes to other important ends.[7] Evidence shows that happy people are more:

- *Sociable*
- *Active*
- *Altruistic*
- *Generous*
- *Tolerant*
- *Economically productive*
- *Creative*
- *Healthy*
- *Long living*

Therefore, promoting individual well-being is not just an important end in itself; it also has useful consequences for a flourishing society in all sorts of other ways, including the enhancement of people's social well-being.

For people to lead truly *flourishing* lives they need to feel they are personally satisfied and developing, as well as functioning positively in regard to society. Unfortunately too many people are instead *languishing* – living unhappy, unfulfilled lives as well as lacking social and community engagement. Estimates from the US suggest that less than 20 per cent of the population are flourishing and over 25 per cent are languishing, with the rest being somewhere in between.[5]

There has been some recent interest by policy-makers in life satisfaction, but this only tells part of the story. Whilst life satisfaction seems strongly (and inversely) related to mental health and depression, personal development seems to be more strongly linked to overall health, longevity, resilience, and the ability to cope with adverse circumstances and 'thrive' in life. For example, older people who score highly on the personal development dimension have a different biological profile and are therefore less likely to develop serious illnesses in later life.[6]

This dimension of personal development is also closely related to the kind of individual characteristics that underpin government agendas around active citizenship or enterprise. Well-being is not just about a passive happiness; it is also about an active engagement with life and with others. Promoting well-being is a 'good' in itself as well as a contributor to other ends (see Box 1).

The basic findings of well-being research

Where does our well-being come from? There is more research on the satisfaction and happiness elements of well-being than on the personal development and social well-being aspects. Nevertheless, what we know is fascinating. US research suggests that there are three main influences:[8]

1. Genetics. *We have a predisposition to a certain level of happiness. Researchers argue that it is the largest influence on our happiness level and it explains about 50 per cent of the variation in people's current happiness. There is, of course, an interaction between genetic predispositions and our upbringing and environment.*[9] *We call this 'influence by our parents'.*

2. Life circumstances. *These include factors such as our income, material possessions, and marital status, as well as contextual circumstances such as our neighbourhood, whether we have just moved jobs or home, and indeed our favourite British obsession: the weather. People tend to adapt to changes in circumstances quite quickly and so these factors have only a small influence on people's happiness – researchers estimate it explains only 10 per cent of the variation. But, as a society, we tend to spend a disproportionate amount of time focused on this aspect of our lives. In particular, money is often seen as a key to happiness, but it is not necessarily so. We call this 'influence by our circumstances'.*

Box 2: Why our circumstances don't make us happier

One of the great insights of well-being psychology has been to explore why circumstances have such little effect on our happiness. The answer is two-fold: adaptation and comparison. Human beings are phenomenally adaptable, and we tend to learn very quickly to view our current position as normal. Within a year, lottery winners are little happier, or even less happy, than they were before they won the big prize.[16] As we adapt, our expectations about what will make us happy rise. We are also creatures of comparison. We compare ourselves to where we want to be, and to other people. As we achieve our goals, we change whom we compare ourselves to and find a new source of unhappiness! The goalposts are always moving.

3. Intentional activities. *These are pursuits that we actively engage in and they account for 40 per cent of the variation in our happiness. They include actual behaviours and aims such as working towards our goals, socialising, exercising, doing engaging and meaningful work; they also include cognitive activities such as appreciating and savouring life or looking at the bright side of things. Adaptation rarely occurs for these kinds of activities, as they are impermanent or can be infinitely varied. It is clear that this is the area where we can make the most difference to our own well-being. We call this 'influence by our activities and our outlook'.*

So where does well-being come from? Is it from money? The short answer is "not after our basic needs are met". Whilst there is some correlation across nations between wealth and satisfaction,[10] many developing countries have very high levels of happiness (see Figure 2). People in developed countries don't seem happier than they were 40 or 50 years ago, despite rising living standards (see Figure 1). Within countries, however, very rich people tend to be a little bit happier than the moderately well off, both of whom are happier than the seriously impoverished. How do we make sense of these seemingly contradictory findings? The evidence suggests that after our basic needs are met, we adapt very quickly to the material gains which come from increases in income. We also compare ourselves to others and, unless we are at the top of the pile, this can lead to dissatisfaction (see Box 2).[11]

Not only does economic growth not bring happiness, but many of the things associated with growth can reduce our well-being. By focusing purely on economic indicators, we have missed the negative side effects of economic growth and efficiency. These might include the depletion of environmental resources, the stress from working long hours, and the unravelling of local economies and communities when the out-of-town supermarket settles nearby. Research also shows that people who are materialistic are less happy than those who value other things,[12] and it is undeniable that we live in a culture that promotes materialism. Perhaps it is no surprise that alongside a near doubling of economic output in the last 30 years, we have seen depression and mental illness rise[13] – the Office of National Statistics (ONS) estimates that 10 per cent of the population is depressed at any given time.[14] Trust (responses to the question "do you think most other people can be trusted") has fallen from around 60 per cent in the 1950s to around 30 per cent today.[15] The economically efficient society is not necessarily a society which promotes high well-being.

So what else affects our well-being?

One of the most important factors which promote well-being is our personal relationships. Marriage and long-term cohabiting relationships have a beneficial effect on well-being. Having intimate friendships and family networks is also an important contributor to well-being[17] as is belonging to some kind of community or social group. The biggest message of the whole body of well-being research is that as a society we now devote too much time to increasing our standard of living and not enough time to fostering our relationships.

While unemployment is one of the biggest sources of unhappiness, good quality work can be an important source of well-being. In particular, it can bring 'flow' – a state of absorption where hours pass like minutes. The most important condition for creating flow at work is for the job to be challenging and for the level of the challenge to be matched to the skills and capabilities of the worker.

In terms of health, how we *perceive* our condition is the crucial factor – our objective health status matters less. Those people who see themselves as healthy are happier than those who do not, even when their objective level of health is the same. So hypochondriacs are right to complain – but it is their unhappiness that makes them sicker! And as your mother told you, exercise brings happiness both in the short and longer term.[18]

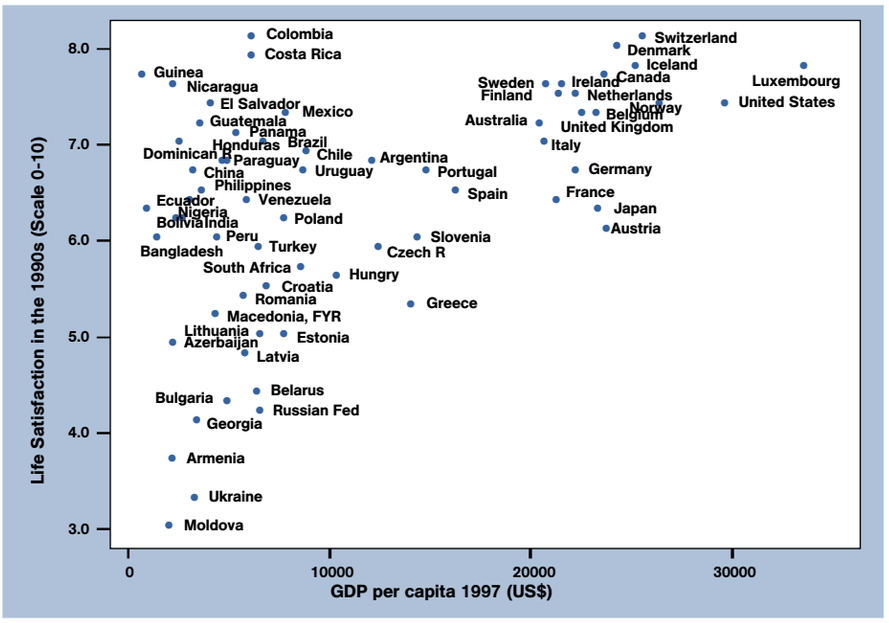
Education has little effect on life satisfaction in itself but it is an important factor in our personal development[19] and in promoting social well-being.

Box 3: The power of well-being and Nottingham City Council

Nottingham City Council (NCC) and **nef** worked together to innovatively use the local government power of well-being by creating a single set of well-being indicators across several departments. NCC's community strategy partially focuses on young people and, therefore, the well-being indicators were used with 7-19-year-olds. The creation and the use of well-being indicators supported the joining up of government by concentrating on one of the true ends of policy-making – well-being – rather than on the means. They also shed light on the reality of how young people in Nottingham were really faring. The work shows, for example, that 32 per cent of young people were at the very least unhappy and could be at the risk of mental health problems. The indicators also provide valuable new information on a range of policy-making questions. For example, they show that victims of crime had lower well-being, but that fear of crime did not affect the well-being of young people. They also highlight the importance of providing local opportunities for participating in sport and other engaging activities. This is valuable information in relation to spending priorities. (There are also important results in relation to education - see Box 6.)

Figure 2: An international comparison of the life satisfaction and GDP of nations.

Veenhoven, R (2003) World Database of Happiness, Catalog of Happiness Queries. Available at www.eur.nl/fsw/research/happiness



Our physical environment appears to have some limited independent effect on our well-being. For example, living close to open green space has been shown to enhance people's well-being,[20] while ugly or toxic environments can diminish well-being. We adjust very quickly to many environmental factors, including our climate. So the dream of moving to sunnier climes is unlikely to deliver permanent well-being enhancement with surveys showing that people living in sunny California are no happier than those living in the frozen Midwestern US.[21]

What can government do?

It is obvious that government cannot and should not attempt to make us happy but that the impacts of government can have profound effects on the culture within which we live. Are we a materialistic society focused on individual gain? Or are we a companionable, sustainable society which has the time to enjoy the fruits of its economic prosperity?

Government already does a great deal to promote well-being; the fact that we live in a democratic and stable state is an important prerequisite to our well-being. This is highlighted by the other extreme: the low well-being of unstable ex-Soviet states (see Figure 2) and the fact that the lowest ever national score of life satisfaction was 1.6 on a 10-point scale, which occurred after the government of the Dominican Republic was overthrown.[22] As well as providing a secure base for people to get on and live flourishing lives, the UK Government has recognised through recent legislation that there is indeed potential for the further promotion of well-being. In the Local Government Act 2000, all local authorities were given a new power of well-being which enables them to do anything that promotes social, economic and environmental well-being. **nef** has carried out a pilot project with Nottingham City Council building trans-departmental well-being indicators – supporting the Council in the twin aims of working towards 'joined-up government' and shedding light on policies that would enhance the well-being of young people in the city[23] (see Box 3).

This manifesto provides some ways of thinking about policy to promote well-being. It is by no means the final word, rather a space to begin the debate and push forward the directions of the thinking. To do this, we suggest that there are eight inter-related areas where government could take action to promote well-being:

1. *Measure what matters: produce a set of national well-being accounts.*

2. *Create a well-being economy: employment, meaningful work and environmental taxation.*

3. *Reclaim our time through improving our work-life balance.*

4. *Create an education system to promote flourishing.*

5. *Refocus the NHS to promote complete health.*

6. *Invest in early years and parenting.*

7. *Discourage materialism and promote authentic advertising.*

8. *Strengthen civil society, social well-being and active citizenship.*

This is not to say that the only aim of government is to maximise personal well-being. Other goals, such as promoting social justice or sustainable development, are also critical and may conflict with individual well-being. For example, our desire for cheap flights – subsidised by the lack of tax on aviation fuel[24] – is clearly in conflict with environmental sustainability. However, well-being can often go hand in hand with social justice or environmental sustainability. Improving social conditions can have well-being effects for the worst off; environmental sustainability can be interpreted partly about balancing the well-being needs of future generations against those of today's generation. In practice, well-being research opens up new arguments and potential solutions for creating an economy which is environmentally sustainable. Since it shows that well-being is not necessarily linked to growing consumption and economic growth, it is possible that we can both reduce our environmental impacts and improve our quality of life.

1. Measure what matters: produce a set of national well-being accounts [25]

Government spends hundreds of millions of pounds on measuring economic and social indicators.[26] One of the big surprises of well-being research, however, is the disjunction between people's standard of living and their happiness. As we have seen, indicators of economic growth such as GDP (gross domestic product) are poor measures of well-being (see Figure 1).[27] Therefore, with the exception of surveys regarding the prevalence of mental illness, we have little systematic knowledge of how people in the UK are really faring psychologically.

A set of national well-being accounts should be created which covers the main components of individual well-being – life satisfaction and personal development – as well as a range of components of well-being including engagement, meaningfulness, trust, and measures of ill-being, such as stress and depression. The indicators should also include measures of well-being beyond the personal, what we call social and ecological well-being – in other words, how we feel about and how engaged we are with the society and the environment in which we live. Well-being is not purely an individual phenomenon: It is rooted in our broader communities.

A set of national well-being accounts would help to focus the minds of policy-makers on the true end of policy. In particular, it would help identify the worst off in well-being terms. Policy tends to think of the worst off as the income poor. We need to supplement this with broader definitions of poverty and ill-being and what we might call the opposite of flourishing – languishing. Whilst, on average, the income poor may have lower well-being, there will be many individual cases where those who are languishing are not financially poor. It may be that to tackle their problems the best interventions are, for example, in the fields of mental health, education, or finding meaningful work.

A set of national well-being accounts would help us to understand which kinds of economic growth enhance well-being and which reduce it. More well-being research would help individuals make better choices about their own lives. This would rebalance the media coverage focused on economic and financial indicators. At present, for example, many people put too much weight on financial considerations when choosing what sort of work to do. In order to rebalance this, the public needs to have more systematic knowledge about, for example, how pleasurable or engaging or meaningful different kinds of work tend to be.

In addition to national well-being accounts, all local authorities should carry out well-being audits of their areas. This would create a single set of indicators that all departments would connect with, as ultimately most of their purposes concern the well-being of their population. Nottingham City Council, together with **nef**, has already begun to develop some of these indicators for young people with important implications for policy (see Box 3).

2. Create a well-being economy: employment, meaningful work and environmental taxation

One of the biggest messages coming from the whole literature on well-being is that increasing economic growth and efficiency does not necessarily improve well-being. So what new directions should a well-being economy move in?

Work is often characterised by economists as a necessary evil so that we can have income to enjoy our leisure time. Well-being research shows that work is far broader in its effects than this narrow view suggests. Good work can profoundly affect our well-being by providing us with purpose, challenge, and opportunities for social relationships; it can constitute a meaningful part of our identity. Thus the well-being economy needs to be concerned with the quality of work in which we engage.

Box 4: Flow

Mihaly Csikszentmihalyi defined the concept of 'flow' to describe experiences where we are completely absorbed in what we are doing, and where time feels like it passes very quickly. He argues that we experience 'flow' when we are engaged in activities that are challenging but for which we have the skills to meet the challenge. Different people find 'flow' in different activities, but the state is the same whether it is derived through mountain biking, having a good conversation or playing cards. Csikszentmihalyi argues that work is one of the most important sources of 'flow' in our lives. His research suggests that around 15 per cent of people have never experienced 'flow', whilst around 20 per cent say they feel it every day, with others somewhere in between.[31]

It should be noted that work is broader than employment. It includes unpaid work: voluntary work or work at home, such as caring for children and the elderly as well as domestic chores. We tend not to value unpaid work in our society, even though our economy depends on it. The value of unpaid work at home in the UK has been estimated as approximately £150,000 million in 2002 – the equivalent of an extra 15 per cent on GDP that year.[28] A recent **nef** survey found that people rated their voluntary work as significantly more meaningful and satisfying than their paid work.[29] Thus, as well as considering the quality of work in the economy, we should recognise and support unpaid work through valuing it in the national accounts, increasing opportunities for volunteering, and consider instituting a participation income or a citizen's service.

Well-being literature provides many insights into what makes good work. It is in the self-interest of business to promote good work as there are linkages between quality work, productivity, and worker retention. Some of the key lessons emerging from research about quality work are:

- *Jobs should be redesigned as far as possible to fit people's particular strengths and interests.*
- *Workers should be given more autonomy – the ability to make decisions and control over their work.*
- *Work should promote 'flow' – it should be designed to challenge, but not be so challenging that it provokes anxiety and stress (see Box 4).*
- *There should be opportunities for interpersonal contact and friendships at work.*[30]
- *There should be opportunities for workers to develop their skills and capabilities at work.*
- *Generally, workers should not be relocated unless it is absolutely necessary, as it destroys both their and their families' social relationships and prevents them from forming community ties.*

There are many models of good workplaces whose lessons need to be drawn out and disseminated to employers. Government itself is the largest employer in the UK; thus it should also take on board the well-being research and explicitly seek to promote the well-being of its employees.

Focusing just on paid work, research shows that unemployment has terrible effects on well-being.[32] This goes far beyond the affect loss of income has and includes the loss of identity, meaning, and social relationships. Research also shows that even the *employed* are unhappier in an economy with high unemployment, partly due to the lack of security.[33] Thus well-being research reinforces the case for a full-employment economy, even if this is not the most efficient or highly productive macroeconomic scenario. At present, UK unemployment is relatively low, but this is, in part, due to the hidden unemployment of those people who are claiming incapacity benefits but are still capable of work. Recent research suggests unemployment figures would double if they included people on incapacity benefits who were capable of working.[34] Government, therefore, needs to help these often hard-to-reach groups to find meaningful work and to support the creation of appropriate work opportunities. This can be done through, for example, supporting organisations such as intermediate labour markets and social firms.

Research shows that material gain has little impact on well-being once basic needs are met. Hence a pound in the pocket of a poorer person is worth more in well-being terms than a pound to a rich person. In Europe, there is also a relationship between social inequality and lower well-being: in other words we do not like to live in an unfair society.[35] This is an instance where well-being research strengthens the existing social justice case for material redistribution. The case is even stronger in relation to promoting overseas development through measures such as debt cancellation, reduction of UK trade barriers, and increased aid.

The well-being of future generations depends on protecting our environment from climate change, resource depletion, and other environmental problems. One of the most important changes that policy-makers can make to move us towards this is to fundamentally change the incentives system. For example, the Treasury needs to follow through its *Statement of Intent on Environmental Taxation* of 1997 and its 2002 paper *Tax and the Environment* with action. We need to start moving towards a system of taxing environmental *bad's*, such as fossil fuels, and reducing the tax burden on *good's*, such as work. Such a shift would have to be implemented with measures to prevent it from having regressive effects and hitting the worst off. Increasing environmental taxes and simultaneously reducing payroll taxes could have a small but positive effect on employment if the payroll tax cuts

Box 5: Citizen's Income

A Citizen's Income would be a tax-free income paid to all people (including children) by the state regardless of employment status or social circumstances.[44] It would enable people to make wider choices about how to allocate their time between employment, unpaid work, parenting, and leisure. The principle of a Citizen's Income is already recognised in the form of child benefit and pensions. It could be financed through a mixture of reduced expenditure on existing benefits and administration, and new taxation. Present benefit administration costs are extremely high and would be significantly reduced as there would be far less means testing required and fewer benefits in existence.

The basic income would have important redistributive effects. It would also promote employment as it would reduce the level at which paid work becomes worthwhile: The present benefits system discourages work as moving from unemployment to paid work may bring very little rise in disposable income after travel costs, childcare etc., are taken into account.

A Citizen's Income could be introduced through a transitional system which could begin as tax neutral, with the basic income replacing the existing system of tax allowances, benefits, and state pension over time.

were aimed at lower-income groups.[36] Hence a 'double dividend' of reduced pollution and increased employment is possible here.

3. Reclaim our time

Economic prosperity has not necessarily brought us stronger families, better relationships or more resilient and vibrant communities. In fact, it appears that economic pressures have diverted us from these things which really matter.

The single most important shift we need to make as a society to promote well-being is to improve our work-life balance. Whilst, as discussed above, we need to structure work in such a way that it produces well-being, the evidence shows that overall we are spending too much time at work and not enough time doing other things. Research shows clearly that individuals consistently mistake how much happier an increase in income will make them. In the US, research which has tracked people across time shows that at any given stage most people believe that 20 per cent more income would make them happier. But measuring their life satisfaction a few years later when they have achieved that rise in income shows that they are no happier – they have adapted to the new level of income.[37] So, we work too hard to bring in the extra income to consume more, but it makes us no happier. In the process we are left with less and less time to spend with our children, family and friends, exercise, engage in voluntary work, or to pursue recreational interests, which the evidence shows are some of the real sources of well-being. We do not adapt to our relationships and activities in the same way that we adapt to our levels of income.

Economists argue that our choices reveal what makes us most happy. The evidence suggests otherwise: our choices – 'revealed preferences' – do not always show what makes us happiest. We make systematic mistakes about where to allocate our time. There may be a case, therefore, for action at the collective level.

For some decades, as a society, we have tended to take our productivity gains in the form of income. The former trend of our moving towards a seven-hour day has now swung in the opposite direction back towards the 10-hour day of a century ago. But as our increasing income isn't making us any happier, well-being data suggests we should start taking our income gains in the form of that really scarce resource: time. But this is a problem which is difficult to tackle at the individual level. We don't want to be left behind our neighbours; we don't want people to think we are not committed to our work; and what is the point of downshifting if everyone else is still working long hours anyway?

One way to restore the adequate balance between work and life in society is for the UK to end individual opt-outs to the EU Working Time Directive and thus institute a maximum 48-hour working week. If we wanted to go further, we could then reduce this maximum working week an hour each year until we reach a 35-hour week. This gradual approach would also give business time to make plans, rather than being given little real transition period as in the French case. If we took our productivity gains in the form of time, assuming annual labour productivity gains of two per cent, we could be working an average 30-hour week[38] with an unchanged standard of living in a decade.[39]

This would need to be accompanied by appropriate pensions reform, re-engagement of those on incapacity benefits into the labour market, and managed migration.[40] This policy is likely to be popular as suggested by a recent European Union survey on attitudes at work – over 50 per cent of workers want to reduce their working week to an average of only 34 hours. Indeed the report also noted that people "remarkably, would even accept a corresponding drop in income to achieve this".[41] Economic analysis suggests that this policy should not have a negative effect on employment.[42] In fact, reducing the working week for the majority might also offer more work opportunities for the unemployed and underemployed.

Reducing working hours could also reduce commuting which would have important well-being benefits, as well as lowering environmental impacts. Recent research shows that "people who commute one hour (one way) would have to earn 40% more [than they do] in order to be fully compensated" for the loss in well-being that they suffer.[43] In other words, we don't fully factor into our thinking (and pay bargaining) the truth about just how awful the daily commute is. Once more the research shows we make systematic errors about predicting our well-being.

A reduction in working hours would need to be accompanied by re-distributive measures for the poorest, who are working long hours to survive. This could be done through increasing progressive taxation. Another way to address this and some other wider issues, such as the 'benefits' trap', is through instituting a Universal Citizen's Income (see Box 5). Such a basic income would enable all citizens to create a life of meaningful paid and unpaid work. We should explore in detail the feasibility of such an income.

Regardless of how much we lower working hours through regulation, it is clear that we should, in any event, increase flexible working provisions. All employees should be entitled to ask for flexible working patterns including flexibility around working hours, job sharing, taking pay rises in the form of time rather than income, increased parental leave and elder care, compressed working weeks and tele-working. In addition to flexible working patterns, there is a need for flexibility over the whole of a person's working life. Patterns of breaks from work may emerge as people choose to take time off for education, parenting, or to pursue leisure activities. A redistribution of work may allow a more positive role to emerge for older people so that they can continue to engage with the employment market.

Finally, as part of the move towards a more convivial society, we could also raise the number of bank holidays in the UK from eight, closer towards the European average of 11. We could even have a vote for when these might be held and what they would celebrate – one option might be a day to spend time in the local community.

Box 6: Happiness and curiosity in school

In a pilot study by **nef** and Nottingham City Council to measure well-being in the local area, over 1000 young people completed detailed questionnaires to measure their well-being. The data shows that not only did both their satisfaction with life and their curiosity in life (a proxy measure for personal development) both fall as they got older, but also their satisfaction with their school experience plummeted between primary and secondary school, and did not recover. Specifically, their levels of interest in school and the belief that they were learning something also dropped a great deal.

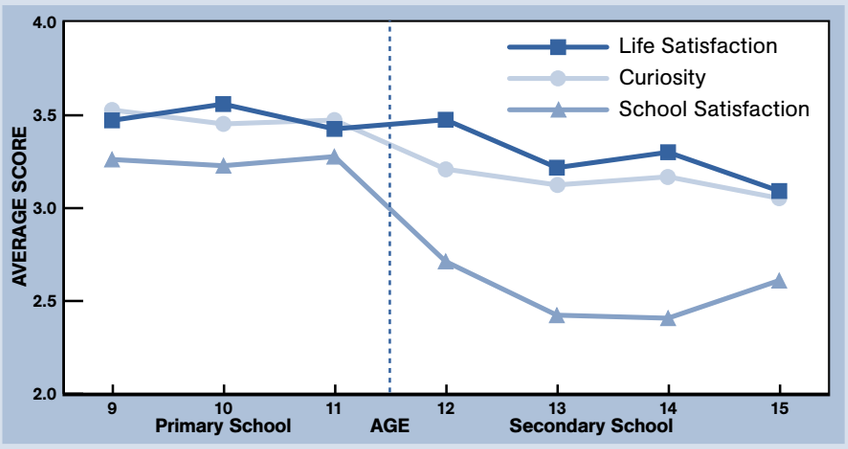


Figure 3: Average overall well-being and school satisfaction by Age.

Question	Primary School % 'Strongly Agreeing'	Secondary School % 'Strongly Agreeing'
I learn a lot at school	71%	18%
School is interesting	65%	12%
I enjoy school activities	65%	18%

4. Create an education system that promotes flourishing

The purpose of our education system is unclear in the eyes of most children, parents and teachers. Research by **nef** shows that between primary and secondary school there is a huge drop in young people's well-being. This is both in terms of their overall well-being as assessed by life satisfaction and curiosity (a proxy measure for personal development in this context) and specifically their well-being whilst at school (see Figure 3 and Box 6).

This result suggests that our secondary education system is not supporting young people to naturally grow and flourish, which implies that they have lower well-being, both currently and across their lives, than they might have done if the education system was different.

The purpose of the education system should be explicitly to promote individual and societal well-being both now, and in the future. It should aim to create capable and emotionally well-rounded young people who are happy and motivated. To this end, all schools should have a strategy to promote emotional, social and physical well-being. This is not just about rethinking the curriculum – important as that is. This should be a 'whole school' approach which considers a range of matters including the school culture and environment, giving pupils a say, the methods of teaching and assessment, and school governance.[45] Whilst various initiatives are taking forward some aspects of these ideas, they need to be integrated into a comprehensive well-being strategy.

At its heart, education policy must acknowledge that the best way of enabling people to realise their potential is to value them for who they are rather than for their performance against targets. There is evidence to show that focusing heavily on testing can destroy learning, innovation, experimentation, and original thinking.[46]

Creative learning requires creative teaching. The heavy regime of targets and centralised policy prescriptions is destroying the natural curiosity and imagination of teachers. Teachers need more space to explore with each other the challenges they face.

The curriculum also needs to be broadened to promote well-being in order to meet the full range of needs of young people in our society. As well as the obvious need to broaden the vocational elements of the curriculum and to focus on life skills, there are some

Box 7: The nun study – happiness and longevity
In the 1930s, a group of young nuns were asked to write a short autobiography. These papers were recently re-analysed in terms of the amount of positive emotions expressed in the writing. A strong relationship was found to exist between the amount of positive emotion expressed (taken as a proxy for well-being) and the longevity of the nuns (who have had very similar lifestyles with regard to, for example, diet and living standards). Ninety per cent of the quarter who had expressed the most positive emotion in their autobiographies were still alive at the age of 85 compared to just 34 per cent of the quarter who had expressed the least positive emotion. There is discussion about how the relationship between happiness and age actually operates: are happy people less stressed or, for example, do they look after their bodies better? What is clear, however, is that there is a strong relationship between well-being and longevity.[53]

wider issues. We need to cultivate the variety of 'intelligences' we have – including musical, spatial, physical, interpersonal and intrapersonal.[47] Therefore, we need to refocus the curriculum to include more opportunities around sports, arts and creativity. There should be a commitment to enhancing social and emotional intelligence as much as academic intelligence. We can, for example, build on the work done in the UK on emotional literacy[48] and the pilots in the US which are looking at how far optimism (a well-established buffer against depression and low well-being) and character strengths can be encouraged.[49]

As discussed earlier, we systematically make errors in relation to choices about our well-being. Early on in their lives, young people should be exposed to the evidence about the kinds of satisfaction derived from different sorts of life choices, perhaps through broader study of the good life: questions around how we should lead our lives, and what well-being is. **nef** has run two successful summer schools on well-being for 16-year-olds that enabled them to radically change their views on what the good life is. Broader education of this kind will enable young people to become more autonomous and make better decisions about their lives rather than be led by scripts forced on them by peers, the media, and advertising.

An education system that promotes flourishing is likely to lead to higher productivity, a more entrepreneurial society, and greater active citizenship, as well as less anti-social behaviour and fewer mental health problems.

5. Refocus the NHS to promote complete health

There are obvious links between promoting health and well-being. It is becoming increasingly clear that psychological factors influence people's physical health to a very large degree. One of the most astonishing findings is the huge positive influence of happiness on longevity (see Box 7). Even after allowing for all sorts of other influences – such as income levels, marital status and even loneliness – researchers on the effects of positive aging have found that happy people live up to seven-and-a-half years longer. The positive effects from well-being were even larger than the effects for body mass, smoking, and exercise.[50] Other studies show that unhappy people are more likely to regard themselves as ill, which obviously creates pressures from the 'unhappy-well' on the current health system.[51] In addition, risks of cardiovascular illnesses have been estimated to be twice as high for people with depression, or mental illnesses, and one-and-a-half times for those who are more generally unhappy.[52]

The health service should consider its purpose to be the promotion of complete health, which is defined by the WHO as "a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity".[54] More integration between physical health provision and the promotion of personal and social well-being is required to make this happen. An incredible amount is spent on our 'health' service, but most of it focuses on dealing with physical symptoms of sickness. It is acknowledged amongst policy-makers that there is a need to shift the system from being treatment oriented to being more prevention oriented. Whilst we are taking some steps towards this, we need to accelerate this process and do a great deal more. We need to invest and commit to disease prevention and public health promotion rather than focusing on technical solutions to ill-health.

The system itself could express the values it promotes by being more personable, socially engaging, and empowering. In part, this could be achieved through putting more emphasis on smaller-scale health enterprises. 'Cottage-hospital'-style approaches are more popular with patients and more successful in developing working partnerships with local communities. Institutions should also have more freedom to set locally agreed health targets in response to local need. Frontline staff could be given discretionary powers and budgets that allow them to short circuit long-term bureaucracy, if necessary. At the local level, government could further encourage and resource community-based institutions such as healthy living centres to take forward a 'complete health' agenda.

The research also suggests that any well-being health policy needs to think of illness in more than just physical terms. In part, this is through recognising the importance of mental health. The evidence shows that it is our self-perceived health rather than our objective health which matters for our well-being. Mental health is, therefore, by definition, crucial to our well-being. Up to one in six people in the UK suffer from depression, anxiety, or phobias at any given time.[55]

Depression has risen substantially during a period of growing economic prosperity, and whilst there are distributional effects, the problems are by no means confined to the financially poor. We need to tackle mental health far more systematically, both by dealing with its causes and also through a range of interventions such as strengthening medical care, providing increased support for families and carers and communities, and giving the mentally ill more opportunities to work.

Given the importance of close relationships to our well-being, the health service should explore how it could help deal with relationship issues. Greater provision of relationship and personal counselling, as well as targeted support for groups vulnerable to acute stresses, such as new parents, are likely to be central to this.

Treating people holistically also means that health professionals need to go beyond just treating the biomedical causes of disease to thinking about the social and psychological aspects of how patients are treated. Research shows that when medical staff are 'patient centred' and have empathy, involve patients in decision-making, and treat them as real human beings this has profound consequences for their health. One study notes that when physicians supported clients to be involved in the decision-making and were empathetic "patients showed improved maintenance of healthy behaviour change, greater satisfaction, better adherence to medication, better physical and mental health, fewer healthcare visits…"[56] There is an increasing recognition that patients are 'co-creators' of their health and this needs to be taken on board across the system. To this end, all health institutions should have some system in place to involve patients as partners in the business of delivering health and there needs to be investment in training frontline staff on good practice around this.[57]

6. Invest in the very early years and parenting

It is increasingly recognised in policy circles that the earliest years of a child's life are very important for their long-term well-being. Cost-benefit analyses show that investment in the area will pay itself back many times over both financially and non-financially through increased academic achievement, enhanced health outcomes, and reduced social disruption. The majority of attention, however, has been focused on the provision of pre-school childcare for the over-three's – for example through Sure Start. Whilst in no way challenging the importance of this policy, it is vital that an equal amount of attention and money is invested in the first three years of a child's life. The UK is a low spender in this area with only 0.3 per cent of GDP spent on childcare as compared to two per cent in Sweden.

There is a need for a balance between the well-being needs of the child, the parents and also the broader issue of future impacts on social well-being. Children need responsive individual attention in their first years, and they need a lot of it. Whilst they often do the best they can, day nurseries can rarely offer this in a consistent manner. They suffer from high turnover of staff and, for both legal and economic reasons, have to have one adult looking after up to three babies.[58] Recent research has begun to suggest that children suffer well-being impacts by spending too much time at day nurseries; with the finding that if children spend more than 12 hours per week in nursery day care, they are more likely to become insecure and aggressive in later childhood.[59] Whilst it is possible that high-quality nurseries could exist if we were prepared to pay for the quality and quantity of staff, the costs would be very similar to the cost of extending parental leave or supporting child-minders to provide one-to-one care.

A recent report commissioned by the National Audit Office notes "In Sweden in the 1980s childcare in the first year of life and later was extremely common due to the extensive availability of state funded provision. However, with the extension of parental leave, parents voted with their feet, and the use of childcare in the first 18 months of life decreased dramatically."[60] As well as sensing that hands-on parenting is better for their own children, Swedish parents might also might be responding to the fact that being with their child is good for their own personal well-being. For although having children is an enormously stressful time, with many well-being indicators tending to fall (particularly satisfaction with one's relationship with one's partner), in-depth studies show that of all the activities that parents have to do, it is spending time with their new child which is the most intrinsically rewarding.[61]

It would seem that the best well-being solution for both parents and children is for paid parental leave to be extended to cover at least the whole of a child's first two years of life. This is could be taken by either parent, or potentially shared between them (a desirable option for many couples). The Swedish system provides 13 months of paid leave between a couple, with a further three months available on the payment of a token sum. Whilst such a system might appear difficult to institute from a cost perspective, investment in this area is estimated to pay handsomely for itself in detailed cost-benefit analyses.[62] This solution, however, will clearly not suit all, and for those parents who need or wish to work, high-quality childcare should be subsidised. This may take unconventional forms such as subsidies for grandparents as well as registered child minders and day nurseries. The role of *au pairs* and nannies, and the qualifications they require may need to be examined, too.

There is also a need to support people to be the best parents they can be. The social environment of the family setting is vital to the future personal well-being of the growing child, and can affect the social well-being of the whole community. Children brought up in 'risky families' – characterised by conflict, aggression and relationships that are cold, unsupportive and neglectful – are far more likely to suffer from future mental illness and also be more socially disruptive.[63] It is well known that bringing up young

children is stressful and increased conflict between parents is a widely observed phenomenon. In well-being terms this is often called the parenting paradox: Adults with young children often report lower satisfaction with their lives and particularly with their relationships with their partners. This may be partially a classic trade-off between more pleasure-orientated satisfaction and more meaning-orientated growth.[64] There are, however, possible policy interventions that could soften the drop in well-being for parents, thereby enhancing the child's future well-being and also reducing the risk of future socially disruptive behaviour. These might include:

- *Pre-natal parenting (and relationship) skills classes organised through the NHS.*
- *Supportive home visits for new parents from community midwives or nurses whose purpose could be extended to the well-being of the whole family rather just the health of the infant.*[65]
- *More support for community services, such as parent and toddler groups, where parents self organise activities and provide support for each other.*
- *Greater support for inter-generational exchanges, so that younger parents could have mentors who are older members of the community – surrogate grandparents, as it were.*

It has also been shown that children suffer adverse effects if their caregiver suffers depression. There needs to be more targeted work tackling depression amongst parents, with a particular focus on postpartum depression. This kind of radical investment in the very early years is likely to yield significant well-being dividends both for the individual and for society.

7. Discourage materialism and promote authentic advertising

We live in a highly materialistic society. By 'materialistic' here we mean a value set which believes that material goods will lead to well-being to the exclusion of focusing on other factors. The evidence shows, however, that materialistic people are less happy.[66] Material consumption is also the primary driver of many of our environmental problems. It is obviously extremely difficult for policy to intervene to change cultural norms.

One area which is open for policy change, however, is advertising. Most advertising rests on the pretence that material goods or services will deliver a variety of non-material benefits, and ultimately happiness. This is patently untrue. Advertising raises the standard of what we consider to be normal, inducing unrealistic comparisons. We need more authentic advertising – products should not pretend to deliver any more than they can. Research shows that young children lack the critical capacity to filter out the subtle selling messages of advertising and in fact often cannot distinguish between the advertising and the program they are watching. In **nef**'s survey of young people in Nottingham it was clear that materialistic values took an early hold on children – particularly the boys – with over 60 per cent of children thinking it "is very important to make a lot of money when I grow up" and nearly 70 per cent wanting "to have a really nice house filled with all kinds of cool stuff".

For these reasons it is worth considering a ban on commercial advertising aimed at the under-eights's and a strong code of conduct for commercial advertising to the tweenager group (9-12) and teenagers. Sweden has a ban on TV advertising aimed at the under-12's and a prohibition against direct marketing aimed at children under the age of 16. These laws are limited, of course; for example, the TV advertising ban cannot extend to cable television channels which broadcast from outside the country; and materialism has more sources than just advertising. Nevertheless, curbing commercial advertising aimed at young people would be an important step in creating a well-being society.

Research shows that a major source of well-being is engaging in challenging activities. The nation's favourite pastime of gardening during the 1970s and '80s, however, has been replaced by a new, more materialistic, favourite pastime – shopping. We also spend a great deal of our time watching television; research shows that the state induced by passively watching television is similar to that of a mild form of depression! The well-being society is one which spends less time shopping and in front of the television, and more time engaging in active pastimes such as sports, arts and other hobbies.

Research suggests that whilst we get more well-being from these kinds of activities than 'easy' behaviour like shopping and watching TV, we do not always work up the will to do the more demanding activity. Therefore, society should endeavour to make the well-being choice the easy choice. Policy could intervene to increase the amount of cheap, local leisure provision, such as sports centres and arts venues, as well as informal open spaces and parks. A society more engaged in meaningful pastimes is likely to be less focused on the illusion that material goods will bring it happiness.

As suggested earlier, the education system could also give young people the opportunity to question where their values come from, and think about concepts such as the good life. This would also provide an important buffer against materialistic values.

Box 8: Social well-being and social capital

Robert Putnam describes social capital as "features of social organisation, such as networks, norms and social trust that facilitate co-ordination and co-operation for mutual benefit". The major components of social capital are trust, norms, reciprocity, and networks and connections. Social capital has been shown to have positive economic effects. It also has important effects on health and well-being. We are social animals: for example, there is the extraordinary statistic that if you presently do not belong to any group, joining a club or society of some kind halves the risk that you will die in the next year.[72]

Corey Keyes defines social well-being as "the appraisal of one's circumstance and functioning in society".[73] It is clearly a concept related to social capital but it differs in that it is exclusively based on people's own perceptions ascertained through survey questions. The concept includes how people feel about the society in which they live, their sense of belonging, as well as how much they contribute to society. Social well-being is a relatively under-researched concept, but we would expect there to be important links, as well as differences between social well-being and individual well-being.

Box 9: Democracy and happiness

Participatory democracy makes us happier. This is the finding of research comparing Swiss cantons (districts), which differ in the extent to which they use referenda for making major decisions.[78] Most interesting of all, around two thirds of the well-being effect can be attributed to actual participation itself, and only one third to the improvement in policy as a result of the participation. This was discovered through looking at the well-being of foreigners resident in Switzerland, who get the well-being benefit from the improved decision-making, but not from the participation itself. This implies that an increased ability to participate – both in politics and in the way public services are delivered – may have positive well-being dividends.

8. Strengthen active citizenship, social well-being and civil society

Research shows clearly that we derive well-being from engaging with one another and in meaningful projects. In particular, the personal development aspect of well-being is likely to be linked with engaging actively with life and our communities. These findings have implications for policy in relation to civil society, active citizenship and public-service delivery.

Well-being research comes together with work which has been done on social capital[67] to show the profound importance of our communities and relationships to our quality of life (see Box 8). Community engagement not only improves the well-being of those involved but also improves the well-being of others.[68] The relationship is positive in both directions: involvement increases well-being and happy people tend to be more involved in their community. Therefore, interventions in this area should lead to a positive upward spiral.

This evidence bolsters the case for government to support different sorts of community engagement, civil society organisations and spaces. This could be done partly through setting up a Citizen's Service – extending the Jury Service concept to a range of other activities such as volunteering, citizen's panels, environmental juries, etc. There is also a particular need for younger and excluded groups to have more opportunities to engage in the community and in politics.[69] Time banks and reward card schemes are ways in which marginal groups can be attracted into community engagement, through a form of 'mutuality' where they gain clear benefits from what they are doing.[70] Government can also intervene where people are unable to engage due to financial circumstances or the regulations of the benefits regime. A means-tested 'participation income' could be paid to those who would otherwise have been unable to carry out voluntary, community or caring activities.[71] These kinds of interventions would increase active citizenship throughout society and, in particular, would help to involve people who have traditionally been on the margins of political engagement.

Well-being research has some implications for the way that citizens are involved in public-service delivery. There is increasing focus on the use of choice in public services, but often this is restricted to choice over service providers. This suffers from a range of well-documented problems: Sometimes individual choice does not lead to optimum outcomes at the collective level. We cannot always choose what we want as individuals but only in the collective (e.g. in relation to a better global environment).[74] We may not have the information to make the best choices: It is often difficult to know what constitutes a good school or hospital. In the end it is those schools or hospitals with good reputations which end up able to choose the people they take on due to increased demand – the very reverse of what choice was said to deliver. Psychologist Barry Schwartz has shown that too much choice can lower our well-being as we feel overwhelmed.[75]

Choice in public services can be far broader than the choice of public service provider.[76] It is being increasingly recognised through concepts such as personalisation

and co-production that it can be very productive to involve people in the design and delivery of the services that they receive.[77] Increasing movement towards this kind of choice in public services will give the public-service user autonomy of the sort that is closely linked to well-being in many other contexts, such as in the workplace, and therefore, is likely to increase well-being. It also builds on the Swiss research which shows that there is a strong link between democratic involvement and happiness (see Box 9).

In particular, the governance of public services is presently dominated by a plethora of targets and indicators, usually set by central government. As part of a move to put users in the centre of public services, we should move away from this command-and-control model towards a model based on accountability to stakeholders. One way to do this would be to drop the swathes of targets and replace them with a process of stakeholder engagement and accountability as recommended by corporate standards such as AA1000.[79] This leads to measurement of what matters in the eyes of stakeholders, and the publication of an externally verified report of these factors.

Well-being research has pioneered the use of subjective indicators. To build on the learning that has emerged from this, public-service deliverers could monitor users' satisfaction with services and focus on this as a key indicator to improve in conjunction with more 'objective' indicators.[80] The Canadian Government has set user satisfaction as the most important indicator across public-service delivery.[81] This method focuses on one of the main ends of public services, but allows flexibility in the means to promote the satisfaction. Our present system has it the wrong way around: the centre tends to specify the means rather than the ends.

Call for a flourishing society

Well-being research points the way to a society which could be profoundly different. If we take the right steps we could move towards a happier, more vibrant society where people are actively engaged in their communities. A flourishing society would be healthier, more productive, entrepreneurial, creative, and engaged.

Well-being research is still fairly new. Whilst striking lessons have emerged already from the research, we need to understand better what well-being is and what brings it about. In particular, there needs to be more research about the second dimension of well-being – that of personal development – and the policy implications which emerge from it, rather than the current interest which focuses solely on life satisfaction. Similarly, we need to go beyond just looking at individual well-being to consider social well-being: how we feel about, and contribute to, our broader society.

Lack of research should not prevent us from acting where we can to move towards a flourishing society. Therefore, all policy-makers should ask *"What would policy look like if it were seeking to promote well-being?"* This should be one of the defining questions of politics in developed countries.

NOTES

[1] Depressions rates are difficult to track over long periods of time due to changes in diagnosis and in how people perceive depression. Diener and Seligman, however, cite strong evidence that young people are experiencing more depression, and that "people born earlier in this century have experienced much less depression in their lifetime than people born later"; Diener, E and Seligman, M (2004) 'Beyond Money: Toward an economy of well-being', *Psychological Science in the Public Interest*, Vol 5 issue 1 (American Psychological Society, Washington DC).

[2] Life satisfaction data tends to remain relatively stable at the country level. It partly suffers from the fact that people adapt to their circumstances. Therefore it is important to supplement life satisfaction with other measures. For a fuller explanation of, and justification for, a two-dimensional model of personal well-being see Marks, N, Shah, H and Westall, A (2004) *The Power and Potential of Well-being Indicators* (**nef,** London) *www.neweconomics.org*

[3] See, for example, Ryan, R and Deci, E (2001) 'On happiness and human potentials: A review of research on hedonic and eudaimonic well-being', in S Fiske (ed.), *Annual Review of Psychology* (Annual Reviews Inc., Palo Alto, CA.) Vol. 52; pp. 141-166.

[4] Adapted from Corey Keyes' classification of Social Well-being; Keyes, C and Haidt, J (2003) *Flourishing: positive psychology and the life well-lived* (American Psychological Association, Washington DC).

[5] Flourishing and languishing as scientific concepts have been developed by Corey Keyes. Whilst we do not use them in their strictest sense here (as Keyes assesses positive personal functioning and we favour assessing personal development) the data quoted uses Keyes methodology. Keyes, C (2002) 'The mental health continuum: from languishing to flourishing in life' *Journal of Health and Social Behavior* (American Sociological Association, Washington DC) 43, pp 207-222.

[6] See, for example, Singer, B and Ryff, C (eds) (2001) *New Horizons in Health: An Integrative Approach* (National Academies Press, Washington).

[7] Lyubomirsky, S, King, L and Diener, E (2004) *Is Happiness a Strength?* (forthcoming).

[8] Lykken, D (1999) *Happiness: the nature and nurture of Joy and Contentment* (St Martin's Press, New York) and Sheldon, Lyubomirsky and Schkade (2003) *Pursuing Happiness: The Architecture of Sustainable Change*, to appear in *Review of General Psychology.*

[9] This does not mean everything is determined: Genes create a pre-disposition, but they sometimes require environmental conditions which would activate them. Therefore, there is an important interaction between genes and the environment, and thus the environment can be moulded to facilitate positive pre-dispositions and prevent the activation of negative pre-dispositions.

[10] For the international comparison data presented in Figure 2 – the correlation is 0.49, which suggests that GNP can explain about 25 per cent of the variation in happiness between nations.

[11] Whilst people gain status from factors other than their income level, the dominance of economic comparisons is probably reflected in the finding that the very wealthy are a little happier than those who are closer to average income levels – i.e. it is the status gained from income rather than the income itself. See Diener, E, Horwitz, J and Emmons, R (1985) 'Happiness of the very wealthy' *Social Indicators Research* (Kluwer Academic Publishers, New York) 16 pp 263-274. For a more philosophical inquiry into the role of status in our society see de Botton, A (2004) *Status Anxiety* (Pantheon, UK).

[12] Kasser, T (2002) The High Price of Materialism (MIT Press, Cambridge, MA).

[13] See endnote 1 above.

[14] ONS (2001) *Psychiatric morbidity among adults living in private households 2000*, *www.statistics.gov.uk*. Interestingly, the lowest prevalence rates of mental disorders were amongst older people aged 65-74, perhaps supporting Diener and Seligman's hypothesis that those born earlier in the twentieth century are less prone to depression.

[15] Performance and Innovation Unit (2002) *Social Capital – a discussion paper* (Cabinet Office, London).

[16] Brickman, P et al (1978) 'Lottery winners and accident victims: is happiness relative?', *Journal of Personality and Social Psychology*(APA, Washington DC) No. 36, pp 917–927.

[17] Diener, E and Seligman, M (2002) 'Very Happy People' *Psychological Science* (APS, Washington DC) Vol 13 pp 81–4. There are many other studies which validate this point.

[18] Sarafino, E (2002) *Health Psychology* (Wiley, New York).

[19] Satisfaction with school was shown to be the most important influence on young people's personal development in **nef**'s recent report on assessing young people's well-being in Nottingham. Marks et al, *op.cit.*

[20] Maller, C et al (2002) *Healthy Parks, Healthy People* (Deakin University and Parks Victoria, Victoria, Australia) *http://www.parkweb.vic.gov.au/resources/mhphp/pv1.pdf*

[21] Schkade D and Kahneman, D (1998) 'Does living in California make people happy? A focusing illusion in judgments of life satisfaction', *Psychological Science* (APS, Washington DC) 9:340-6.

[22] Diener and Seligman (2004) *op.cit.*

[23] Marks, N et al (2004) *op. cit.*

[24] Simms, A (2000) *Collision Course: free trade's free ride on the global climate* (**nef**, London) *www.neweconomics.org*

[25] This section is based partly on ideas from Diener and Seligman (2004) *op.cit.*

[26] For example, the Office for National Statistics spent over £142 million in 2002/3 on collecting social and economic statistics – but this doesn't include costs from the Treasury or the Audit commission. ONS (2004) *Annual Report and Accounts 2002-3*, available online at *www.statistics.gov.uk*

[27] Jackson, T (2004) *Chasing progress: Beyond measuring economic growth* (**nef**, London).

[28] This figure is from the new Measure of Domestic Progress indicator developed by Tim Jackson, professor of sustainable development at Surrey University.

[29] As yet unpublished data from an online sample of over 100 people.

[30] Harter, Schmitt and Hayes (2002) quoted in Diener and Seligman (2004) *op. cit.*

[31] Csikszentmihalyi, M (1997) *Finding Flow, the psychology of engagement in everyday life* (Perseus Books, New York). For a slightly different more detailed approach to assessing flow and engagement see Delle Fave, A and Massimini, F (2004) 'Parenthood and the quality of experience in daily life', *Social Indicators Research* (Kluwer Academic Publishers, New York) 67: pp 75-106.

[32] Argyle, M (2001) *The Psychology of Happiness* (Routledge, London) p103.

[33] Di Tella, R, MacCulloch, R and Oswald, J (2003) 'The Macroeconomics of happiness' *The Review of Economics and Social Statistics* (MIT Press, Cambridge, MA) Vol. 85 Issue 4, pp 807-27. *http://mitpress.mit.edu/catalog/item/default.asp?tid=11119&ttype=6*

[34] Beatty, C and Fothergill, S (2004) *The Diversion from "Unemployment" to "Sickness" across British Regions and Districts*, (Centre for Regional Economic and Social Research, Sheffield Hallam University).

[35] See, for example, Alesina, A, Di Tella, R, and MacCulloch, R (2001) *Inequality and Unhappiness: are Europeans and Americans different?* (National Bureau of Economic Research, Cambridge, MA) NBER Working Paper 8198.

[36] Turner, A (2001) *Just Capital* (Pan Books, London) p310.

[37] Easterlin, R A (2003) Explaining Happiness *Proceedings of National Academy of Science* (National Academy of Science, Washington DC) Vol 100, No.19; pp11,176-11,183.

[38] At present Britons work an average of 37.3 hours per week, but this mixes both full- and part-time workers and also hides the large differences between men and women, especially when they have children at home. Men with children work an average of 46.9 hours. Source: European Foundation for Improvement of Living and Working Conditions (2003) *A new organisation of time over working life;* available on line from *www.eurofound.ie*

[39] Hamilton, C (2004) *Growth Fetish* (Pluto Press, London) p218.

[40] Given the shrinking population the reducing number of workers will offset the labour productivity gains. Thus there is a need to maintain or increase the workforce through appropriate work opportunities for those on incapacity benefits and managed migration.

[41] European Foundation for Improvement of Living and Working Conditions (2003) A new organisation of time over working life; available on line from *www.eurofound.ie*

[42] In of itself a reduced working week is unlikely to increase unemployment. As Adair Turner notes, "Across the board "labour standards" – such as… the French thirty-five hour week…amount to a diversion…of potential post-tax income towards greater leisure but they have no necessary long-term impact on total labour costs per hour…[T]he idea that such rights will have any sustained impact on employment levels is wrong." Turner, A (2001) *Just Capital* (Pan Books, London).

[43] Stutzer, A & Frey, B (2003) Stress that doesn't pay: the commuting paradox, Working paper series 151 (Institute for Empirical Research in Economics, University of Zurich).

[44] See *www.citizensincome.org* for more details about the Citizen's Income.

[45] A briefing from the National Healthy School Standard outlines some of the main ways to take this forward. *Promoting Emotional Health and Wellbeing through the National Healthy Schools Standard* (Health Development Agency) available from *www.had-online.org.uk*

[46] Deci, E and Ryan, R (2002) 'The paradox of achievement: The harder you push, the worse it gets' in Aronson, J (ed.) *Improving academic achievement: Contributions of Social Psychology* (Academic Press, New York) pp.59-85.

[47] Gardner, H (1993) *Frames of Mind: the theory of multiple intelligences* (Basic Books).

[48] For example the work of Antidote – *www.antidote.org.uk*

[49] These pilots are being led by Christopher Peterson and Marty Seligman as part of the 'values in action' programme run by the positive psychology network. *www.viastrengths.org*

[50] See, for example, Levy, B et al (2002) 'Longevity increased by positive self perceptions of age' *Journal of Personality and Social Psychology,* 83; cited on p56 Lyubomirsky et al (2004) *op.cit.*

[51] "Unhappy people have a low threshold for pain or minor symptoms, and are ready to decide that they are 'ill'" p219; Argyle M (2001) *op cit.*

[52] Keyes, C (2004) 'The nexus of cardiovascular disease and depression revisited: the complete mental health perspective and the moderating role of age and gender' *Aging & Mental Health* (Brunner-Routledge, London) May 2004; 8(3): 266–274.

[53] Danner, D, Snowdon, D and Friesen, W (2001) 'Positive Emotion in early life and longevity: findings from the nun study' *Journal of Personality and Social Psychology* 80, pp. 804-813 quoted in Seligman, M (2002) *Authentic Happiness* (Nicholas Brealey Publishing, London).

[54] Preamble to the Constitution of the World Health Organization as adopted by the International Health Conference, New York, 19-22 June, 1946; signed on 22 July 1946 by the representatives of 61 States (Official Records of the World Health Organization, no. 2, p. 100) and entered into force on 7 April 1948. The Definition has not been amended since 1948.

[55] Social Exclusion Unit (2004) *Mental Health and Social Exclusion* (Office of the Deputy Prime Minister, London).

[56] Williams, G, Frankell, R, Campbell, T, and Deci. E (2000) 'Research on relationship-centred care and healthcare outcomes from the Rochester biopsychosocial program: a self-determination theory integration' *Families, Systems & Health* (APA, Washington DC) Vol 18, No.1 (2000).

[57] Boyle, D, Conisbee, M and Burns, S (2004) Towards an asset-based NHS (**nef**, London).

[58] The legal requirement for ratios of adults to children is 1:3 for under-two's, 1:4 for two-year-olds rising to 1:8 for three-year-olds and over. SureStart (2003) *National Standards for under 8s day care and child minding*, (DfES, London). *www.childcarelink.gov.uk*

[59] Melhuish, E (2004) *Literature Review of the impact of early years provision on young children* (National Audit Office) p57. Available online *www.nao.org.uk/publications/nao_reports*

[60] *Ibid.* p55.

[61] Delle Fave, A and Massimini, F (2004) 'Parenthood and the quality of experience in daily life', *Social Indicators Research* (Kluwer Academic Publishers, New York) 67 pp 75-106.

[62] Melhuish (2004) *op.cit.* p56.

[63] Repetti, R, Taylor, S and Seeman, T (2002) 'Risky Families: family social environments and the mental and physical health of offspring' *Psychological Bulletin* (American Psychological Association, Washington DC) Vol 128, No 2; pp 330-366.

[64] See, for example, MacGregor, I and Little, B (1998) 'Personal Projects, Happiness and Meaning – On doing well and being yourself', *Journal of Personality and Social Psychology* (American Psychological Association, Washington DC) Vol 74, No 2, pp 494-512.

[65] Mueller, G (2003) *Parental Stress and Marital Satisfaction: Some Results from a Home Visiting Experiment for Maintaining the Quality of Life of Young Families* (University of Fribourg, Switzerland).

[66] Kasser, T, (2002) *The High Price of Materialism* (MIT Press, New York).

[67] Putnam, R (2000) *Bowling Alone: the collapse and revival of American community* (Simon and Schuster, New York)

[68] Helliwell, J and Putnam, R (2004) *The Social Context of Well-being* (forthcoming).

[69] For example in one study it was noted that "Young people…consistently referred to their feelings of powerlessness and the limited opportunities for them to engage in politics until the age of 18. Joseph Rowntree Foundation (2000) *Young people's politics: Political interest and engagement amongst 14- to 24- year-olds*, (York Publishing, York).

[70] See, for example, Burns, S and Smith K (2004) *Co-production Works!* (**nef**, London). For discussion about reward cards, see Holdsworth, M and Boyle, D (2004) *Carrots not Sticks – the possibilities of a sustainable reward card for the UK* (National Consumer Council, London).

[71] See, for example, Atkinson, T (1996) 'The Case for a Participation Income' *Political Quarterly* (Blackwell Publishing, Oxford).

[72] From a lecture by Robert Putnam at the Royal Society conference in London in November 2003.

[73] Keyes, C (1998) 'Social Well-being' *Social Psychology Quarterly* (ASA, Washington DC) Vol. 61; No 2; 121-140.

[74] See for example Levett, R et al (2003) *A better choice of choice* (Fabian Society, London).

[75] Schwartz, B (2004) *The paradox of choice* (HarperCollins, New York).

[76] See for example Leadbetter, C (2004) *Personalisation through participation* (Demos, London).

[77] Burns et al (2004) *op.cit.*

[78] Frey, B and Stutzer, A (2002) *Happiness and Economics* (Princeton University Press, Princeton).

[79] Institute of Social and Ethical Accountability (*www.accountability.org.uk*)

[80] Objective indicators here mean those which do not relate to subjective perceptions. Whilst subjective indicators are important as a supplement to today's focus on objective data, they don't capture everything because people sometimes mitigate negative experiences and therefore express satisfaction even where services are objectively of low quality. Private email exchange with Richard Eckersley. Eckersley, R (2004) *Well and Good: how we feel and why it matters* (Text Publishing, Melbourne Australia).

[81] *http://www.cio-dpi.gc.ca/si-as/index_e.asp*

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environment
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become sustainable

society
communities need
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Written by Hetan Shah and Nic Marks

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