

UK Wellbeing: options.



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Content

z Wellbeing lands.

z Pitfalls.

z Whitehall.

z Life Satisfaction.

z Examples for Wales from Scotland and Holland

Wellbeing lands

- z OECD, Australia, South Korea, NY, Bhutan, New Zealand, Andhra Pradesh, Equador, France, Italy.
- z UK: 2004/2014/2015 Care Act,
- z England
- z Denmark, Netherlands.
- z Wales?

Pitfalls

- z Indices.

- z Sustainable Development Goals. 390 indicators.

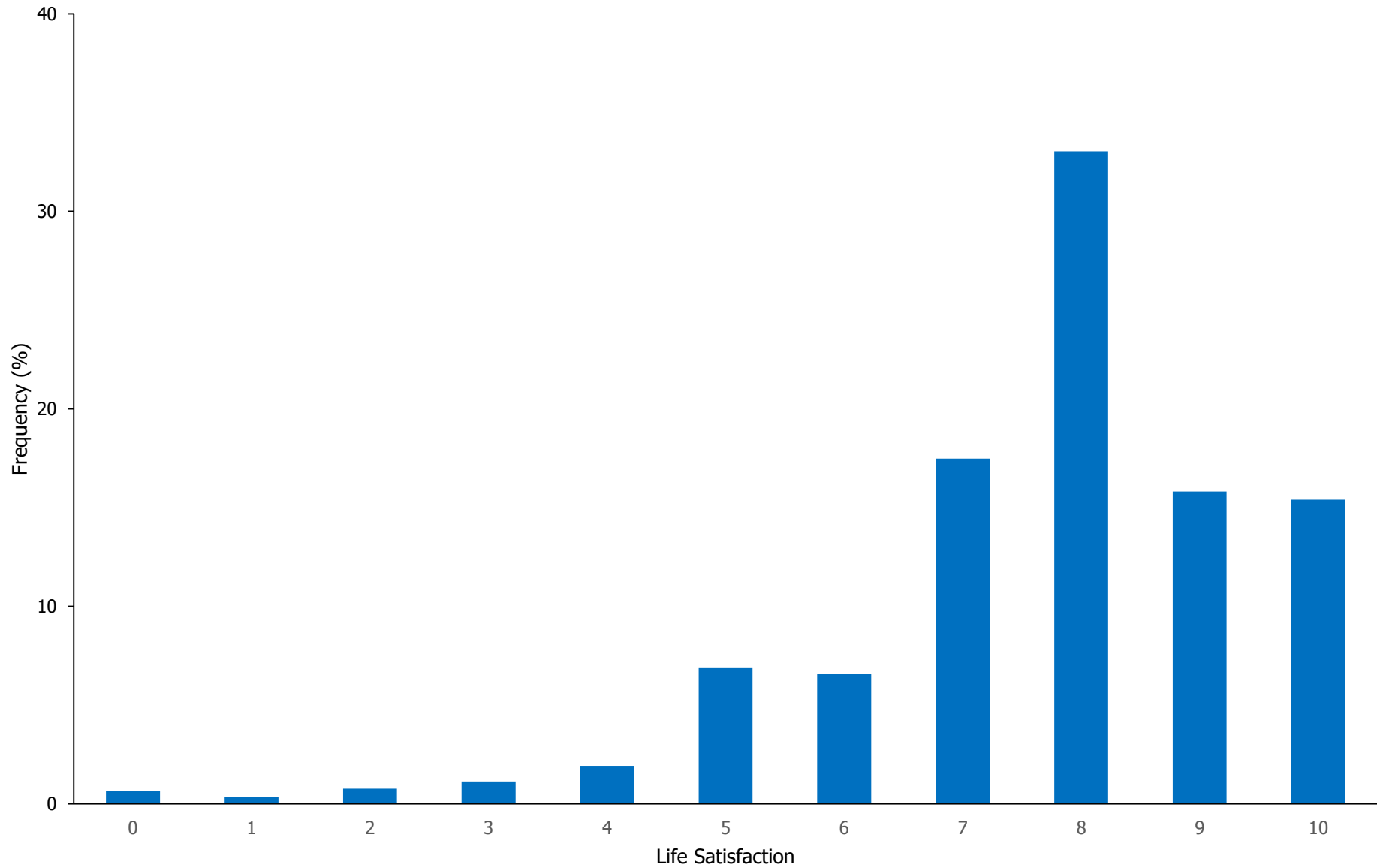
Whitehall

- z Define.
- z Measure.
- z Experiment.
- z Roll-outs.

Life satisfaction

- z “How satisfied are you with life as a whole these days, where a 0 is ‘not at all’ and a 10 ‘completely’.”

UK Life sat 2017 (office National Statistics)





Average (out of 10)



average (out of 10)



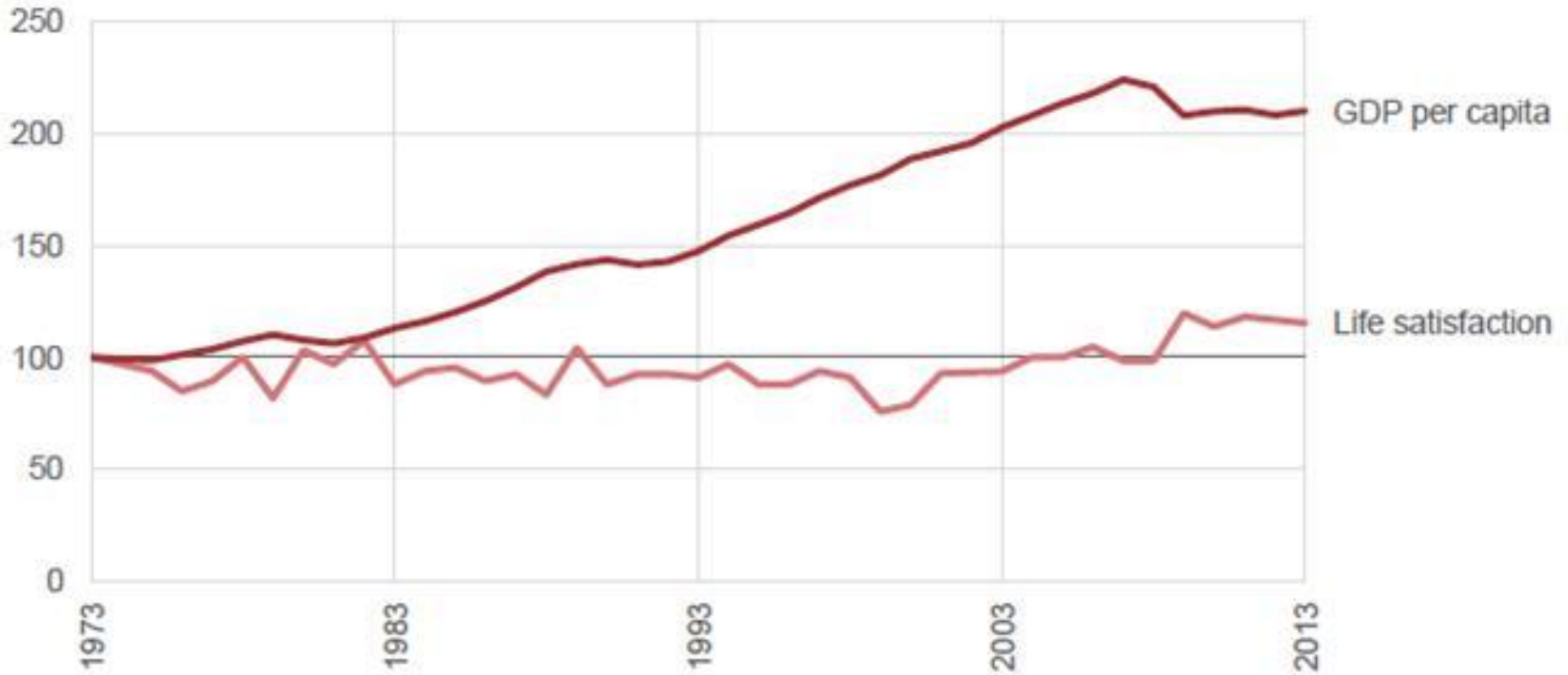
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▶ Play



UK?

GDP per capita and life satisfaction, 1973-2013, indexed 1973=100

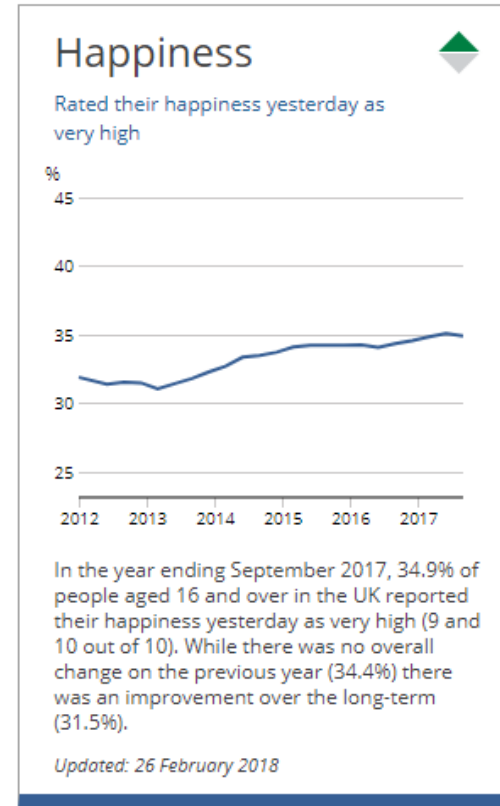
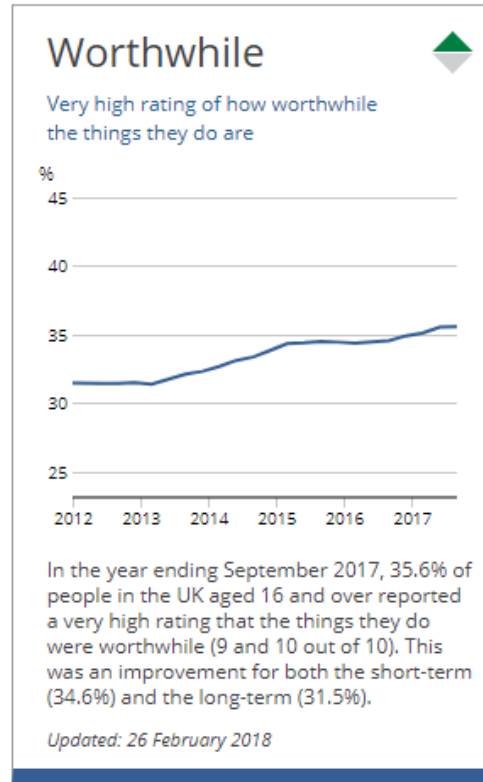
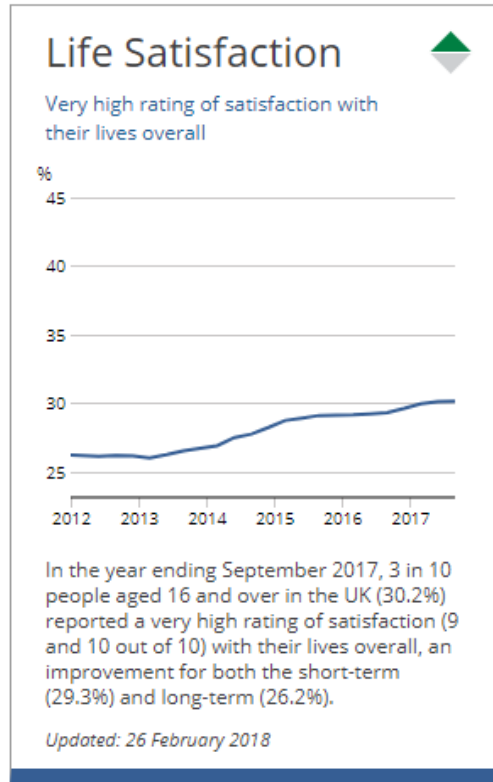


Source: Eurobarometer

More recent....

Personal Well-being

Includes individual's feelings of satisfaction with life, whether they feel the things they do in their life are worthwhile and their positive and negative emotions.



Source: Office of National Statistics

What do we think we know?

z Personal consumption.

z Power.

z Permission.

z Mental skills.

z People.

Examples relevant for Wales?

- z PHE teacher-lead CBT training in Scotland.
- z Wellbeing + social Safety in Dutch Schools.

Effect sizes, with high confidence in green

	Change	Effect on 0-10 Life Satisfaction	Dynamics	Key literature References	Confidence in effect and causality?
Work	From employment to Unemployment	-0.46 (UK) -0.71 (Ger)	Immediate effect higher, then reducing, but no long-run adaptation.	UK: [1] Tbl 4.2 Ger: [1] Tbl 4.2.	High. Large effects found in longitudinal studies, cross-sections, recession-related, and employment shock-related (plant closures).
	From unemployment to out-of-labour force	+0.32 (UK) +0.57 (Ger)	Unknown.	UK: [1] Tbl 4.2	Effect very robust in cross-section and panels, but causality unclear.
	From no commute to 1 hour car commute	-0.012 (UK) -0.151 (Ger)	Unknown.	UK: [2] Ger: [3]	Low. Findings disputed and causality unclear. No RCTs.
	From car commute to walking commute (time)	Insig. (UK) Insig. (Ger)	Unknown.	UK: [2] Ger: [3]	Low: results from fixed-effects, no RCTs.
Finances	Doubling of household income	+0.16 (UK) +0.5 (E-Ger)	Persistent effect with elation peak.	UK: [1] Tbl 2.1 E-Ger: [4]	High. Effect found in panels, cross-sections, and shock-related (lotteries). Height disputed and income measurement problematic.
Education	Extra year of compulsory education	-0.03 (UK)	Persistent effects.	UK: [5]	High for UK, since effect found from 1972 UK compulsory school changes. Marginal result also found in other Western countries.
Relationships	From single to partnered/married	+0.28 (UK) +0.1 (Ger)	Permanent effect, with initial peak.	UK: [1] Tbl 5.2 Ger: [6]	High. Ubiquitous finding around the world.
	From never married to married at 50	+0.2 (UK)	Permanent effect, high initial peak.	UK: [1] Tbl 9.1	Medium: cohort study findings, so causality unclear.
	From partnered to separated	-0.40 (UK)	High initial effect, then some adaptation.	UK: [1] Tbl 5.2	High as found everywhere, but most find new partners so don't stay separated. Lone men suffer more.

Health	From healthy to poor physical health (self-rated)	-1.08 (UK) -0.96 (Ger)	Permanent effect, but initial peak as well.	UK: [7] , Tbl 4, column 2 Ger: [6] ^a	High as found everywhere, including due to health shocks.
	From depression to full mental health (4 pnts on a 0-12 scale)	+0.71	Permanent, little evidence of a peak.	UK: [1] Tbl 16.2	High as found everywhere, including large clinical trials.
Crime	A doubling of fear of crime	~-0.30 (Europe) ^b	Unknown	[8]	Medium: panel-data based, often replicated, but drivers of fear not exogenous.
	Victim of violent crime	-0.396 (Australia)	Effect largely in first year.	[9]	High, but specific: effects are for unanticipated events that were recorded.
Environment	Increase of 10 in SO ₂ (μ g/m ³)	-0.08 (Ger)	Unknown	[10]	High: effects driven by unanticipated changes in power plant emissions due to policy.
	Increase of 10 in PM ₁₀ (μ g/m ³)	~ -0.051 (US)	Unknown	[11]	Medium to high: effects of air pollution sufficiently exogenous for single individual
	Increase of 1 hectare of green space within 1 kilometre around household	+0.0066 (Ger) ~ +0.0031 (UK) ^c	Seems permanent	Ger [12], UK [13, 14]	Medium to high: panel-data based but no clear-cut exogenous variation, similar results by studies in UK
	Increase of 1 hectare of vacant land (abandoned areas) within 1 kilometre around household	-0.0395 (Ger)	Unknown	[12]	Medium: panel-data based but no clear-cut exogenous variation
	Construction of wind turbine within 4 kilometres around household.	-0.1405 (Ger)	Seems temporary: effect disappears after five years	[15]	High: wind turbine construction exogenous for household in surroundings, difference-in-differences with treatment at multiple points in time.
World of work	From full-time employed to part-time employed wanting more hours	-0.174 (W. Europe)	Largely permanent. Particularly strong effect for men.	[16]	Effect very robust in cross-section and panels, but causality unclear.
	From full-time employed to part-time employed not wanting more hours	+0.066 (W. Europe)	Largely permanent. Particularly strong effect for women.	[16]	Effect very robust in cross-section and panels, but causality unclear.
	Being in a white collar job (e.g. managers, officials, clerical or office workers) versus a blue collar job (e.g. construction,	Approx. +0.80 (worldwide)	Unknown.	[16]	Effect very robust in cross-section and panels, but causality unclear.

Notes to table 1

1. Clark, AE, Fleche, S., Layard, R., Powdthavee, N., and Ward, G. (2017) "The Origins of Happiness", Princeton University Press.
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3. A. Stutzer, B.S. Frey Stress that doesn't pay: the commuting paradox *Scand. J. Econ.*, 110 (2) (2008), pp. 339-366. Estimate reported: Table 1, linear FE, column 4.
4. Frijters, Paul, John P. Haisken-DeNew, and Michael A. Shields. "Money does matter! Evidence from increasing real income and life satisfaction in East Germany following reunification." *American Economic Review* 94.3 (2004): 730-740.
5. Education: Clark, Andrew E., and SeEun Jung. *Does Compulsory Education Really Increase Life Satisfaction?*. No. 2017-6. Inha University, Institute of Business and Economic Research, 2017.
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7. Frijters, Paul, David W. Johnston, and Michael A. Shields. "Does childhood predict adult life satisfaction? Evidence from British cohort surveys." *Economic Journal* 124.580 (2014).
8. Hansmaier, Michael. "Crime, fear and subjective well-being: How victimization and street crime affect fear and life satisfaction." *European Journal of Criminology* 10.5 (2013): 515-533.
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12. Krekel, C., J. Kolbe, and H. Wuestemann, "The greener, the happier? The effect of urban land use on residential well-being," *Ecological Economics* 121, 117-127, 2016.
13. White, M. P., I. Alcock, B. W. Wheeler, and M. H. Depledge, "Would you be happier living in a greener urban area? A fixed-effects analysis of panel data," *Psychological Science* 24(6), 920-928, 2013.
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16. De Neve, J-E. and Ward, G. "Happiness at work". In 2017 World Happiness Report edited by Helliwell, Layard, and Sachs.
17. Mujcic, R., & J. Oswald, A. (2016). Evolution of well-being and happiness after increases in consumption of fruit and vegetables. *American journal of public health*, 106(8), 1504-1510.

Reading on topics

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- z Di Tella, Rafael; MacCulloch, Robert; Oswald, Andrew J. "The macroeconomics of happiness." *Review of Economics and Statistics*, 2003, 85, 809-827.

z Productivity and growth

- z Aghion, Philippe; Akcigit, Ufuk; Deaton, Angus; et al. "Creative destruction and subjective well-being." *American Economic Review*, 2016, 106, 3869-3897.
- z Oswald, Andrew J., Proto, Eugenio, SgROI, Daniel. "Happiness and productivity." *Journal of Labor Economics*, 2015, 33, 789-822.

z Noise pollution

- z van Praag, BMS; Baarsma, BE. "Using happiness surveys to value intangibles: The case of airport noise." *Economic Journal*, 2005, 224-246.

Inequality

Alesina, Alberto, Di Tella, Rafael, MacCulloch, Robert. "Inequality and happiness: are Europeans and Americans different?" *Journal of Public Economics*, 2004, 88, 2009-2042.

Deaths of family members

Oswald, Andrew J., Powdthavee, Nattavudh. "Death, happiness, and the calculation of compensatory damages." *Journal of Legal Studies*, 2008, 37, S217-S252.

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Steptoe, Andrew; Deaton, Angus; Stone, Arthur A. "Subjective wellbeing, health, and ageing." *Lancet*, 2015, 385, 640-648.

Relative-income externalities

Luttmer, Erzo, "Neighbors as negatives: Relative earnings and well-being." 2005, *Quarterly Journal of Economics*, 120, 963-1002.

The Easterlin Paradox

Easterlin, Richard, A. "Will raising the incomes of all increase the happiness of all?" *Journal of Economic Behavior and Organization*, 1995, 27, 35-47.

Stevenson, Betsey, Wolfers, Justin. "Economic growth and subjective well-being: Reassessing the Easterlin Paradox", *Brookings Papers on Economic Activity*, 2008, 1, 1-102.

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Gardner, Jonathan; Oswald, Andrew J. "Money and mental wellbeing: A longitudinal study of medium-sized lottery wins." *Journal of Health Economics*, 2007, 26, 49-60.

Stevenson, Betsey, Wolfers, Justin. "Subjective well-being and income: Is there any evidence of satiation?" *American Economic Review* 103.3 (2013): 598-604.

Debt, financial worries and SWB

Tay, L., Batz, C., Parrigon, S., & Kuykendall, L. (2017). Debt and subjective well-being: The other side of the income-happiness coin. *Journal of Happiness Studies*, 18(3), 903-937.

z Disability

z Oswald, Andrew J., Powdthavee, Nattavudh. Does happiness adapt? A longitudinal study of disability with implications for economists and judges, *Journal of Public Economics*, 2008, 92, 1061-1077.

z Happiness and choice

z Benjamin, Daniel J., et al. "What do you think would make you happier? What do you think you would choose?" *American Economic Review* 102.5 (2012): 2083-2110.

z Childhood and adult happiness

z Layard, Richard, et al. "What predicts a successful life? A life-course model of well-being." *Economic Journal* 124.580 (2014).

z Diet

z Oswald, Andrew J., Mujcic, Redzo. "Evolution of happiness and well-being after increases in the consumption of fruit and vegetables." *American Journal of Public Health*, 106, 1504-1510.

z National drought and environment

z Carroll, Nick; Frijters, Paul; Shields, Michael A. "Quantifying the costs of drought: new evidence from life satisfaction data." *Journal of Population Economics*, 2009, 22, 445-461.

z Dolan, P., & Laffan, K. (2016). Bad air days: The effects of air quality on different measures of subjective well-being. *Journal of Benefit-Cost Analysis*, 7(1), 147-195.

z The method of calculating valuations from happiness equations

z Clark, Andrew E., Oswald, Andrew J. "A simple statistical method for measuring how life events affect happiness." *International Journal of Epidemiology*, 2002, 31(6), 1139-1144.

z Brain science

z Rutledge, Robb B.; Skandali, Nikolina; Dayan, Peter; et al. "A computational and neural model of momentary subjective well-being." *Proceedings of the National Academy of Sciences of the USA* 2014, 111, 12252-57.

z Overview articles

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