

Measuring Well-being & Sustainable Development – Why it Matters

24th February 2010

Walker Institute

University of Reading

Nic Marks

Founder of *centre for well-being*

nef (the new economics foundation)



economics
real wealth
means well-being



environment
lifestyles must
become sustainable



society
communities need
power and influence

Who are nef?

The New Economics Foundation

- Founded 1986 when G7 summit in UK
- An independent think (& do) tank
- Inspired by 3 principles
 1. Ecological Sustainability
 2. Social Justice
 3. People's Well-being
- *centre for well-being* formed 2005
- *nef consulting* launched 2008

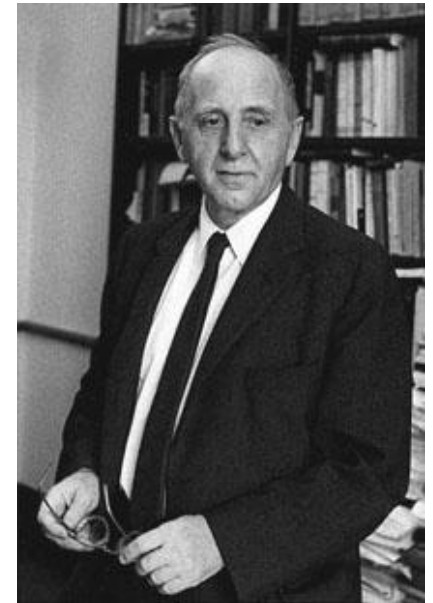
History of National Accounts

The Original Motivation for National Accounts came during the Great Depression in 1930s

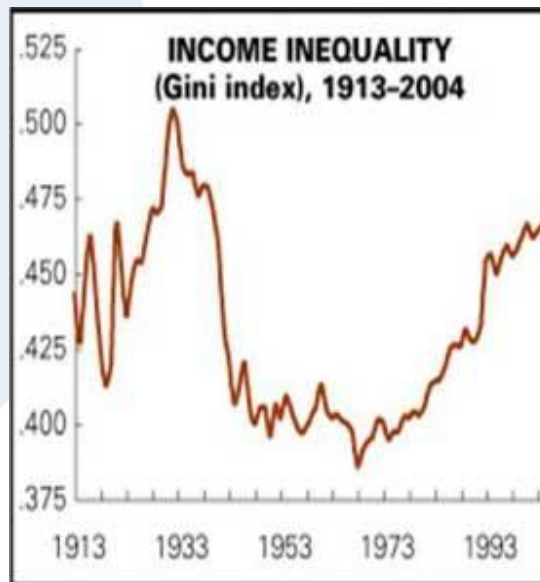


History of National Accounts

Simon Kuznets in the US wanted to 'improve the welfare of the poorest'



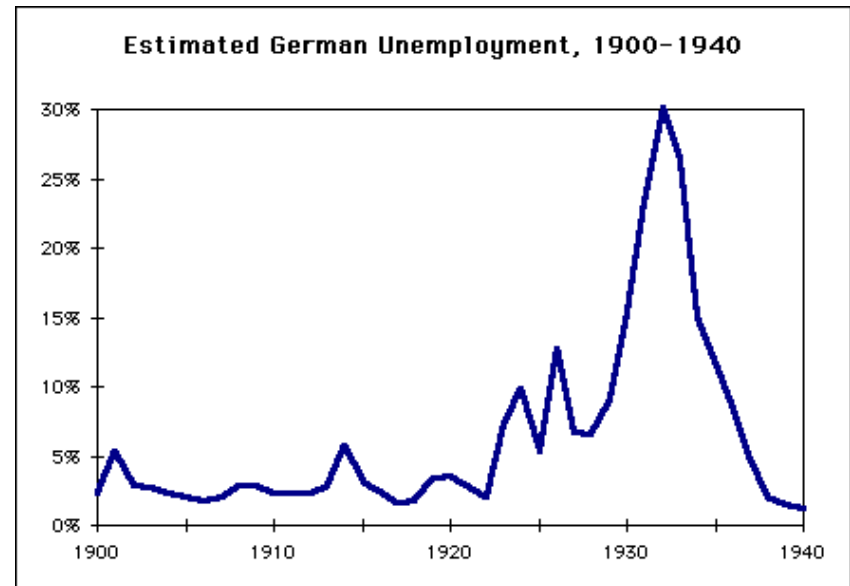
Dorothea Lange / Corbis



History of National Accounts



Whilst in Germany Ernst Wagemann was keen to 'decrease unemployment'



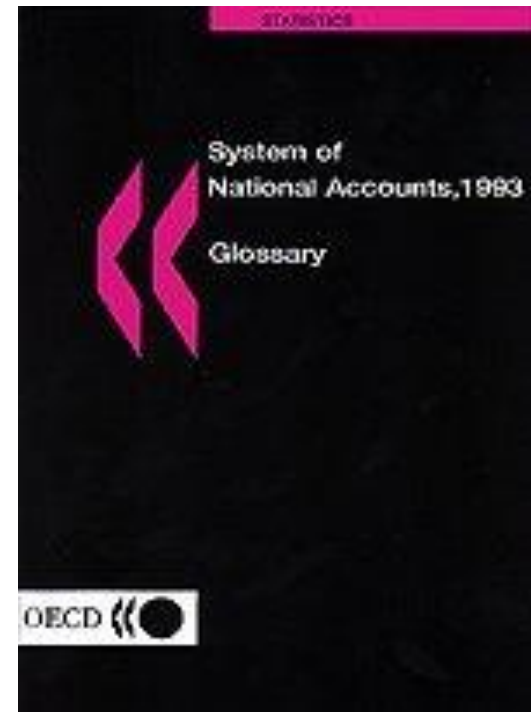
History of National Accounts

2nd World War - the militarisation process created an almost exclusive emphasis on production. With Keynes contributing massively to the UK war effort.



History of National Accounts

Institutionalisation – UN System on National Accounting (1953). Currently 1993 standard being used most widely.



Robert Kennedy 18th March 1968



*'The Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them... It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl... Yet the gross national product does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials... **it measures everything, in short, except that which makes life worthwhile.**'*



Policy/Political Context

North America:

“National Differences in Well-being”; Daniel Kahneman, Ed Diener and John Helliwell

OECD:

“Measuring the Progress of Societies”

European Council:

“Beyond GDP” conference – November 2007

Bhutan:

“Gross National Happiness”

Commission on Quality of Life



In January 2008 the French President Nicolas Sarkozy created a “Commission on the Measurement of Economic Performance and Social Progress”.



French Commission

The commission was led by two Nobel prize winning economists: Professors Joseph Stiglitz and Amartya Sen.



French Commission

The initial focus was on “Quality of Life”

‘There is a huge distance between standard measures of important socio economic variables ... and widespread perceptions... Our statistical apparatus, which may have served us well in a not too distant past, is in need of serious revisions.’
Amartya Sen, Joseph Stiglitz and Jean-Paul Fitoussi

French Stiglitz Commission

Three main areas:

- 1. Classical GDP problems:** *distribution, valuing public services, wealth of income, indebtedness, non-market household production & security.*
- 2. Sustainable Development:** *current benefits of environment, net adjusted savings, weak/strong sustainability, international issues*

3. Quality of Life:

- *Focus on the present*
- *Experiences of individuals*
- *Distinction between **means** & **ends***
- *Aspects of QoL: hedonic, evaluative and capabilities (**ends**)*
- *Determinants of QoL (**means?**)*
- *Cross cutting issues: inequalities and measurement issues*

UK Policy Timeline

2000: Local Government Act - Power of Well-being

2002: Prime Minister's Strategy Unit

2004: Layard's Happiness book & **nef's** manifesto

2005: Sustainable Development Strategy

2006: **nef's** Happy Planet Index

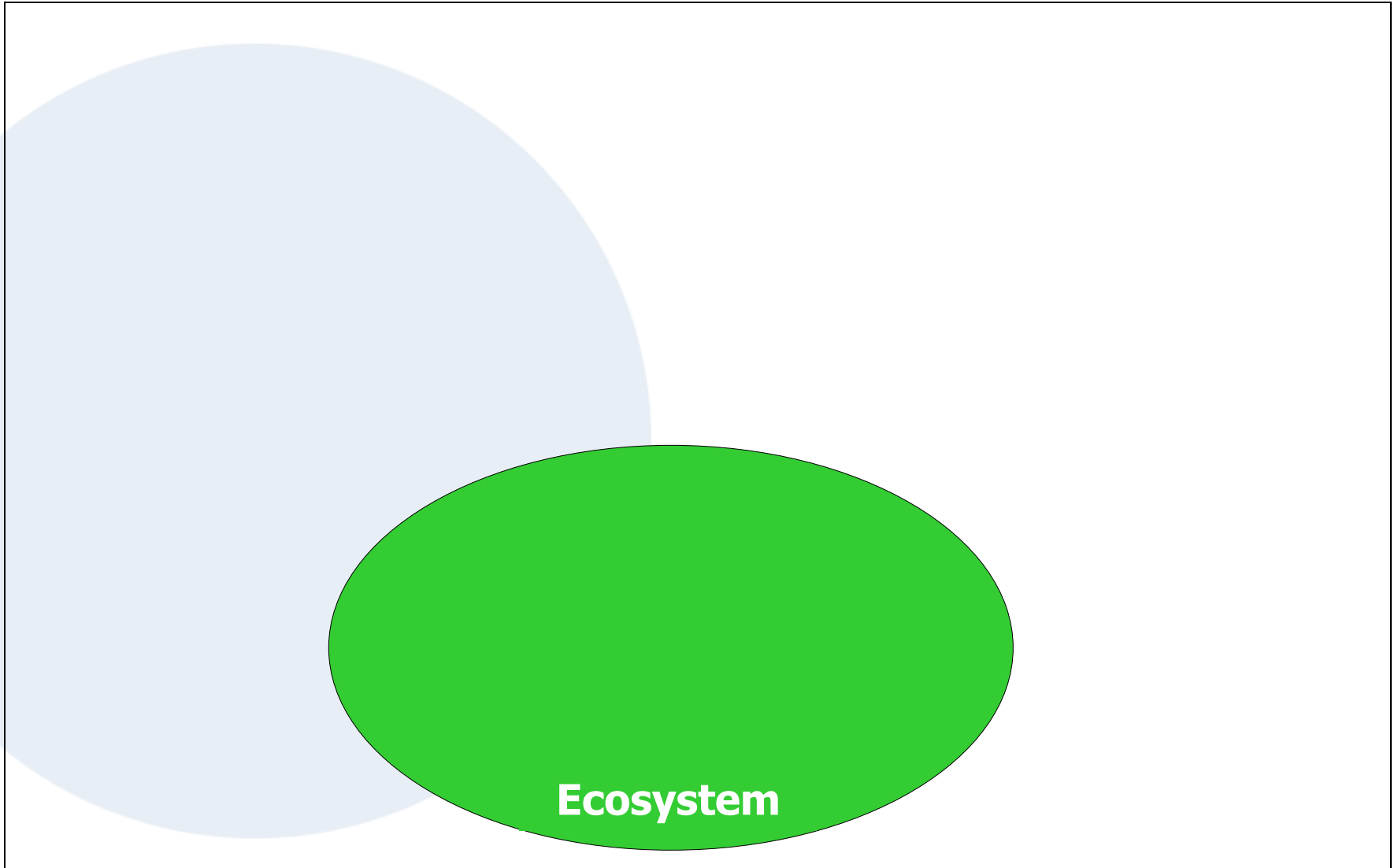
2007: Office for National Statistics 'Societal Well-being' paper

2008: Audit Commission: Place-based Well-being
Dept of Science Foresight Programme on
Mental Capital & Well-being

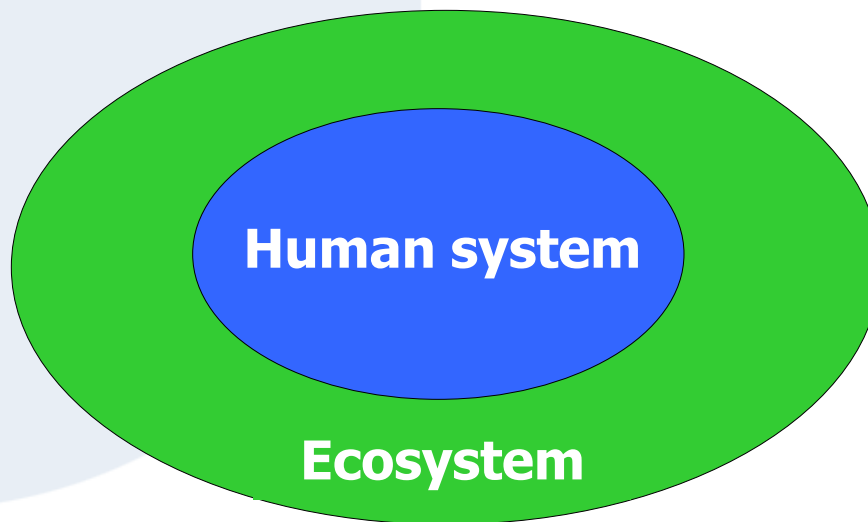
Measuring what matters

- What do Indicators actually Indicate?
- National Accounts of Well-being:
- Happy Planet Index
- Dynamic Model of Well-being
- Five Ways to Well-being

What do Indicators Indicate?



What do Indicators Indicate?



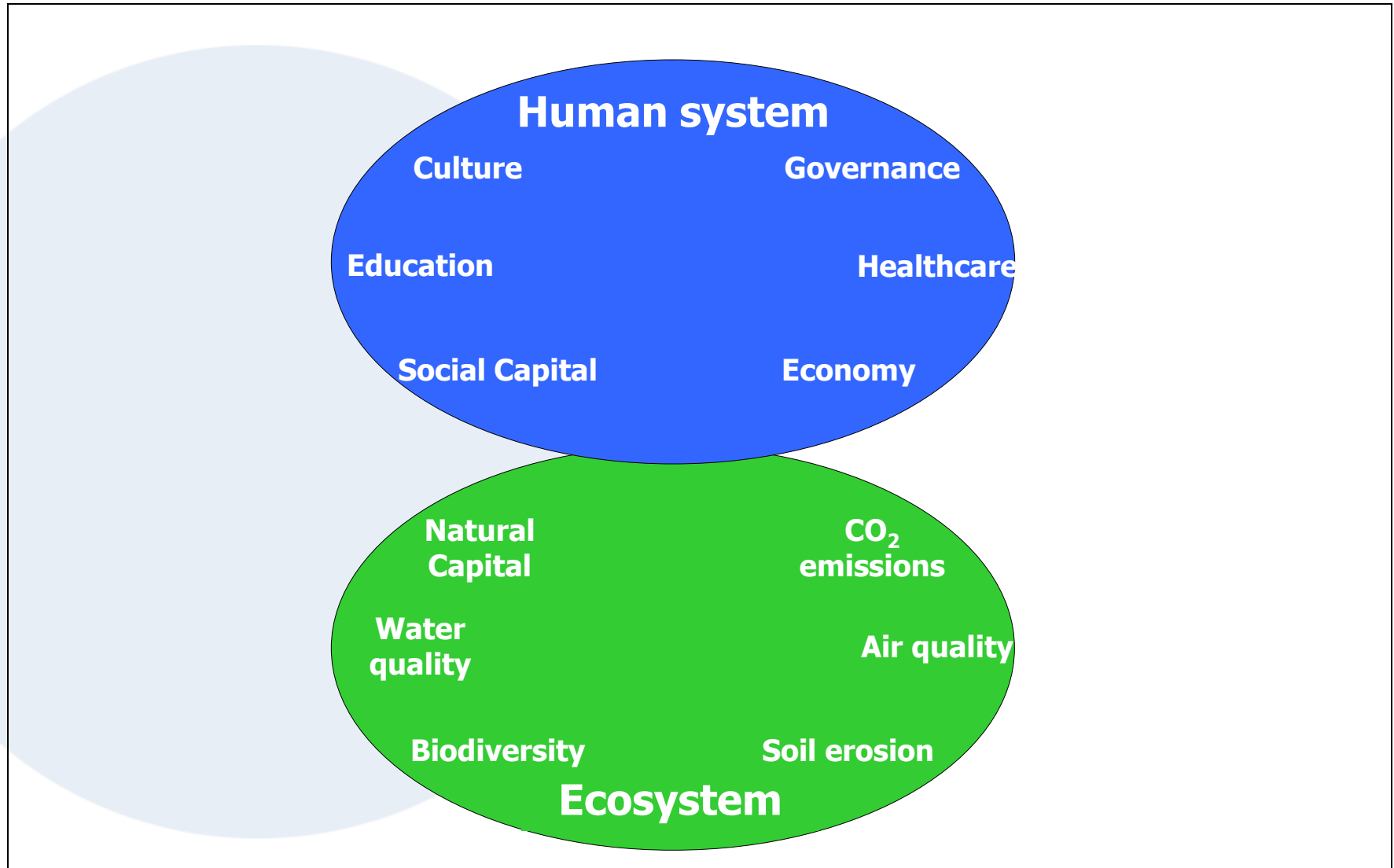
What do Indicators Indicate?

A diagram enclosed in a black rectangular border. It features two large, overlapping ovals. The top oval is blue and labeled "Human system". The bottom oval is green and labeled "Ecosystem". The two ovals overlap in the center, with the blue oval partially covering the green one. A large, light blue, semi-transparent oval is visible in the background on the left side of the diagram.

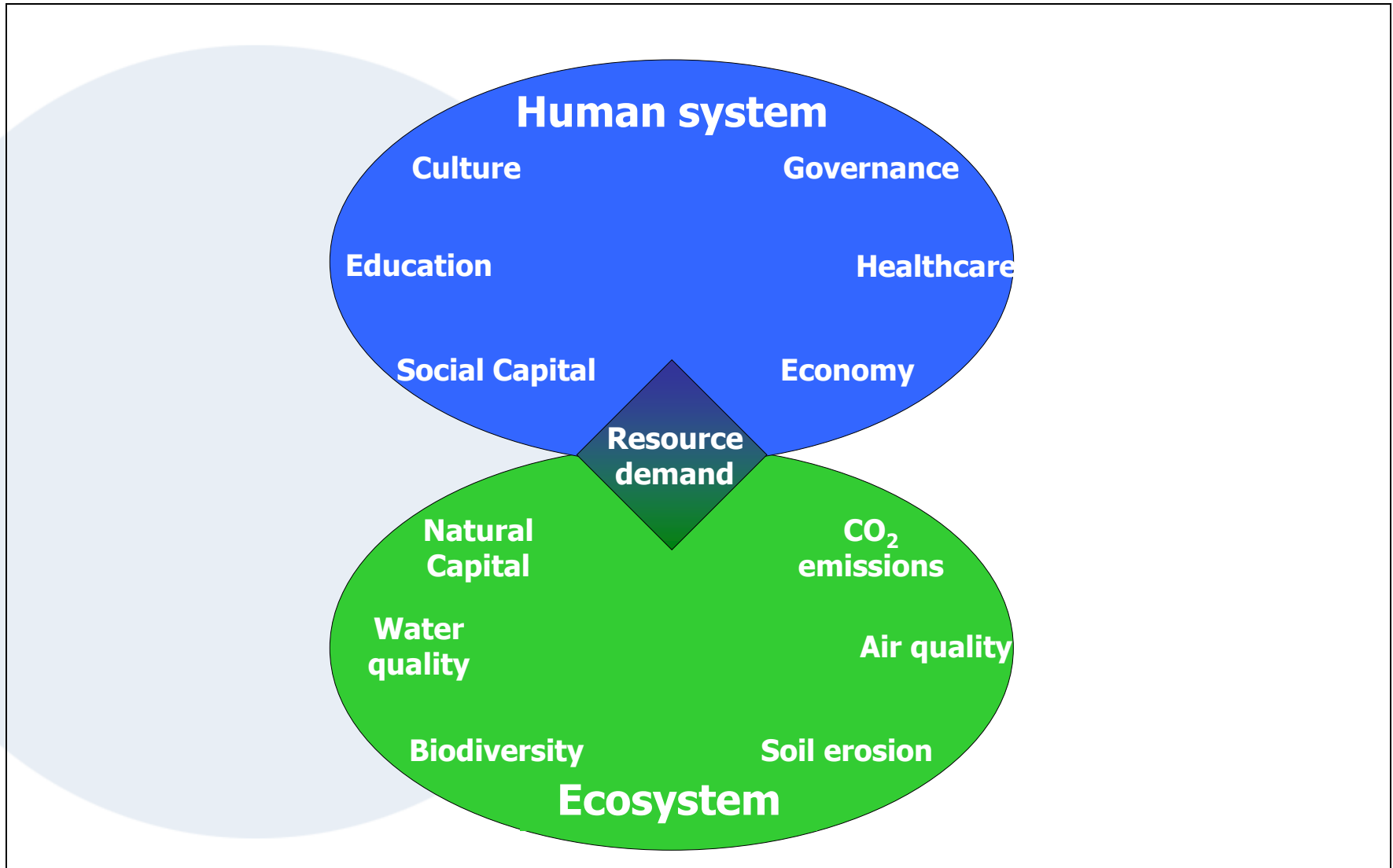
Human system

Ecosystem

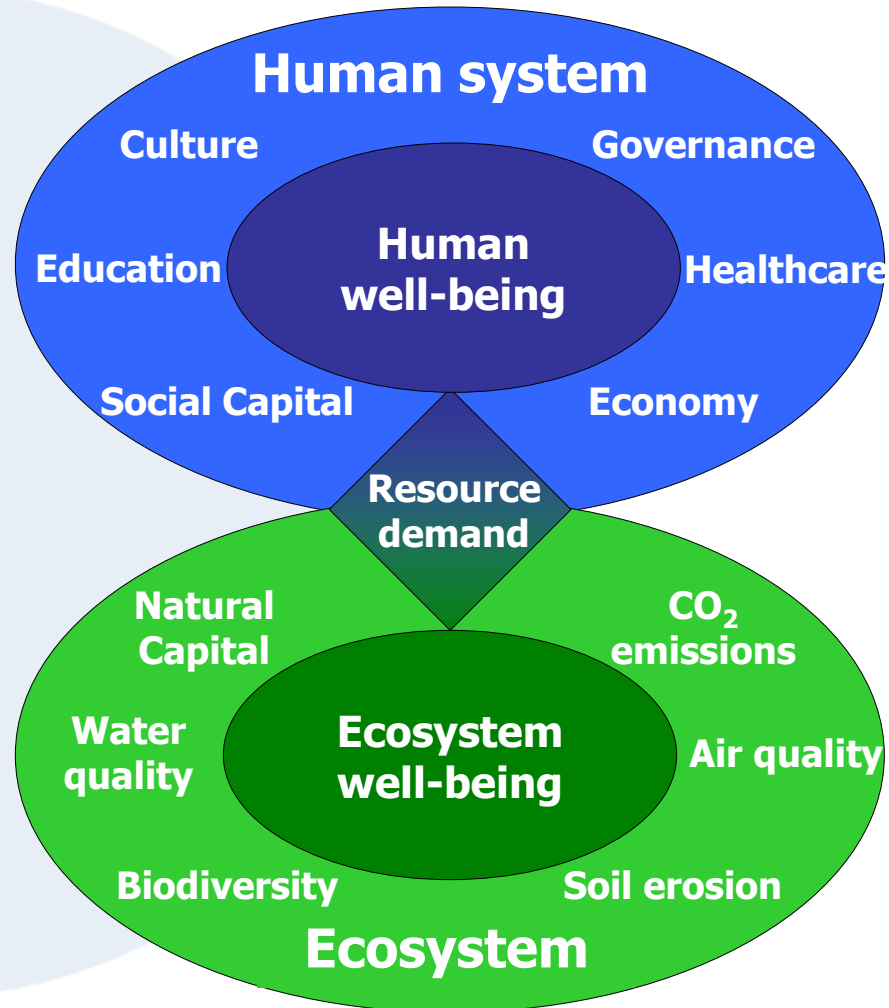
What do Indicators Indicate?



What do Indicators Indicate?



What do Indicators Indicate?



Ultimate Outcome measures

A dark blue oval containing the text "Human well-being" in white, bold, sans-serif font.

**Human
well-being**

A green oval containing the text "Ecosystem well-being" in white, bold, sans-serif font.

**Ecosystem
well-being**

Natural
Capital

Water
quality

Biodiv

Measuring well-being

A diagram showing a large light blue circle on the left containing the text "Natural Capital", "Water quality", and "Biodiversity". A smaller dark blue oval overlaps the right side of this circle, containing the text "Human well-being".

**Human
well-being**

“The quality of people’s experience of their lives”

Natural
Capital

Water
quality

Biodiversity

Measuring well-being

A diagram showing two overlapping dark blue ovals. The left oval is labeled "Personal well-being" and the right oval is labeled "Social well-being". The overlapping area in the center is not explicitly labeled but represents the intersection of the two.

**Personal
well-being**

**Social
well-being**

“The quality of people’s experience of their lives”

Natural
Capital

Water
quality

Biodiversity

European Social Survey



- ESS is a cross-national time-series survey, conducted every 2 years
- Round 3 2006/2007 – 23 countries



Winner of the 2005 Descartes Prize
Europe's top award for science

50 questions on Personal and Social Well-being

Questionnaire Design Team:

Felicia Huppert, Cambridge University, UK

Andrew Clark, Delta, Paris, France

Nic Marks, **nef**, London, UK

Johannes Siegrist, Dusseldorf Uni, Germany

Alois Stutzer, Zurich University, Switzerland

Joar Vittersø, Tromsø University, Norway

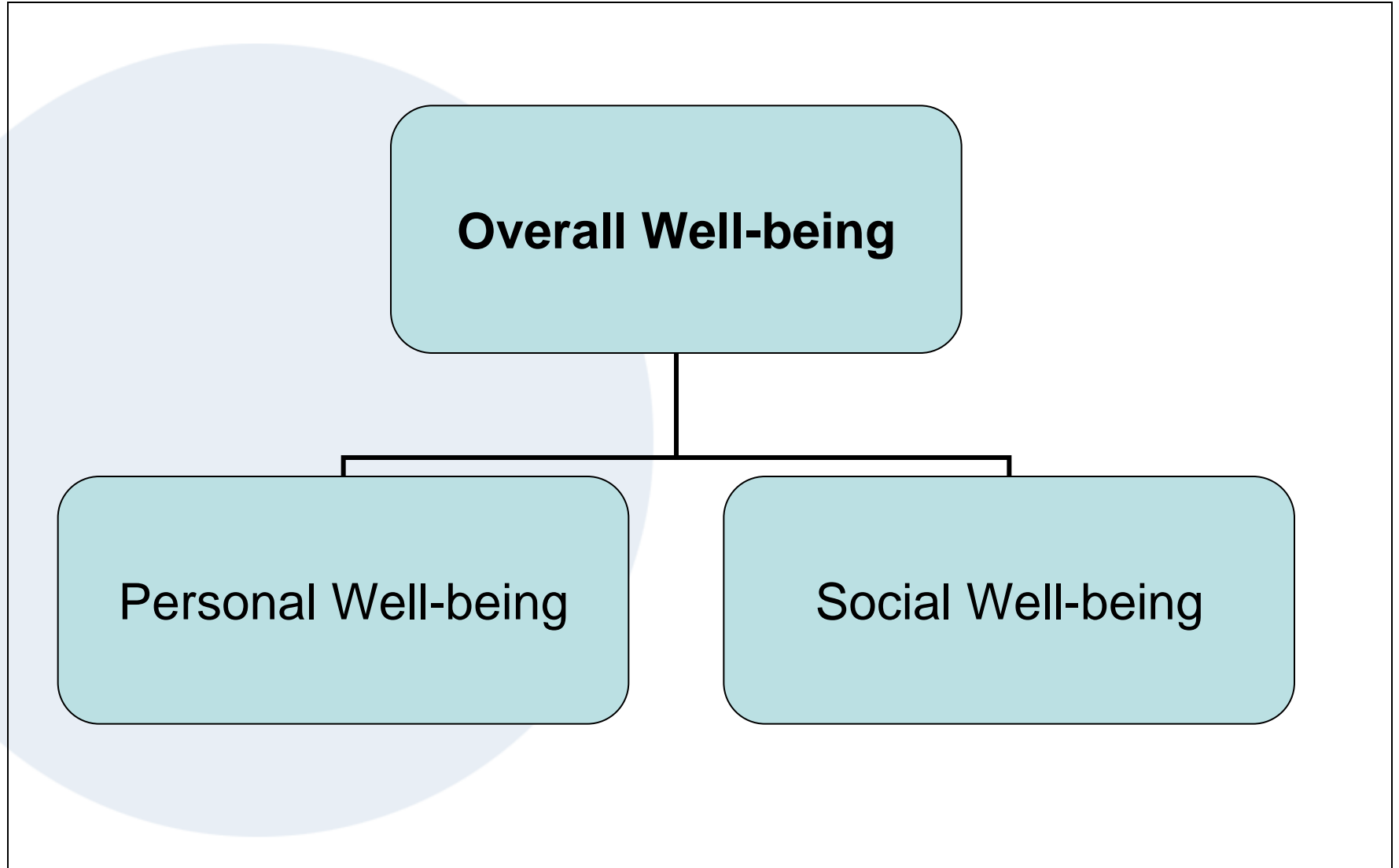
Structure of Accounts



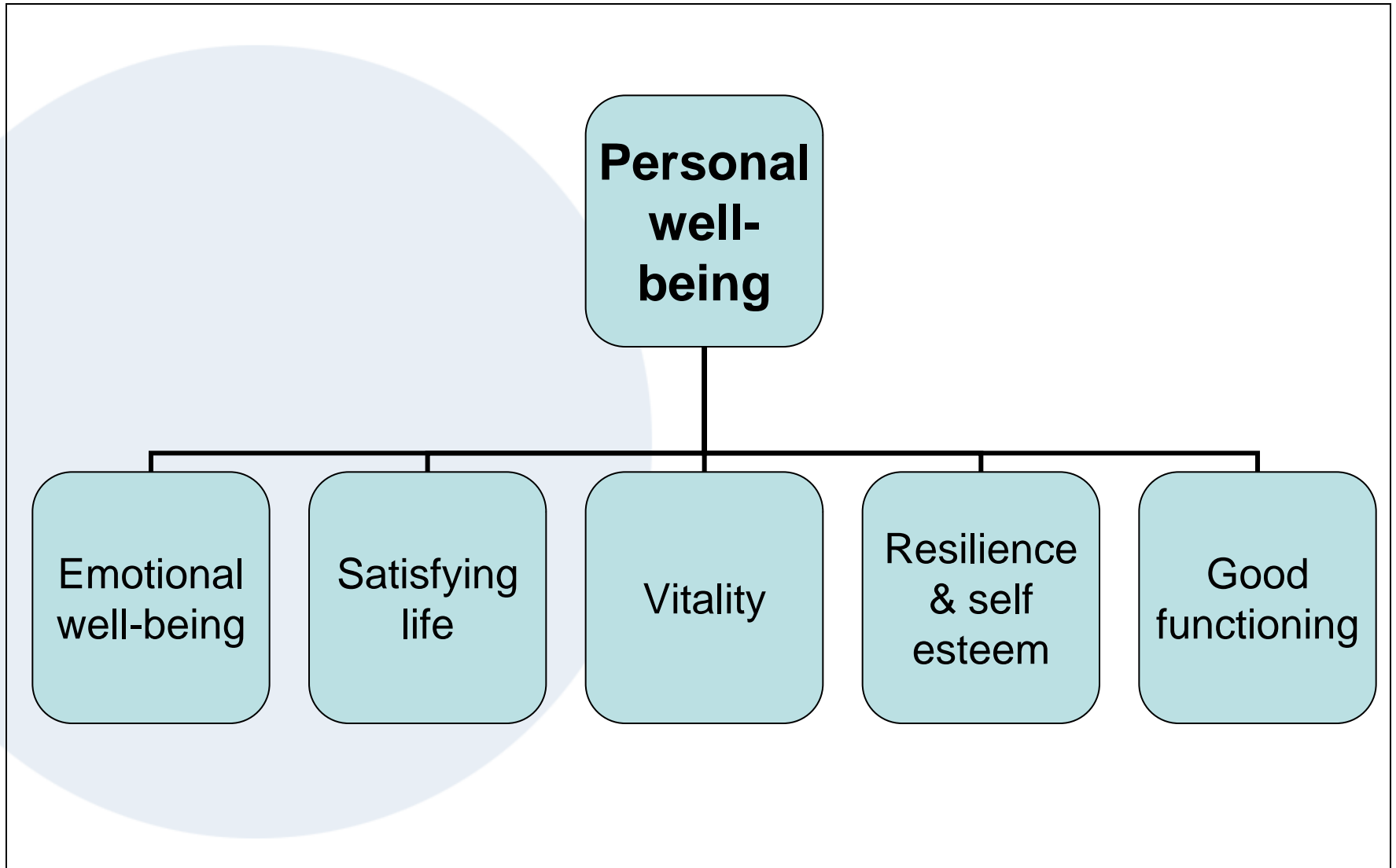
Overall Well-being

Personal Well-being

Social Well-being



Personal Well-being



Social Well-being

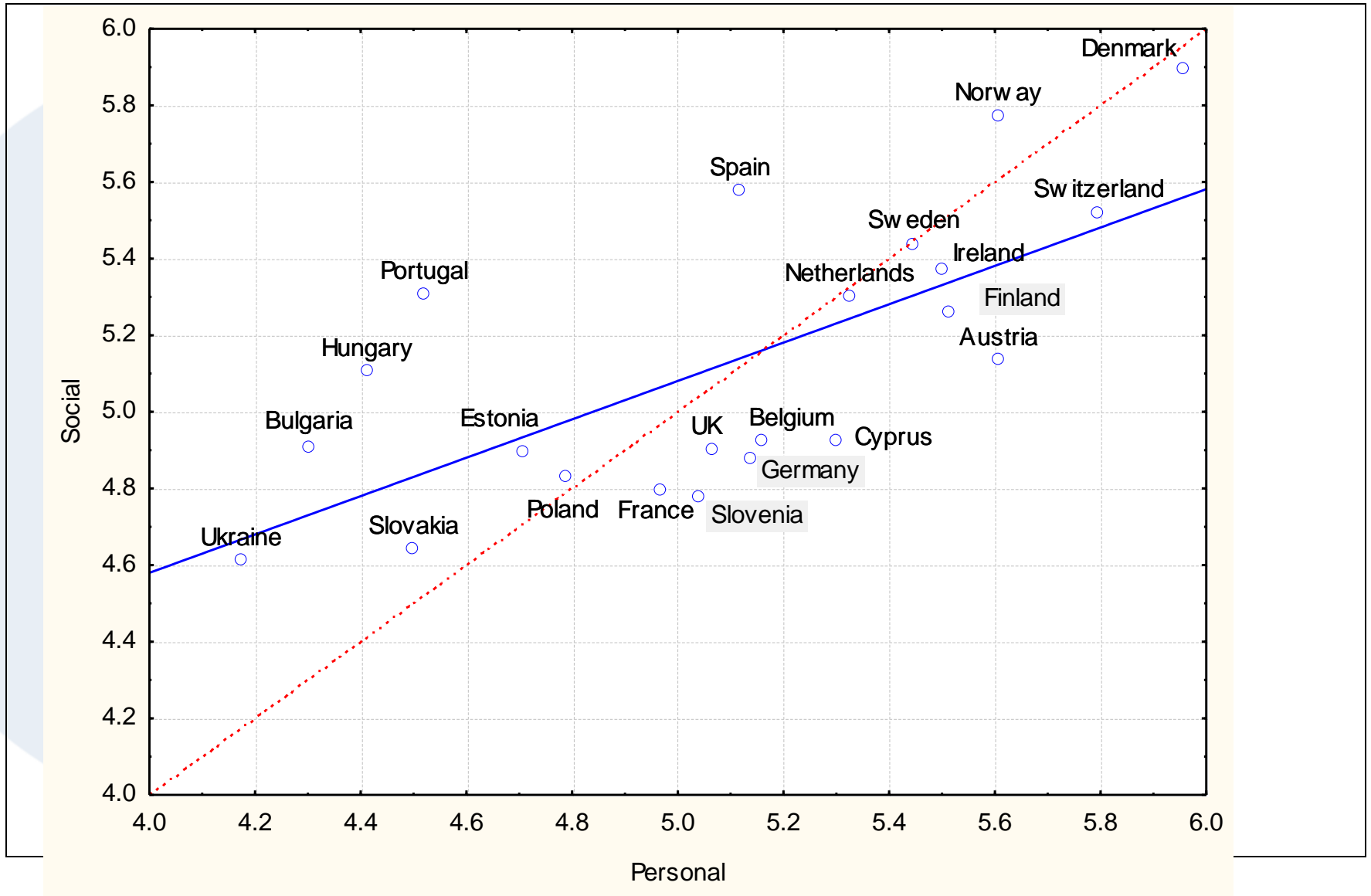


Social well-being

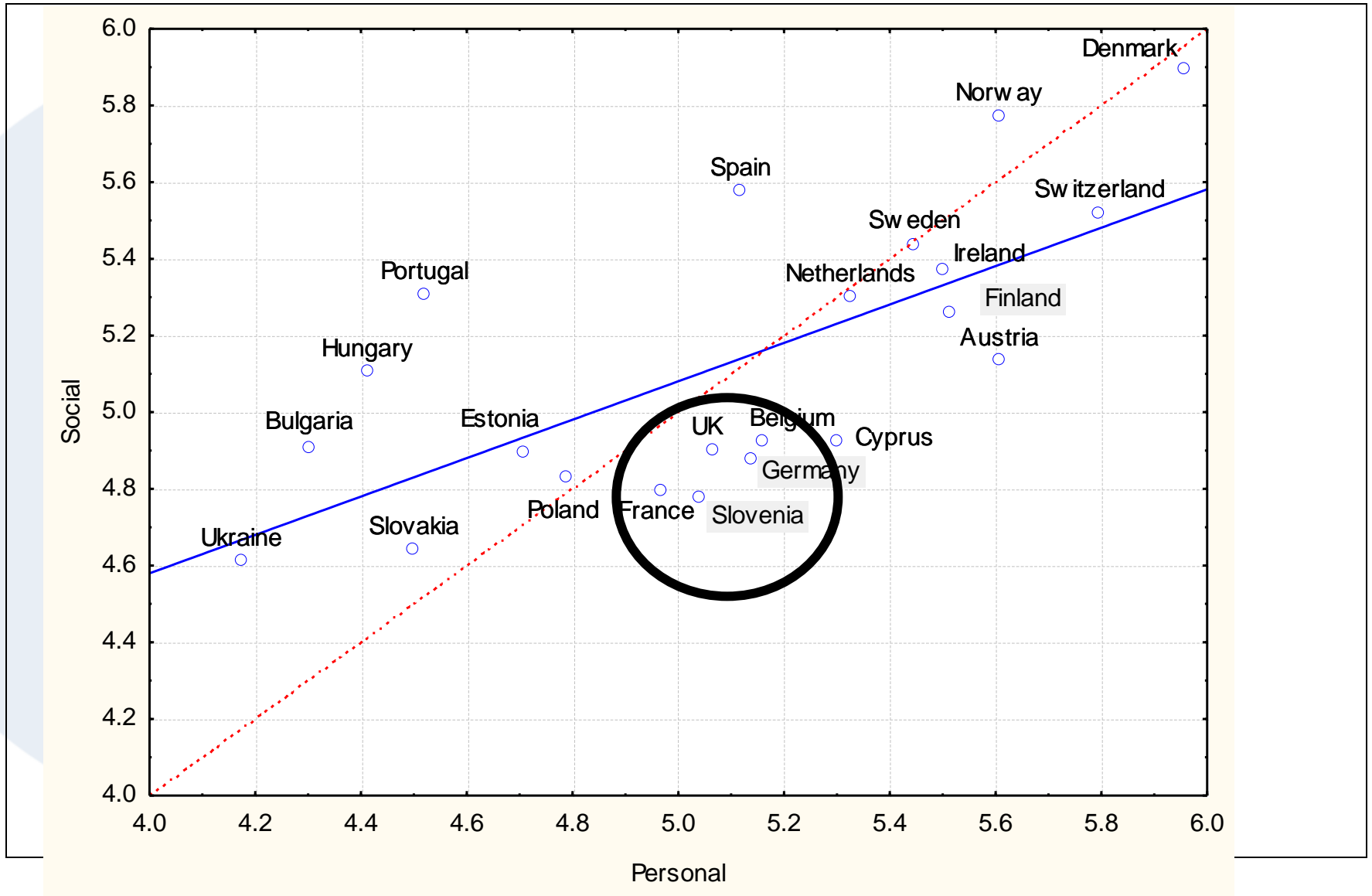
Supportive relationships

Trust & Belongingness

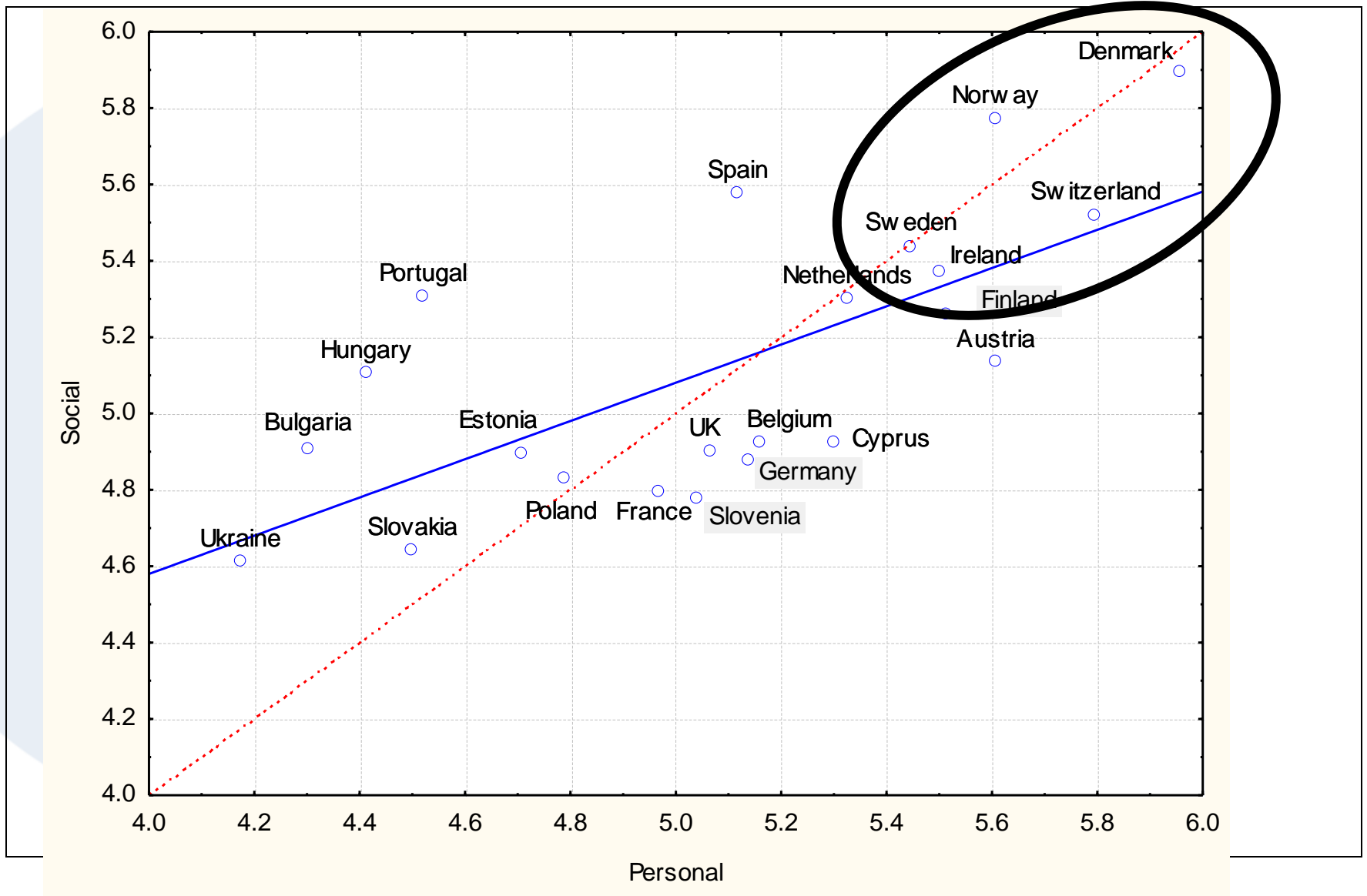
Personal & Social Well-being across Europe



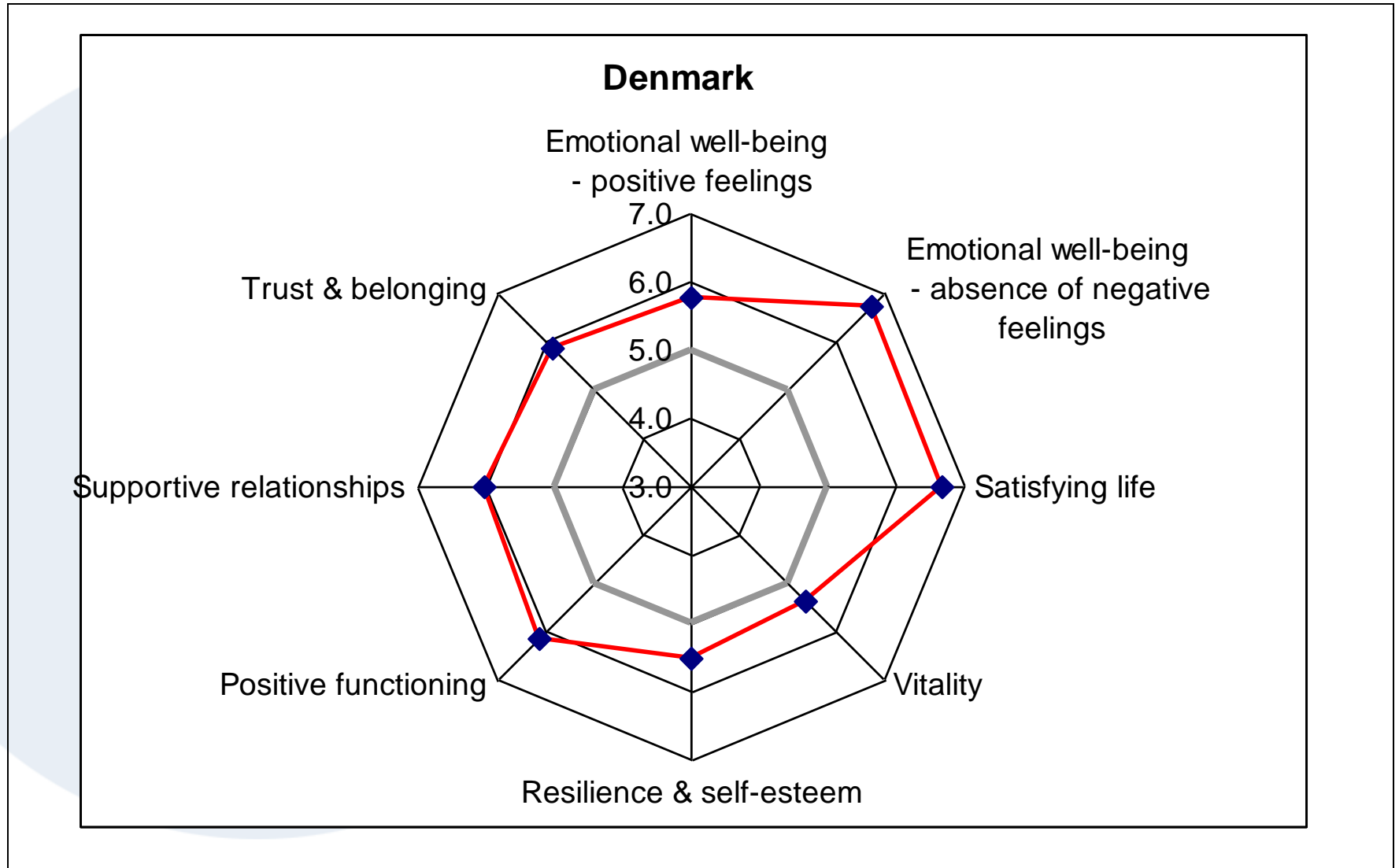
Personal & Social Well-being across Europe



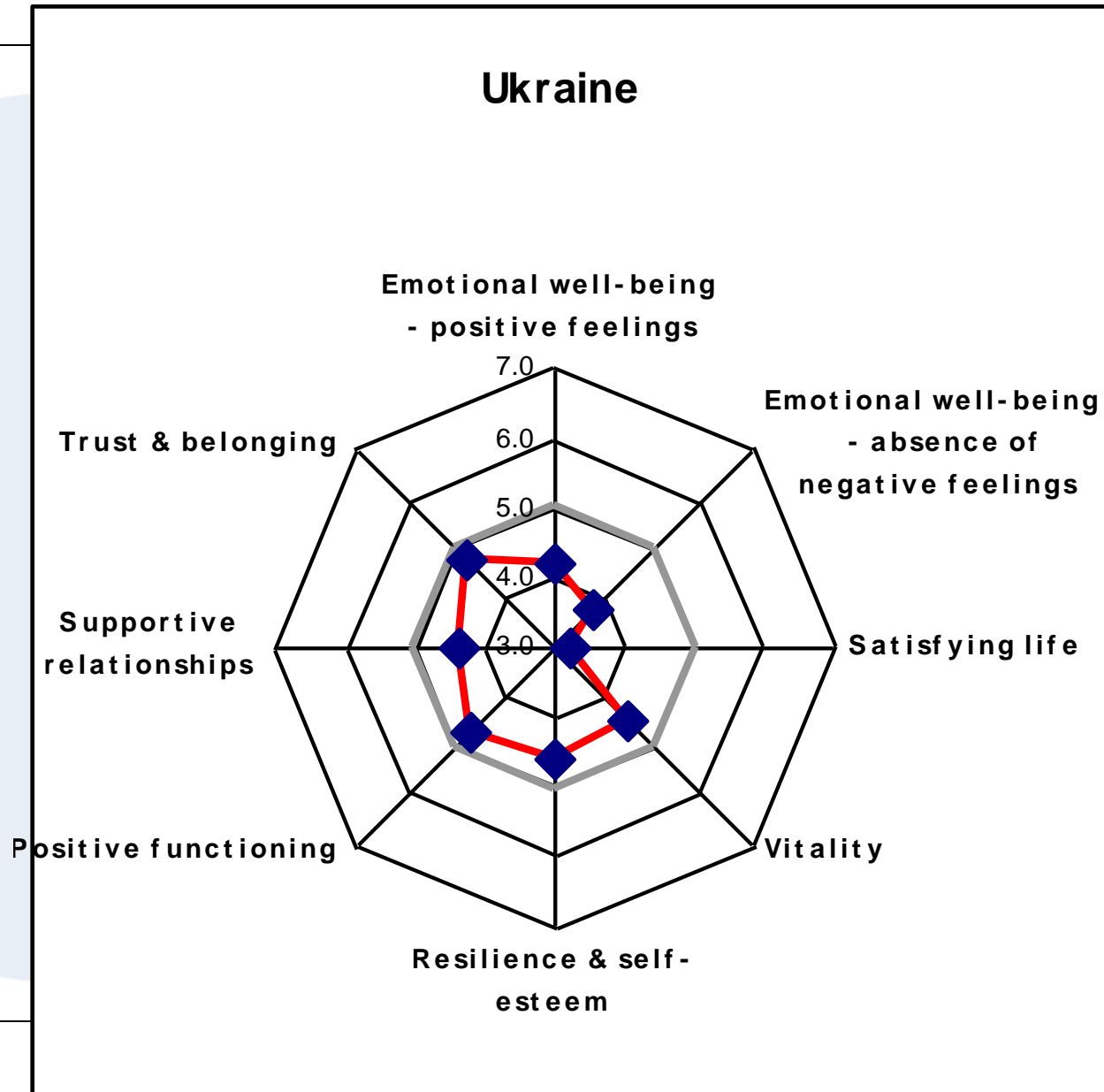
Personal & Social Well-being across Europe



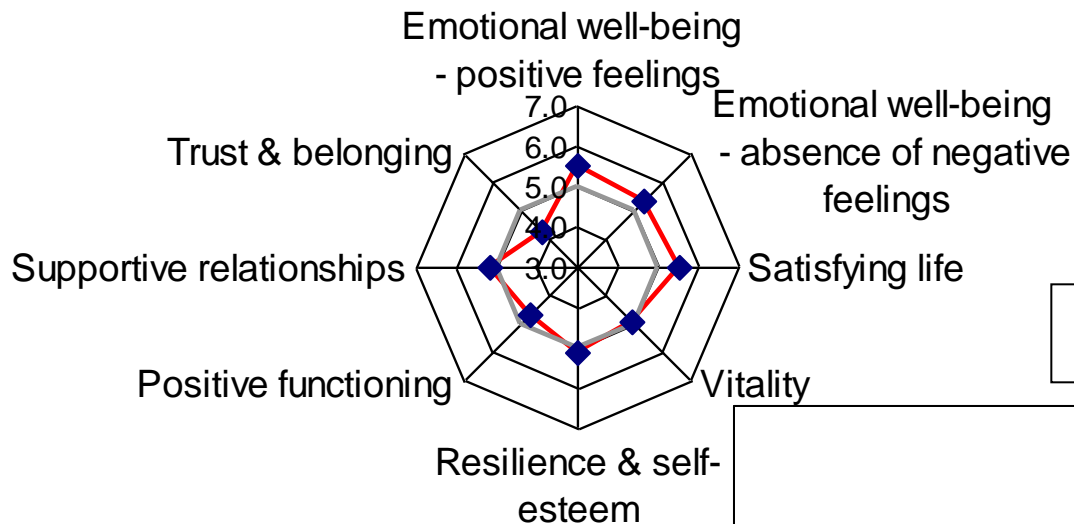
A High Scoring Nation



A Low Scoring Nation

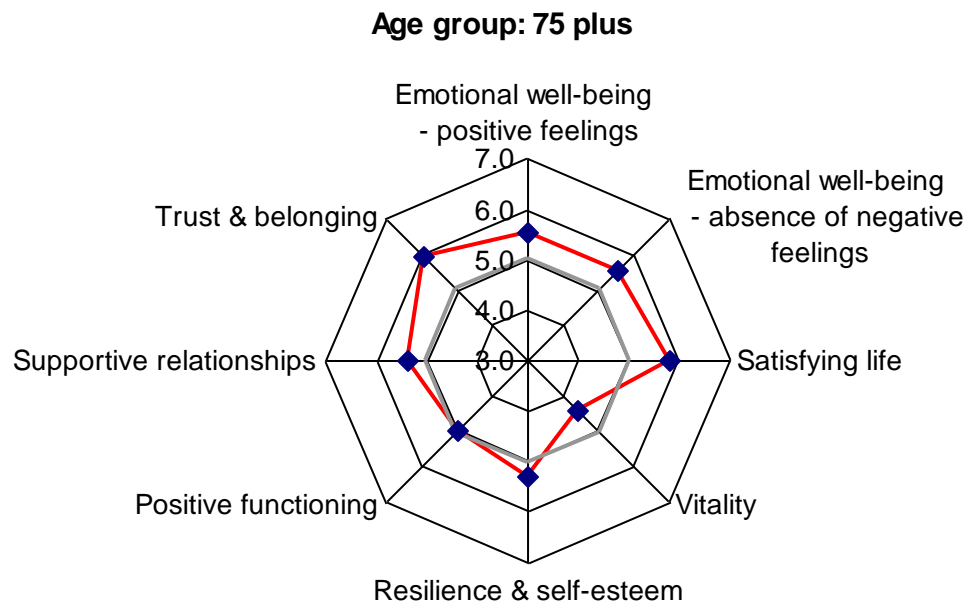


Within a Nation

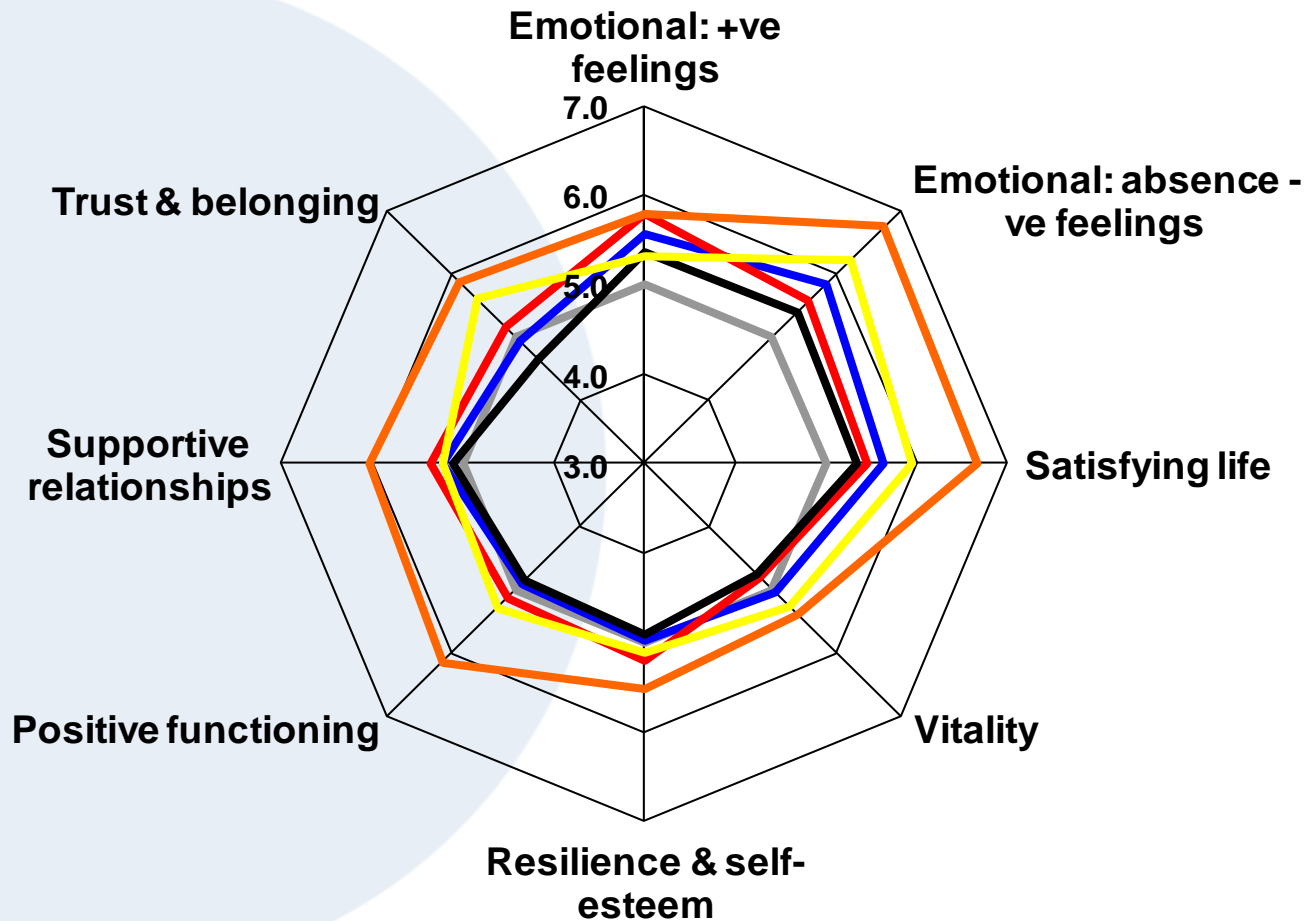


Young People - UK

Older People - UK



Regional Well-being



— Mean — Scotland — Wales — England — Sweden — Denmark

Measuring what matters

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- Five Ways to Well-being

THE HAPPY PLANET INDEX 2.0

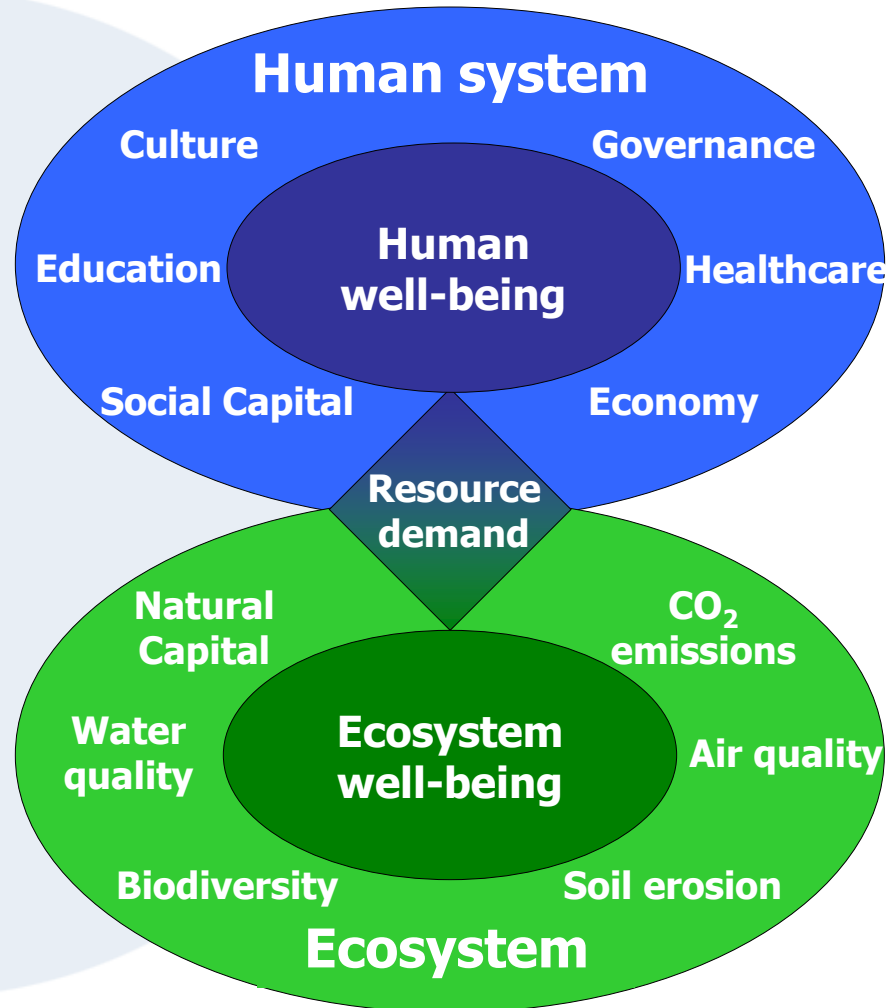
Why good lives don't have to cost the Earth

www.happyplanetindex.org

Other reports from
www.neweconomics.org



What do Indicators Indicate?



What do Indicators Indicate?



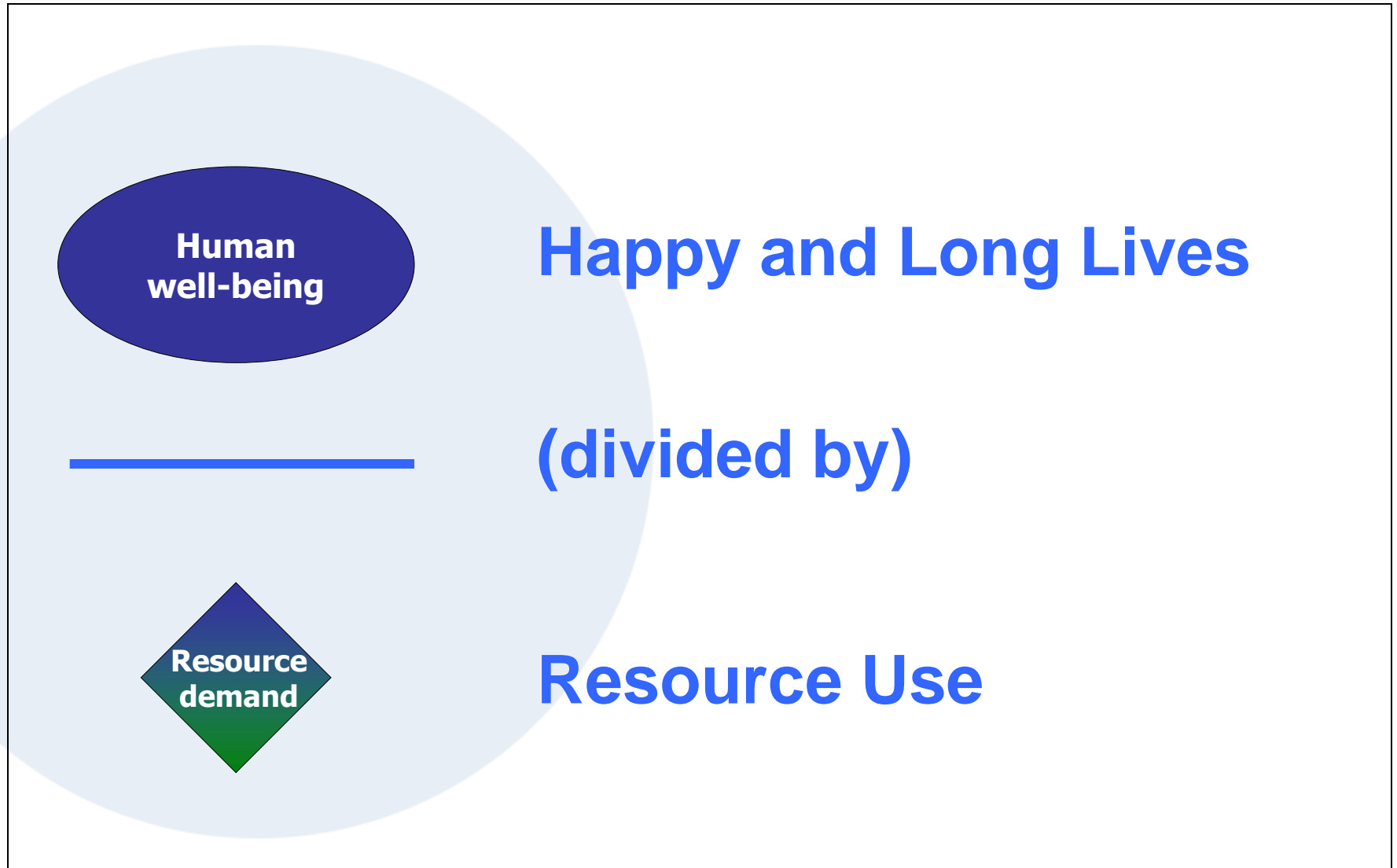
What HPI measures



What HPI measures



What HPI measures



What HPI measures

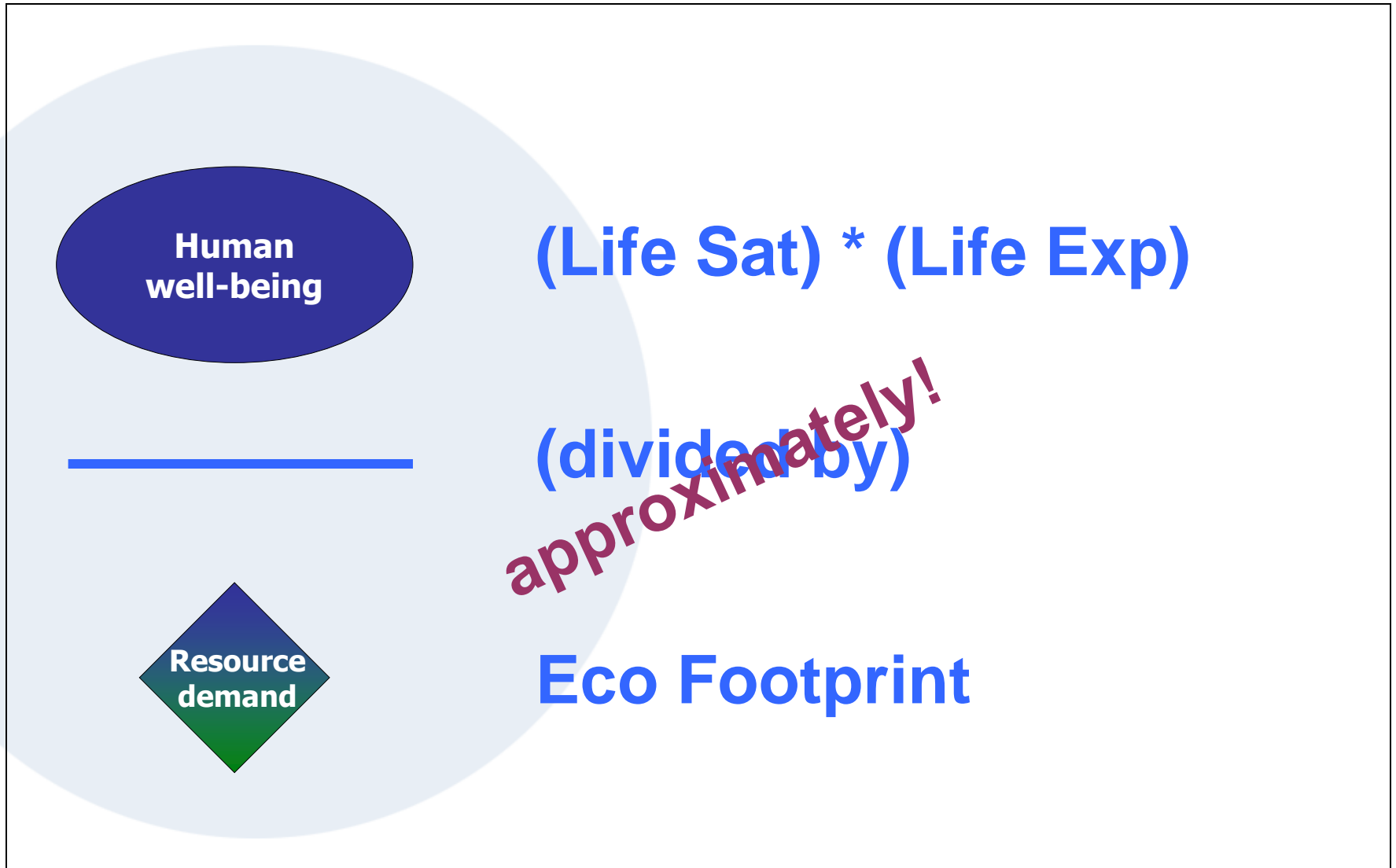
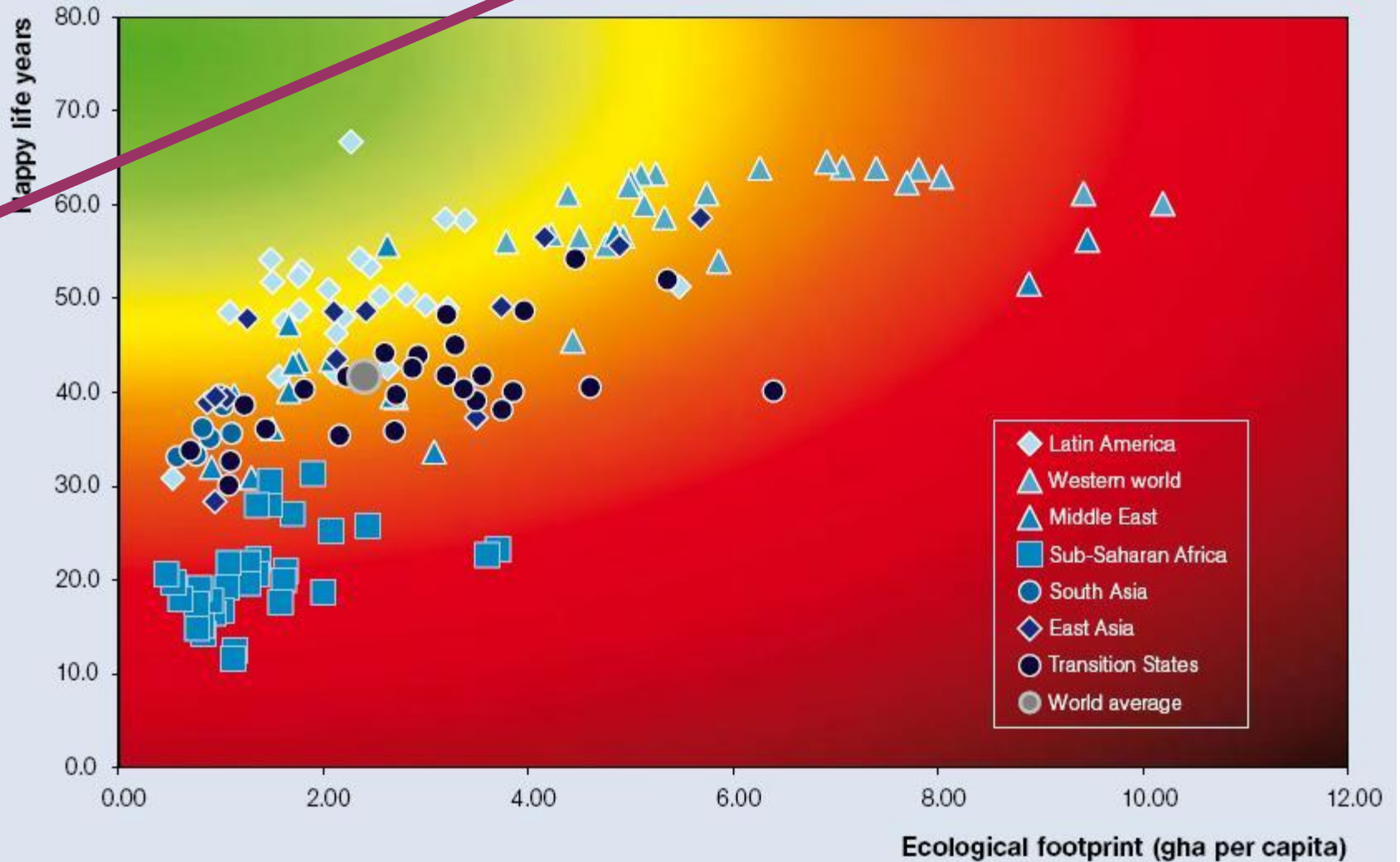
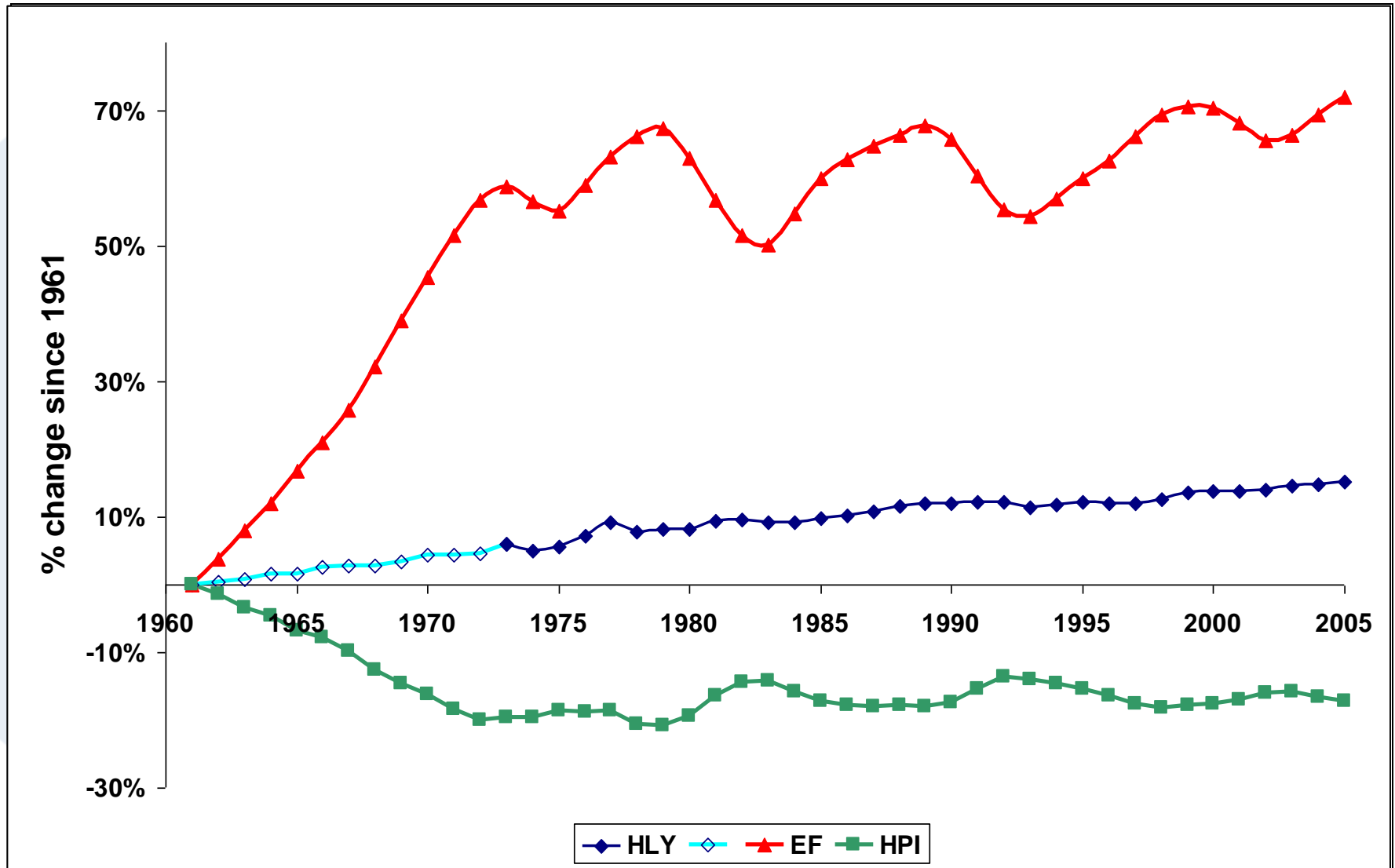


Figure 8: The green target. Happy life years and ecological footprint for 143 countries, and world average

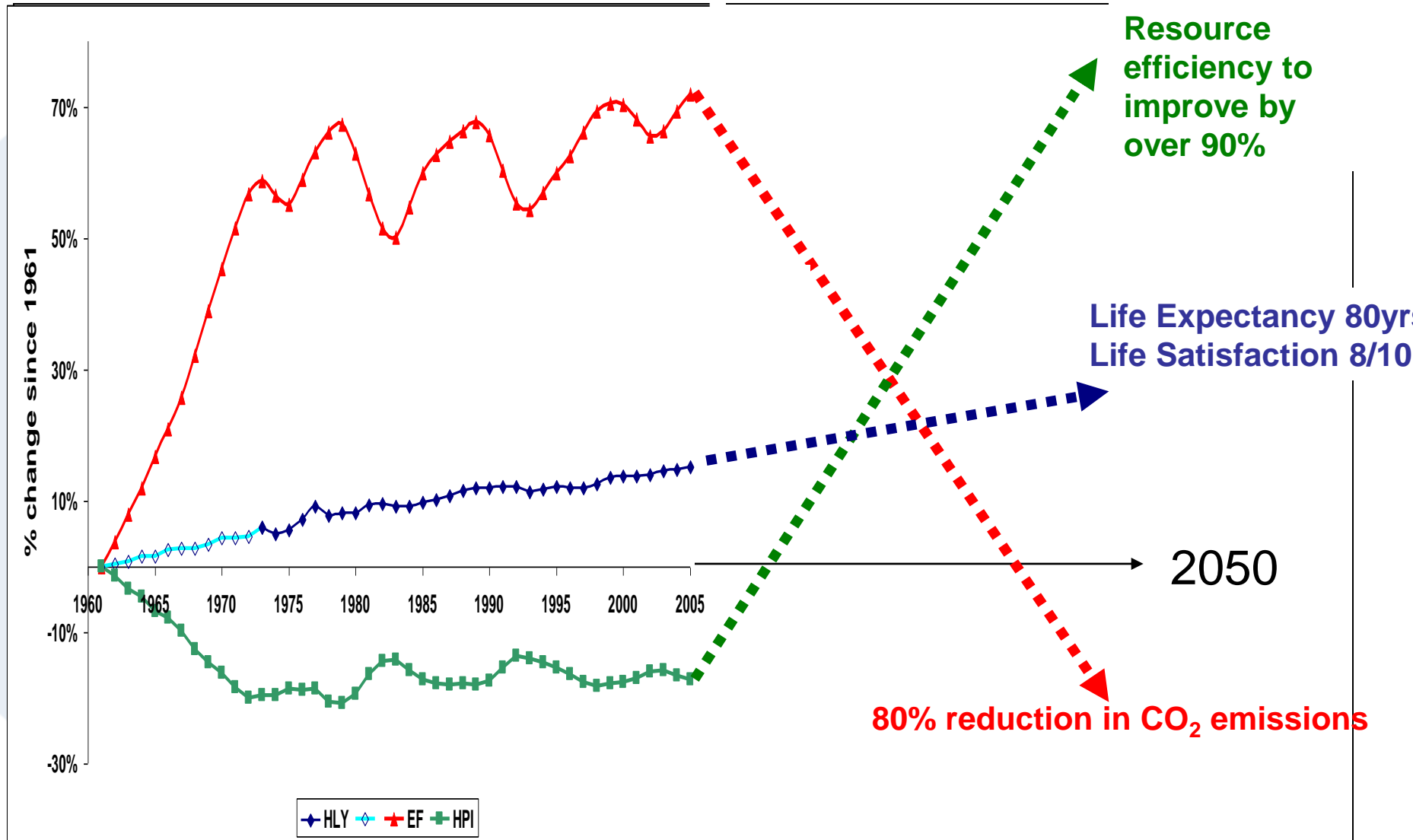


HPI rank	Countries	Life Sat	Life Exp	EF		HPI
1	Costa Rica	8.5	78.5	2.3	=	76.1
9	Brazil	7.6	71.7	2.4	=	61.0
20	China	6.7	72.5	2.1	=	57.1
35	India	5.5	63.7	0.9	=	53.0
51	Germany	7.2	79.1	4.2	=	48.1
74	UK	7.4	79.0	5.3	=	43.3
78	Ireland	8.1	78.4	6.3		42.6
114	USA	7.9	77.9	9.4	=	30.7
143	Zimbabwe	2.8	40.9	1.1	=	16.6

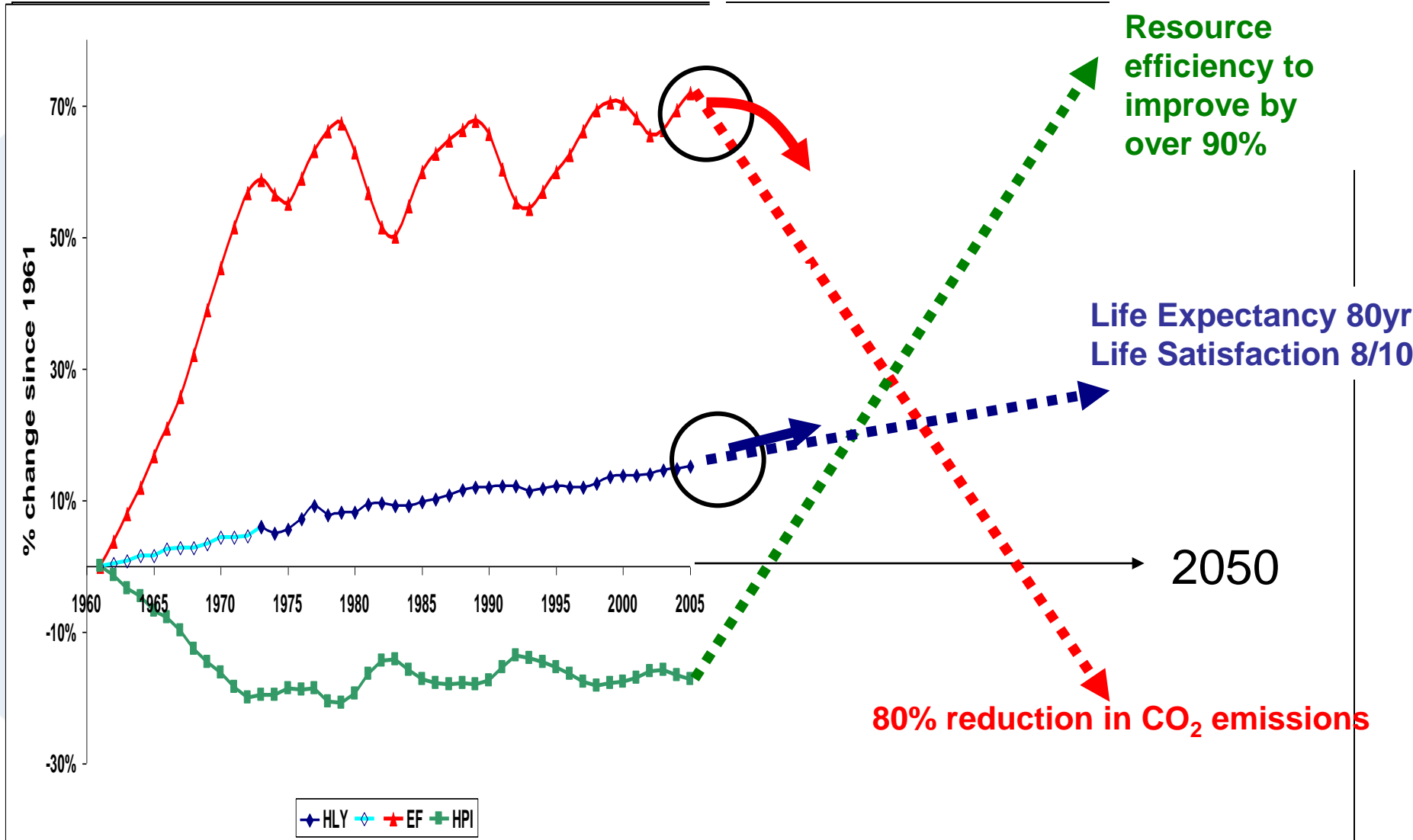
Time Trends - OECD



The Future of the OECD?



Creating Timely Feedback Loops



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The Foresight Project

- Mental Capital and Well-being
- Two year project, reported October 2008
- Involved over 400 experts – neuroscience to economics

The Foresight logo features a cluster of approximately 15 grey dots of varying sizes arranged in a roughly circular pattern to the left of the word 'Foresight' in a bold, dark blue, sans-serif font.

Foresight

**Government
Office for Science**

A dynamic model of well-being

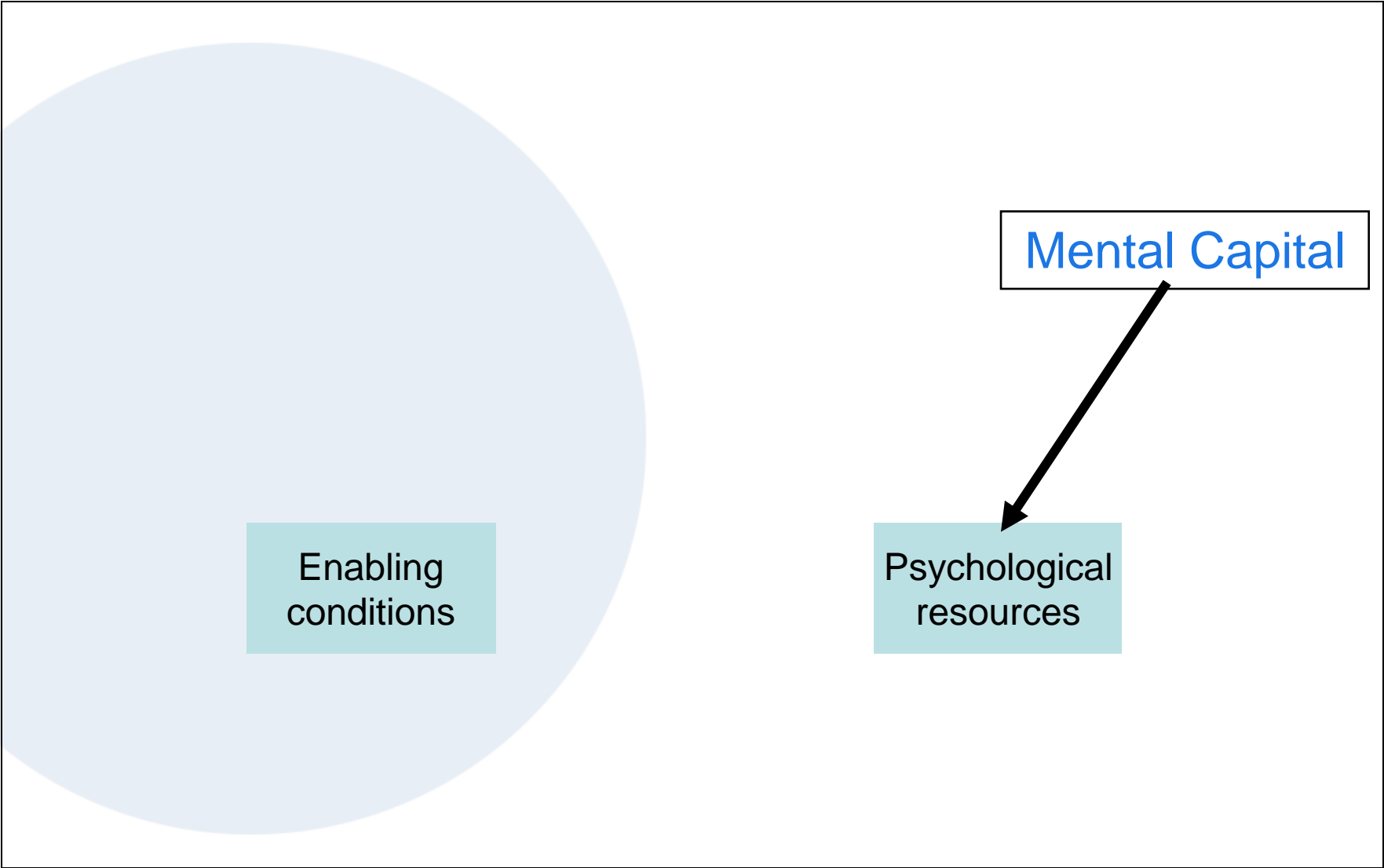


The diagram is enclosed in a thin black rectangular border. On the left side, there is a large, light blue circle that is partially cut off by the left edge of the frame. Inside this circle, there is a smaller, light teal rectangular box containing the text 'Enabling conditions'. To the right of this circle, there is another light teal rectangular box containing the text 'Psychological resources'. The two boxes are positioned at approximately the same vertical level.

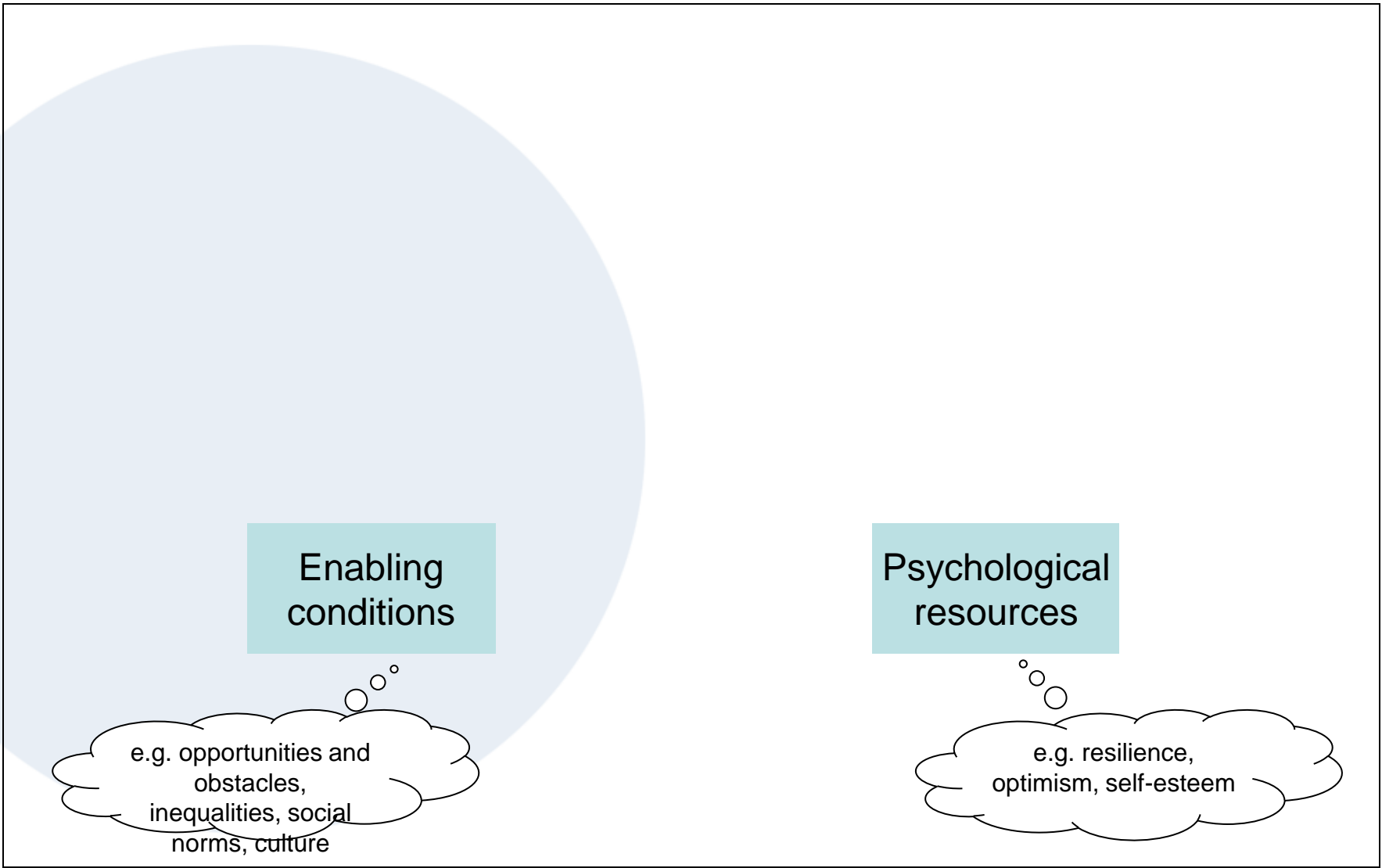
Enabling
conditions

Psychological
resources

A dynamic model of well-being



A dynamic model of well-being



The diagram is enclosed in a black rectangular border. On the left side, there is a large, light blue semi-circle. Below this semi-circle, there is a teal rectangular box containing the text 'Enabling conditions'. A thought bubble with three small circles leading to it is positioned below the teal box, containing the text 'e.g. opportunities and obstacles, inequalities, social norms, culture'. To the right of the teal box, there is another teal rectangular box containing the text 'Psychological resources'. Below this second teal box, there is another thought bubble with three small circles leading to it, containing the text 'e.g. resilience, optimism, self-esteem'.

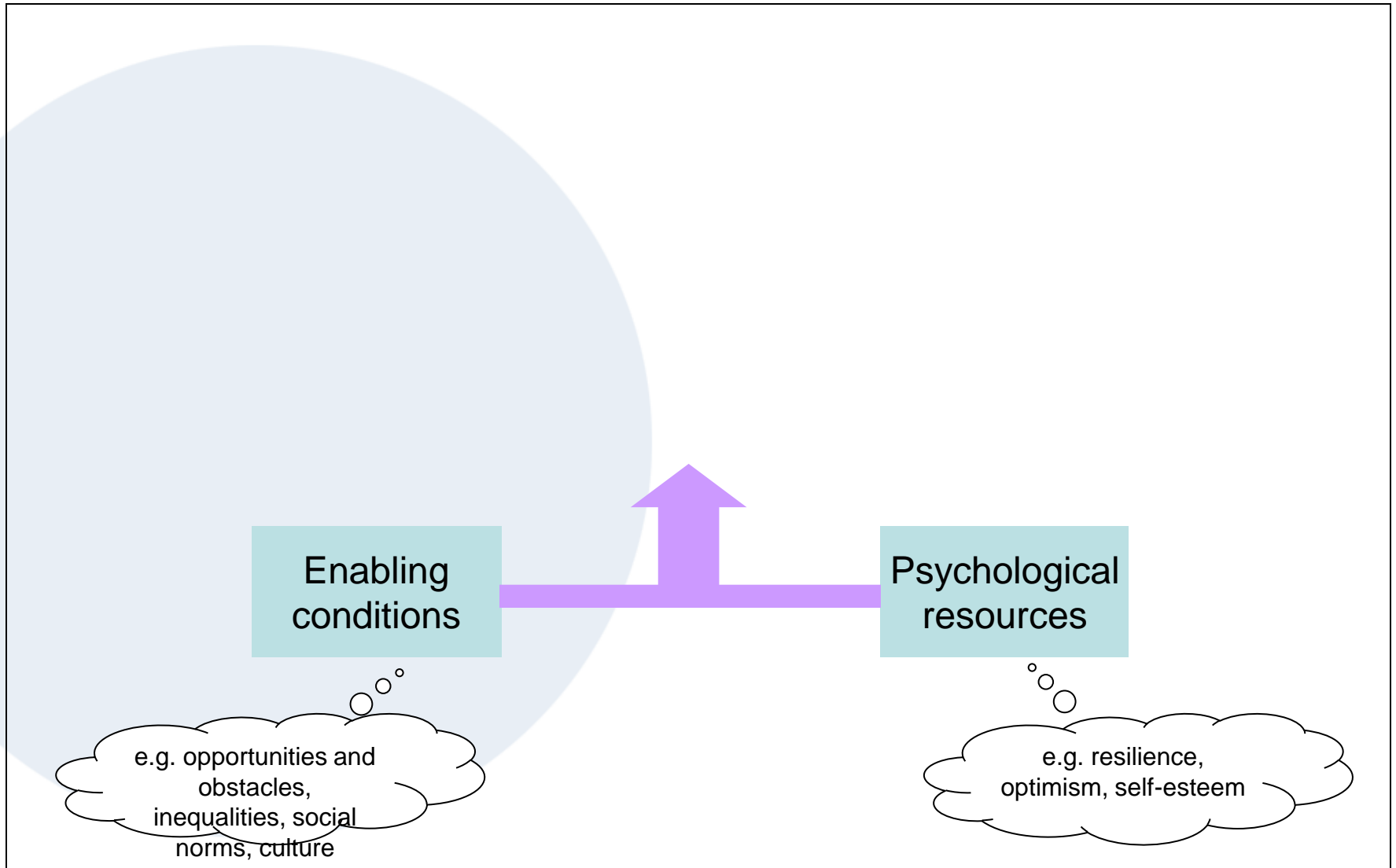
Enabling conditions

e.g. opportunities and obstacles, inequalities, social norms, culture

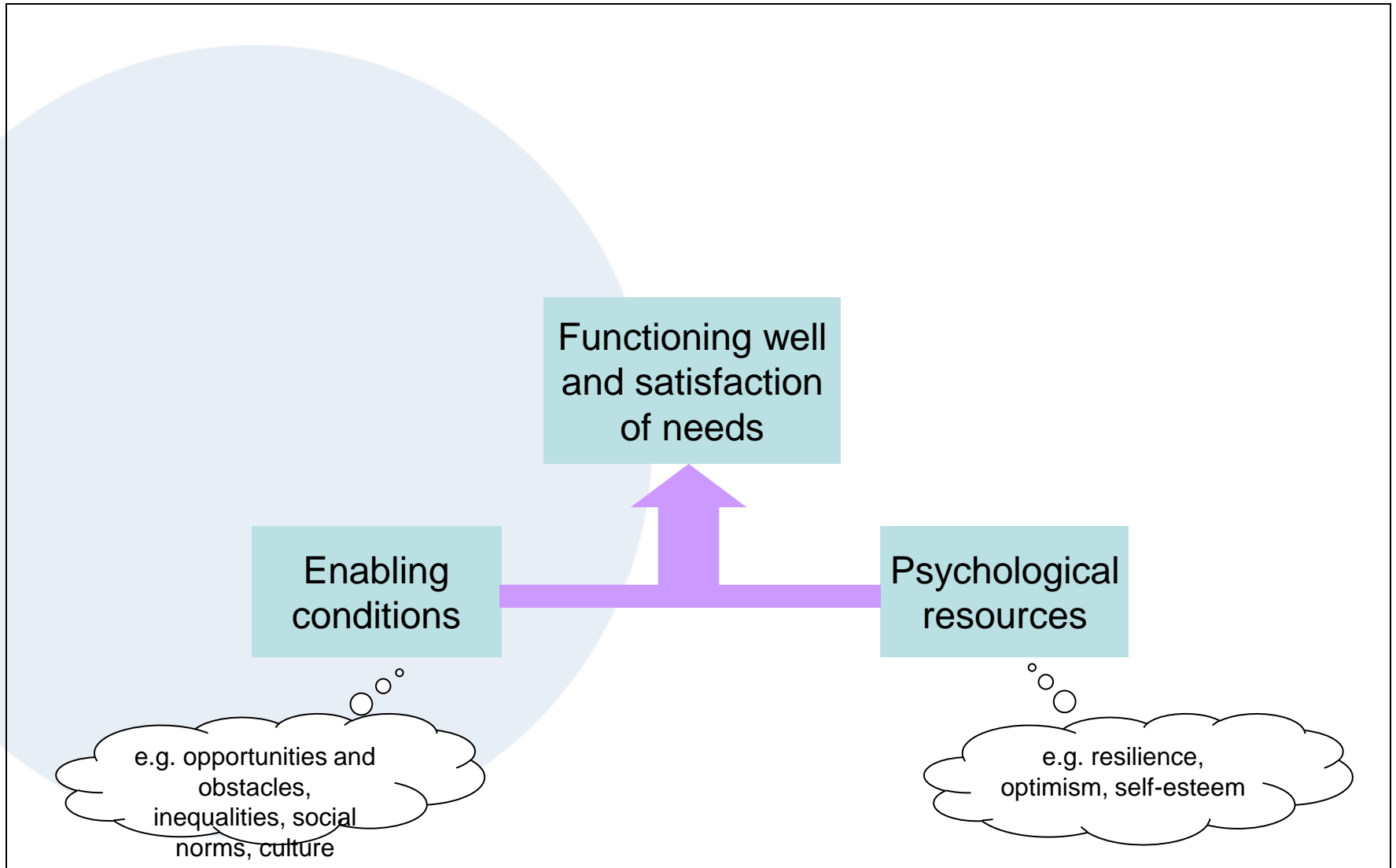
Psychological resources

e.g. resilience, optimism, self-esteem

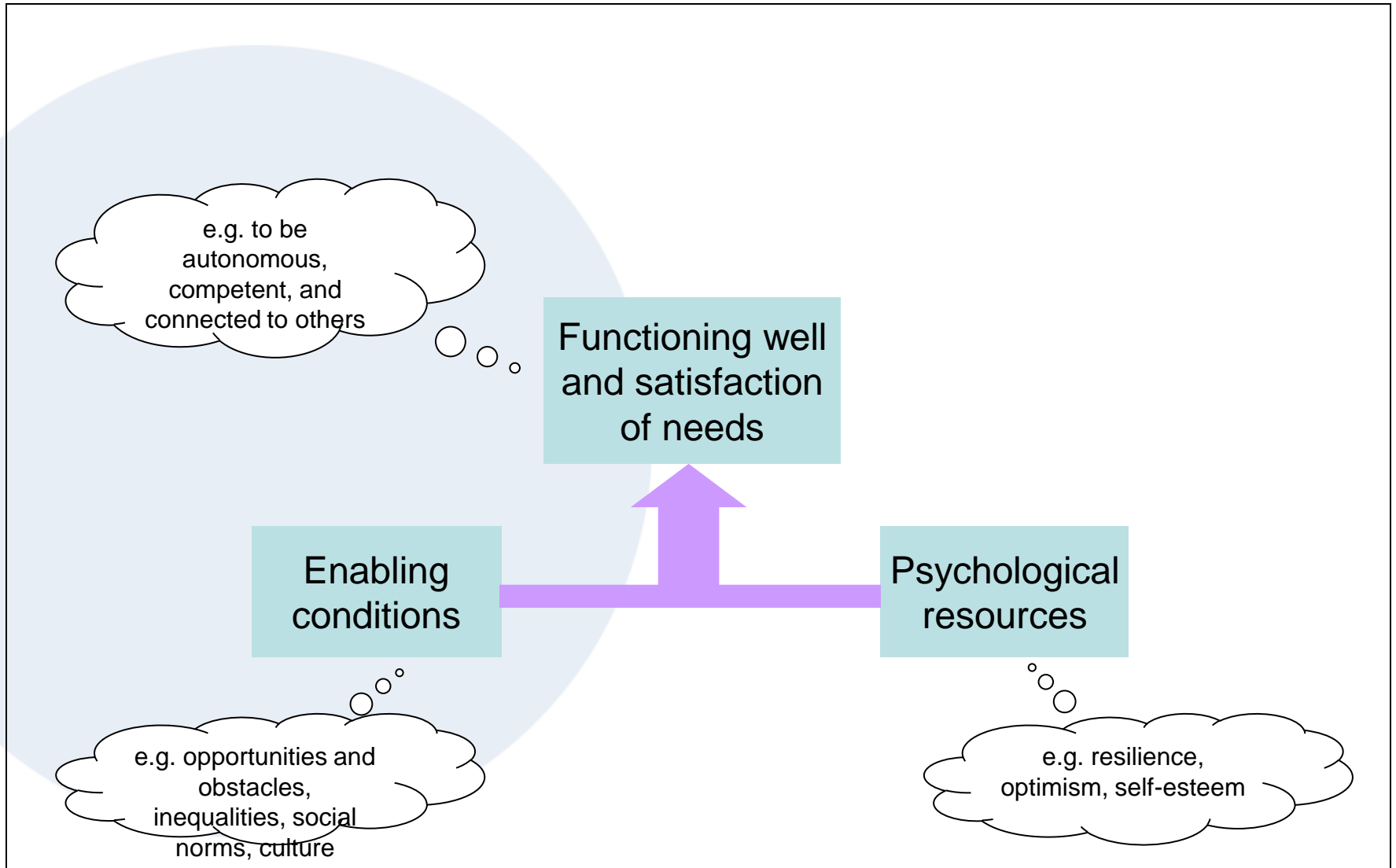
A dynamic model of well-being



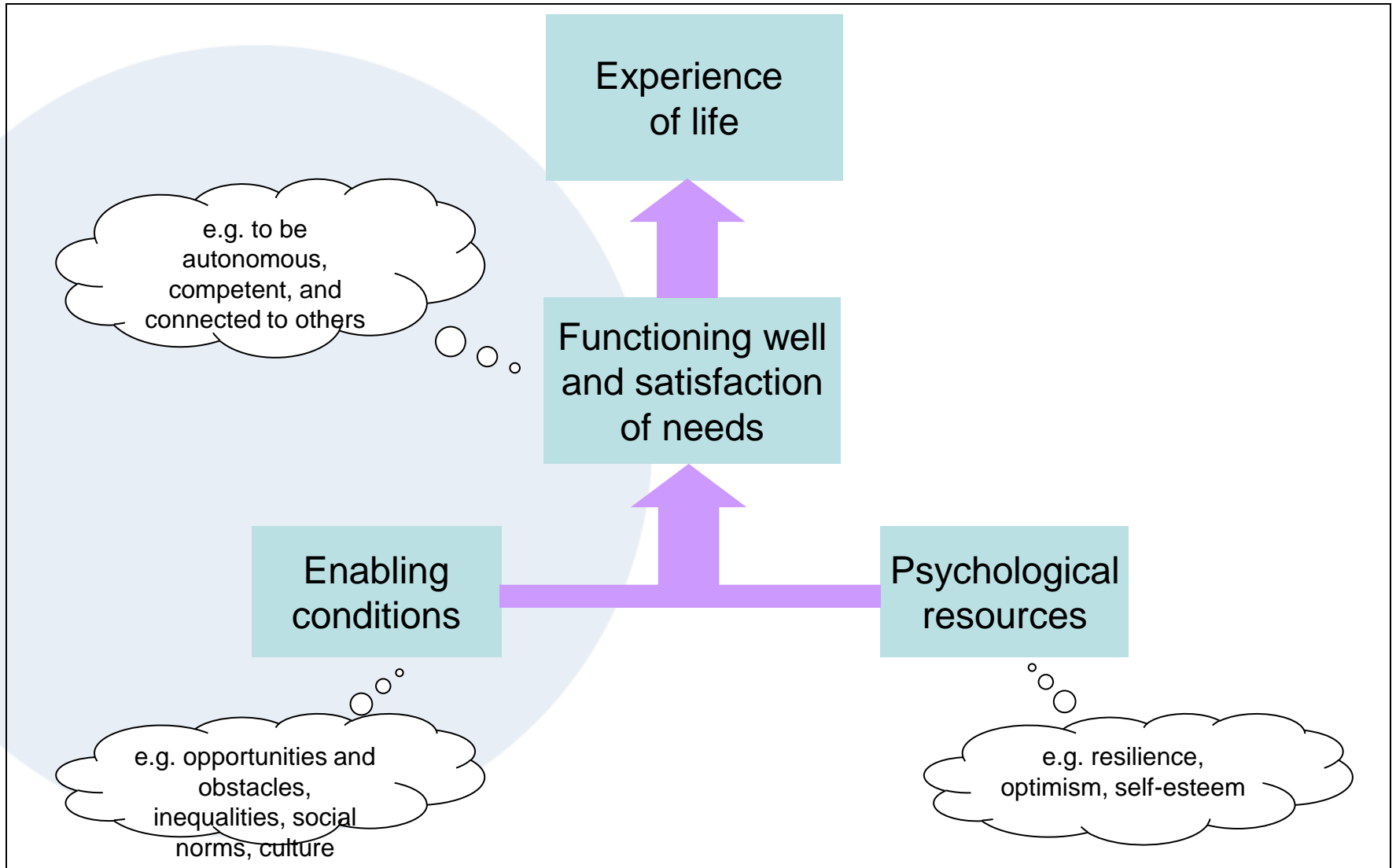
A dynamic model of well-being



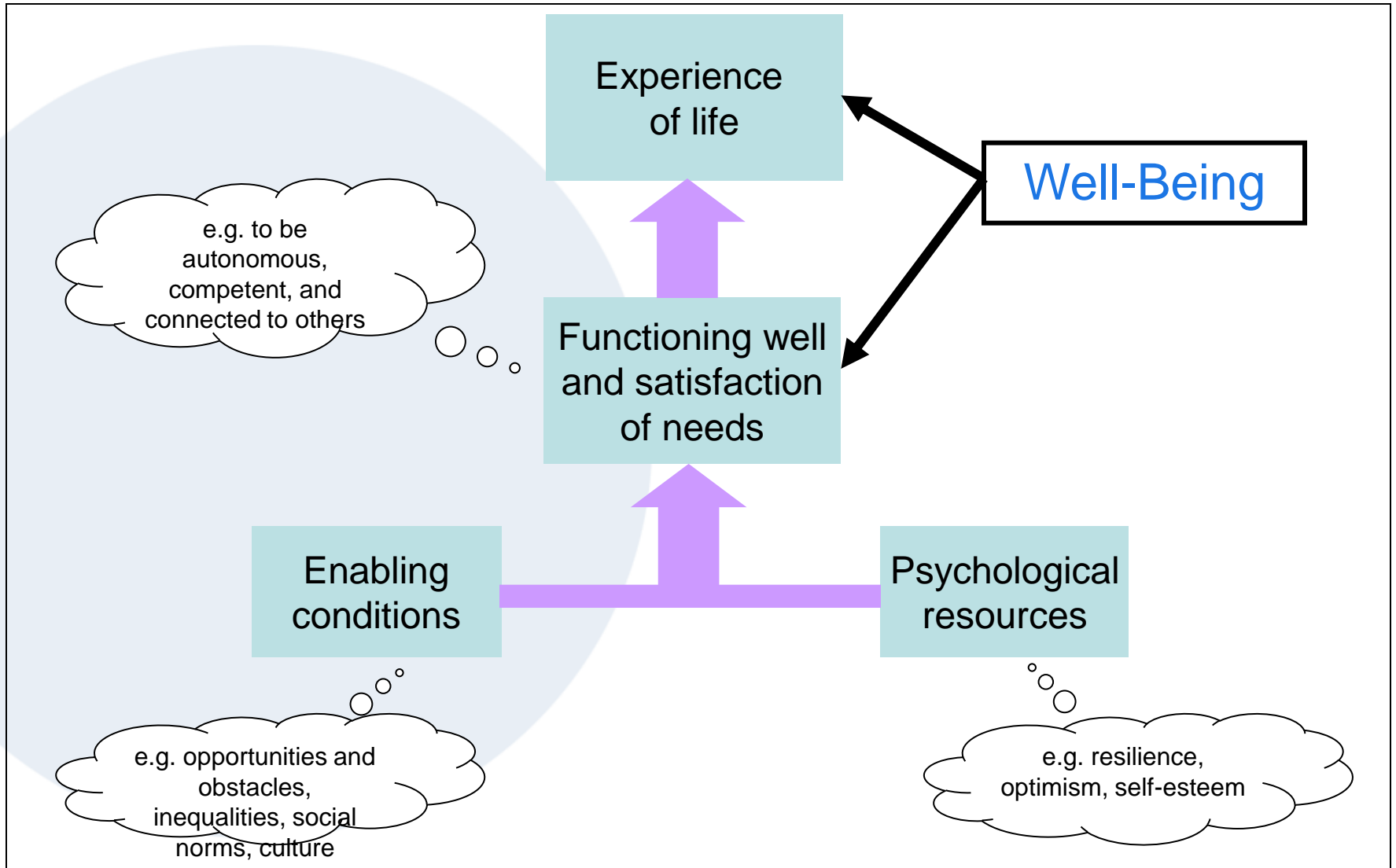
A dynamic model of well-being



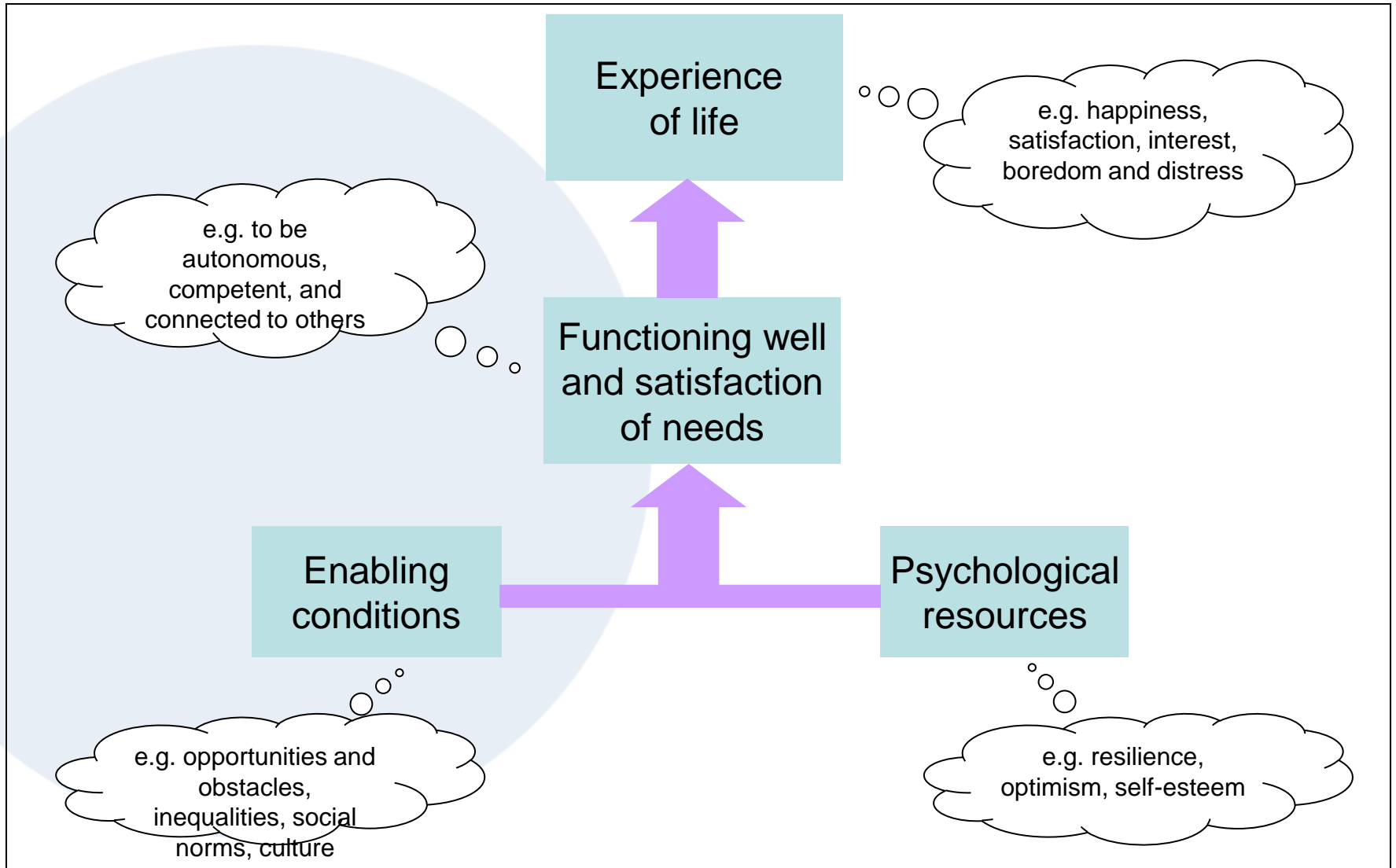
A dynamic model of well-being



A dynamic model of well-being



A dynamic model of well-being



Role of Emotions at Work

Friedrickson and Losado: Positive teams at work

Study of 60 Strategic Business Unit teams, each of eight people, all from within the same organisation.

The SBUs performance categorised in terms of:

- Profitability (SBU profit & loss accounts)
- Customer satisfaction (surveys & interviews)
- 360' evaluations of team members

Each “utterance” in meeting was coded in terms of:

- Positivity (support, encouragement, appreciation)
- Negativity (disapproval, sarcasm, cynicism)

Role of Emotions at Work



Friedrickson and Losado: Positive teams at work

Team Performance	Positivity / Negativity ratio		
HIGH (15)			
MEDIUM (26)			
LOW (19)			

Role of Emotions at Work



Friedrickson and Losado: Positive teams at work

Team Performance	Positivity / Negativity ratio		
HIGH (15)	5.61		
MEDIUM (26)	1.86		
LOW (19)	0.36		

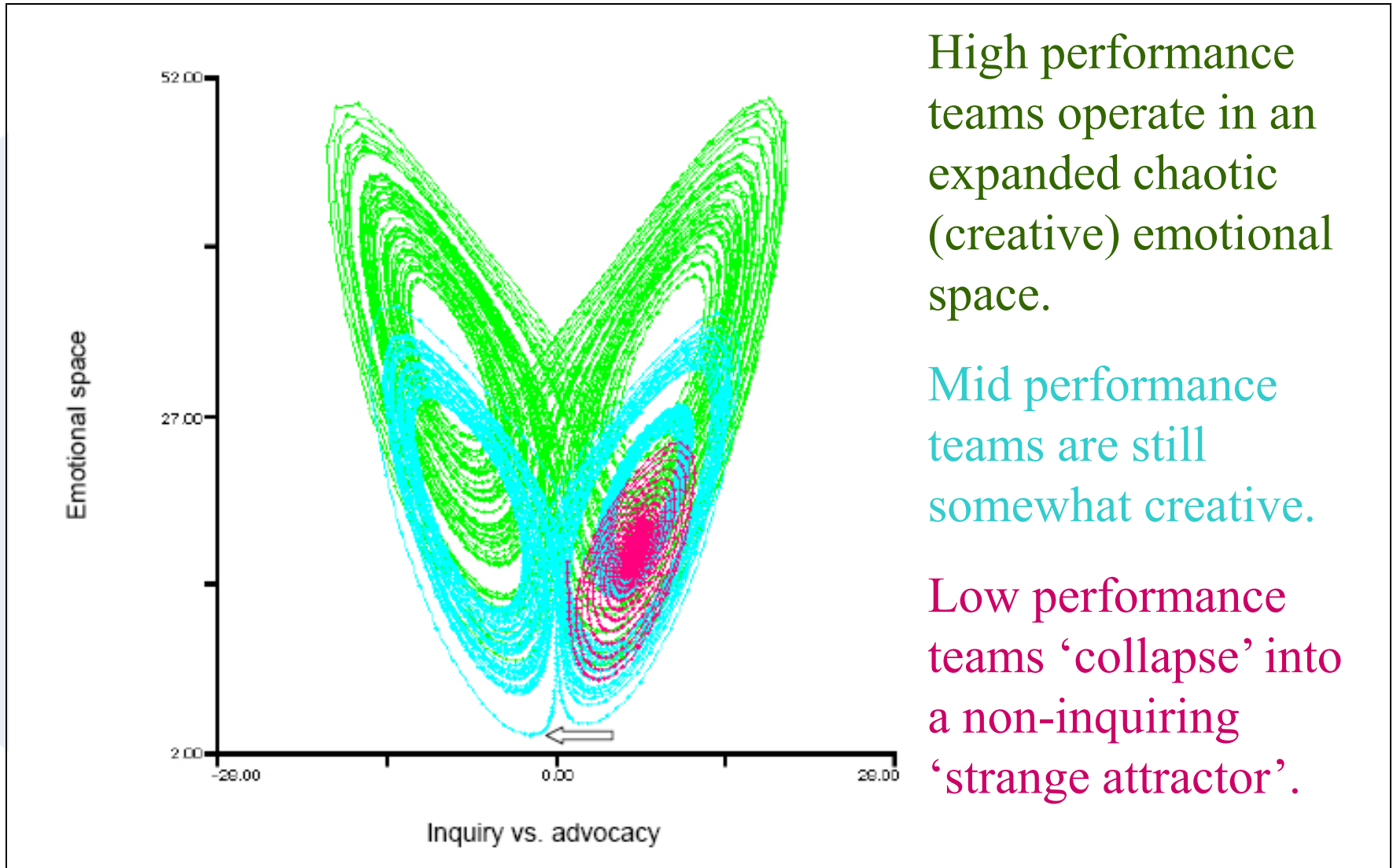
Role of Emotions at Work



Friedrickson and Losado: Positive teams at work

Team Performance	Positivity / Negativity ratio	Inquiry / Advocacy	Other / Self
HIGH (15)	5.61	1.14	0.94
MEDIUM (26)	1.86	0.67	0.62
LOW (19)	0.36	0.05	0.03

Role of Emotions at Work



High performance teams operate in an expanded chaotic (creative) emotional space.

Mid performance teams are still somewhat creative.

Low performance teams 'collapse' into a non-inquiring 'strange attractor'.

Role of Emotions at Work



Friedrickson and Losado: Positive teams at work

Magic Ratio

Positive : Negative

3 : 1

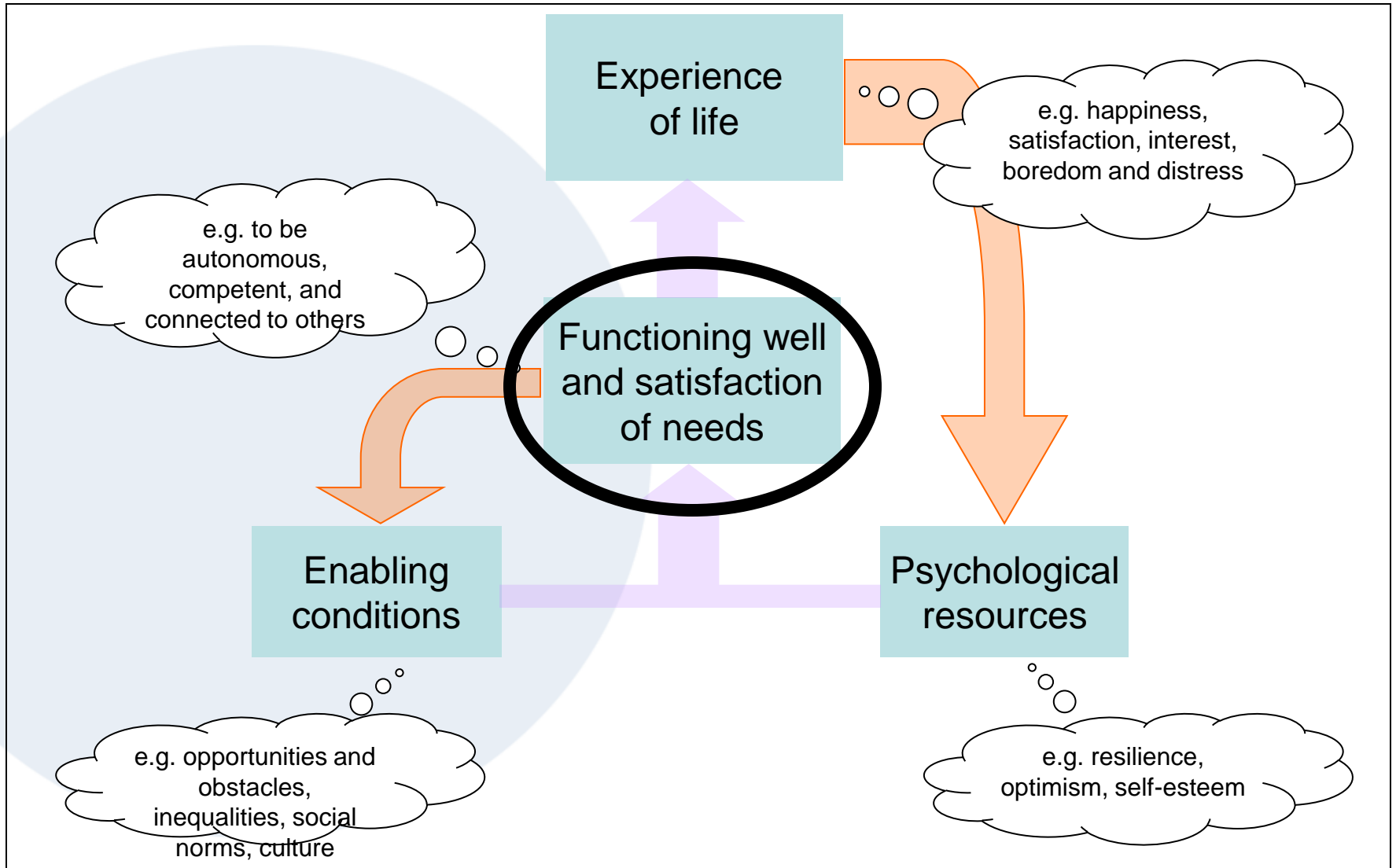
to

8 : 1

Measuring what matters

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- Dynamic Model of Well-being
- Five Ways to Well-being

A dynamic model of well-being



Five ways to well-being



 **Foresight**

**Government
Office for Science**

Five ways
to wellbeing

Connect...

Connect with the people around you. With family, friends, colleagues and neighbours. At home, work, school or in your local community. Think of these as the cornerstones of your life and invest time in developing them. Building these connections will support and enrich you every day.

Be active...

Go for a walk or run. Step outside. Cycle. Play a game. Garden. Dance. Exercising makes you feel good. Most importantly, discover a physical activity you enjoy and one that suits your level of mobility and fitness.

Five ways
to wellbeing

Take notice...

Be curious. Catch sight of the beautiful. Remark on the unusual. Notice the changing seasons. Savour the moment, whether you are walking to work, eating lunch or talking to friends. Be aware of the world around you and what you are feeling. Reflecting on your experiences will help you appreciate what matters to you.

Five ways
to wellbeing

Keep learning...

Try something new. Rediscover an old interest. Sign up for that course. Take on a different responsibility at work. Fix a bike. Learn to play an instrument or how to cook your favourite food. Get a challenge you will enjoy achieving. Learning new things will make you more confident as well as being fun.

Give...

Do something nice for a friend, or a stranger. Thank someone. Smile. Volunteer your time. Join a community group. Look out, as well as in. Seeing yourself, and your happiness, linked to the wider community can be incredibly rewarding and creates connections with the people around you.

Five ways
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Connect...

Connect with the people around you. With family, friends, colleagues and neighbours. At home, work, school or in your local community. Think of these as the cornerstones of your life and invest time in developing them. Building these connections will support and enrich you every day.

Evidence:

- Psychiatric morbidity studies most significant factor is social participation.
- Weak primary social networks (3 or less) predicts future Common Mental Disorders (even with current held for)
- Preferences evidence from *British Attitude Survey* show people want to spend time with family & friends and less at work.
- Life goals associated with commitment to family and friends promote life satisfaction (cf career or financial goals)

Five ways
to wellbeing

Be active...

Go for a walk or run. Step outside. Cycle. Play a game. Garden. Dance. Exercising makes you feel good. Most importantly, discover a physical activity you enjoy and one that suits your level of mobility and fitness.

Evidence:

- Less strong but highly indicative and there is a consensus amongst researchers
- Association evidence from cross sectional surveys
- Longitudinal studies indicate exercise protects against cognitive decline
- Intervention studies suggestive about benefits but no strong evidence on exact intensity and frequency required.

Five ways
to wellbeing

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Take Notice



Evidence:

- Interventions based on Cognitive Behavioural Therapy shown to be effective
- Training that increases awareness of sensations has long term effects
- Mindfulness (state of being attentive and aware of what is taking place in the present) is predictive of future positive mental states.
- Resilience Training with Children (ultimately CBT)

Five ways
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Keep Learning



Evidence:

- For children learning very important for social and cognitive development
- Learning through life encourages social interaction and promotes self-esteem
- Some evidence that learning can lift depression (amongst older people)
- Goal-setting strongly associated with enhanced well-being

Five ways to wellbeing

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Evidence:

- Neuroscience evidence of mutual cooperation stimulating the 'reward' neural response system
- Volunteering (esp amongst older people) has strong effects on positive affect and meaning in life
- Being supportive to others associated with reduced mortality rates amongst older populations.
- Acts of kindness have an immediate effect and if habitualised a longer term effect

Five ways to well-being



Full report available at:

www.neweconomics.org

Postcards are also available to order from web-site



A vision for a Happier Planet



High Well-being

Low Carbon

Five ways
to wellbeing

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Five recent reports

Measuring Wellbeing in Policy; *Sam Thompson, Nic Marks;* Foresight & **nef**; Oct 08

Local Wellbeing – can we measure it? ; *Nicola Steuer, Nic Marks;* Young Foundation & **nef**; Sept 08

Five Ways to Wellbeing: the evidence; *Jody Aked, Nic Marks;* Foresight & **nef**; Oct 08

National Accounts of Well-being; *Juliet Michaelson, Saamah Abdallah, Nicola Steuer, Sam Thompson and Nic Marks;* **nef**; January 2009

Happy Planet Index; July 2009

National Accounts of Well-being

www.nationalaccountsofwellbeing.org

Happy Planet Index

www.happyplanetindex.org

Other reports downloadable from

www.neweconomics.org

Nic Marks:

nic.marks@neweconomics.org



economics
real wealth
means well-being



environment
lifestyles must
become sustainable



society
communities need
power and influence