

<b>Institution: London School of Economics and Political Science</b>
<b>Unit of Assessment: 18: Economics and Econometrics</b>
<b>Title of case study: Improving public policy by promoting wellbeing</b>
<p><b>1. Summary of the impact</b> (indicative maximum 100 words)</p> <p>The Wellbeing Programme at the LSE's Centre for Economic Performance (CEP) was founded in 2001, based on the belief that subjective wellbeing should be the main criterion for making government policy. The research programme has had a widespread impact on many UK government policies, including policies for measuring national wellbeing; for Improving Access to Psychological Therapies in the NHS; for improving life skills in schools; and for apprenticeships. CEP research has also had significant impact worldwide, including on the OECD's measurement programme, the World Economic Forum, and the United Nations (UN) process towards making happiness one of the 'sustainable development goals' after 2015.</p>
<p><b>2. Underpinning research</b> (indicative maximum 500 words)</p> <p>RESEARCH INSIGHTS AND OUTPUTS: The Wellbeing Programme took off with the publication of Layard's 2003 Robbins Memorial Lectures (1) and his 2005 book (2). The programme's main aims since then have been to promote the use of happiness as a criterion for public policy, and to provide research underpinnings for policies to improve happiness.</p> <ol style="list-style-type: none"> <li>Happiness in general: Time-series data show that despite major rises in income in many countries, wellbeing has not risen since records began – and yet people want more income. CEP research explains this apparent contradiction by showing that what people mainly care about is their income relative to other people (3): this greatly reduces the power of economic growth to raise average wellbeing. The work also provides empirical evidence in support of greater income equality by showing that an extra pound gives x times more extra wellbeing to a poor person than it does to someone who is x times richer (4). To provide a balanced survey of all the different causes of wellbeing, CEP researchers co-edited the World Happiness Report for the first UN Conference on Happiness in 2012, and wrote the review chapter on the causes of happiness (5).</li> <li>Measurement of wellbeing: If wellbeing is to become the goal of public policy, a first step is to have regular official measurements of population wellbeing. A CEP team surveyed the evidence on possible measures and wrote a proposal for the four questions that should be asked (6). The UK's Office for National Statistics (ONS) adopted these proposals for the regular national survey that began in 2011.</li> <li>Mental health: CEP research shows that mental health is a major determinant of wellbeing – more important than income. To persuade the UK government to expand psychological therapy services, CEP researchers conducted a cost-benefit analysis of cognitive behavioural therapy, which showed that wider provision would have zero net cost to the UK Treasury (7). Following this, in 2007, the government launched the Improving Access to Psychological Therapies (IAPT) programme and a CEP team evaluated first the two demonstration sites (8) and then the first year of the national rollout. The evaluations showed that the best results were achieved by implementing the treatments that CEP had proposed.</li> <li>Life skills in schools: Prevention is better than cure – so, to improve mental health, it is highly desirable to increase the resilience of young people. One notable intervention is the 18-hour Penn Resilience Programme. In small trials, this had already been shown to have good results, but a wider field trial was needed. CEP persuaded 22 English schools to introduce the programme and Layard's CEP colleagues Amy Challen and Stephen Machin led the evaluation (9). This showed that the programme had long-lasting effects on school performance and good short-term results on emotional health though these faded over time. CEP is now promoting the trial of a much longer 140-hour programme based on a worldwide search for effective programmes.</li> <li>Apprenticeship: Unemployment is a major source of misery, especially among young people. CEP researchers, notably Layard's colleague Hilary Steedman, have long advocated apprenticeships along the lines of Germany's system and the latest evaluation of international</li> </ol>

evidence has been part of the campaign to bring this about (10).

KEY RESEARCHER: Professor Layard has been at LSE since 1964.

### 3. References to the research (indicative maximum of six references)

1. Layard, Richard (2003) Happiness: Has Social Science a Clue? *Lionel Robbins Memorial Lectures*, delivered on 3, 4 and 5 March 2003 (downloaded over 1.1 million times). (<http://cep.lse.ac.uk/new/events/event.asp?id=165>) <http://eprints.lse.ac.uk/47425/>
2. Layard, Richard (2005; second edition 2011) *Happiness: Lessons from a New Science*, Penguin (which has been reprinted in 20 languages and sold over 150,000 copies). Details: [http://www.penguin.co.uk/nf/Book/BookDisplay/0,,9780241952795,00.html?strSrchSql=layard/Happiness\\_Richard\\_Layard](http://www.penguin.co.uk/nf/Book/BookDisplay/0,,9780241952795,00.html?strSrchSql=layard/Happiness_Richard_Layard) Available from LSE
3. Layard, Richard, Guy Mayraz and Stephen Nickell (2010) 'Does Relative Income Matter? Are the Critics Right?', in *International Differences in Well-Being* edited by Ed Diener, John Helliwell and Daniel Kahneman, Oxford University Press. (Chapter in book: [http://books.google.co.uk/books?id=R77hWI1gaQsC&pg=PA139&lpg=PA139&dq=Does+Relative+Income+Matter?+Are+the+Critics+Right?&source=bl&ots=ESuDdEeFwW&sig=xxFAGlcNQRtIfQ13HCV6SSyl\\_rk&hl=en&sa=X&ei=c4FNUvOzCvS00QWPmlGqDw&ved=0CEEQ6AEwAw#v=onepage&q=Does%20Relative%20Income%20Matter%3F%20Are%20the%20Critics%20Right%3F&f=false](http://books.google.co.uk/books?id=R77hWI1gaQsC&pg=PA139&lpg=PA139&dq=Does+Relative+Income+Matter?+Are+the+Critics+Right?&source=bl&ots=ESuDdEeFwW&sig=xxFAGlcNQRtIfQ13HCV6SSyl_rk&hl=en&sa=X&ei=c4FNUvOzCvS00QWPmlGqDw&ved=0CEEQ6AEwAw#v=onepage&q=Does%20Relative%20Income%20Matter%3F%20Are%20the%20Critics%20Right%3F&f=false)) Available from LSE
4. Layard, Richard, Stephen Nickell and Guy Mayraz (2008) 'The Marginal Utility of Income', in 'Happiness and Public Economics', *Journal of Public Economics* 92(8-9): 1846-57. (<http://www.sciencedirect.com/science/article/pii/S0047272708000248> hgd: subscription necessary to be able to download full copy of the article) <http://eprints.lse.ac.uk/51618/>
5. Clark, Andrew, Richard Layard and Claudia Senik (2012) 'The Causes of Happiness and Misery', in *World Happiness Report* edited by John Helliwell, Richard Layard and Jeffrey Sachs, Columbia UP: 58-89 <http://eprints.lse.ac.uk/47487/>
6. Dolan, Paul, Richard Layard and Robert Metcalfe (2011) *Measuring Subjective Well-being for Public Policy*, ONS. (<http://eprints.lse.ac.uk/35420/1/measuring-subjective-wellbeing-for-public-policy.pdf>)
7. Layard, Richard, David Clark, Martin Knapp and Guy Mayraz (2007) 'Cost-benefit Analysis of Psychological Therapy', *National Institute Economic Review* 202: 90-98. (Requires a subscription: <http://ner.sagepub.com/content/202/1/90.full.pdf+html>) <http://eprints.lse.ac.uk/3379/>
8. Clark, David, Richard Layard, Rachel Smithies, David Richards, Rupert Suckling and Benjamin Wright (2009) 'Improving Access to Psychological Therapy: Initial Evaluation of Two UK Demonstration Sites', *Behaviour Research and Therapy* 47(11): 910-20. (<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3111658/>) <http://eprints.lse.ac.uk/26894/>
9. Challen, Amy, Stephen Machin, Philip Noden and Anne West (2011) *Evaluation of the UK Resilience Programme*, Final Report (for the Department for Education). ([https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/197313/DFE-RB097.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/197313/DFE-RB097.pdf)) <http://eprints.lse.ac.uk/51617/>
10. Steedman, Hilary (2010) *The State of Apprenticeship in 2010: International Comparisons - Australia, Austria, England, France, Germany, Ireland, Sweden, Switzerland*. A Report for the Apprenticeship Ambassadors Network, CEP Special Paper No. 22. (<http://cep.lse.ac.uk/pubs/download/special/cepsp22.pdf>) <http://eprints.lse.ac.uk/47516/>

EVIDENCE OF QUALITY: 2008 IZA International Prize in Labour Economics for 'The Marginal Utility of Income', *Journal of Public Economics*. Key research awards: US National Institute on Aging, \$1,075,000 (2011-16); Department of Work & Pensions, £300,000 (2011-13); Department for Children, Schools and Families, £340,951 (2007-10); Esmée Fairbairn Foundation, £334,000 (2005-10)

### 4. Details of the impact (indicative maximum 750 words)

The impact of CEP's Wellbeing Programme has been not only on UK public policy (items A-E

below), but also international (items F-H) and cultural (item I).

**A. Wellbeing as a goal of UK public policy (including measurement):** Since the beginning of CEP's Wellbeing Programme in 2003, there have been regular interactions with the Treasury and Cabinet Office on how wellbeing can become a central goal of public policy. Through the efforts of Gus O'Donnell (Cabinet Secretary between 2005 and 2011 and a member of the CEP Policy Committee) and both Labour and Coalition governments, the UK has led the world on this issue.

In 2008, the ONS sought CEP's help on what questions could be asked in a regular national survey of wellbeing and in 2011, adopted the proposals (6). Layard and his colleague Paul Dolan sit on the relevant ONS committees: the Measuring National Well-being Advisory Forum and the Measuring National Well-being Technical Advisory Group.

**B. The Improving Access to Psychological Therapies (IAPT) programme:** The greatest specific result of CEP's work has been the IAPT programme announced by Alan Johnson in October 2007. In 2005, CEP researchers gave a seminar on this issue in the Cabinet Office and secured a pledge in Labour's election manifesto. In 2006, the CEP Mental Health Policy Group was formed to work out how this pledge should be implemented. The group's Depression Report (which has been downloaded 315,000 times since 2006) proposed a specific six-year programme and this has been implemented in the way proposed and is increasingly becoming part of the mainstream NHS. The programme is now treating 400,000 people a year, with 45% recovery rates. It has been acclaimed by Nature as 'world-beating'. Layard is an official adviser to the programme and has been a central figure in securing and implementing the programme. The original IAPT programme applied only to adults. In 2008, Layard proposed a somewhat similar programme for children (Child Mental Health: key to a healthier society). In 2010, this proposal was broadly accepted and is being implemented through extension of the programme to children and young people.

**C. The UK Resiliency Programme:** In 2006, CEP joined the Young Foundation and IdeA to develop a Wellbeing Programme with three local authorities: Hertfordshire, Manchester and South Tyneside. The biggest element in this was the UK version of the Penn Resiliency Programme. The researchers organised trials in 22 schools and, with a large Department for Education grant, evaluated the outcome. The programme is now being taught routinely in 60 schools in 10 local authorities. The researchers have a large grant from the Education Endowment Foundation to conduct a trial programme for the whole Personal, Social and Health Education curriculum for the 11-15 age group.

**D. The Apprenticeship Act 2009:** Since the early 1990s, CEP researchers have been pressing the government to offer apprenticeships as the main alternative to university as a route to skill. Since 2000, they have advocated the guarantee of an apprenticeship to every young person who wants one (with a few specific exemptions). In 2007, at Layard's suggestion, the House of Lords Economic Affairs Committee produced a report on apprenticeship that endorsed this suggestion. The report was drafted by the Committee's adviser, Hilary Steedman, and led to a government green paper and then the Apprenticeship Act of 2009, which introduced the guarantee from 2015. Since 2008, apprenticeships for under-25s have increased by 50%.

**E. The Good Childhood Report (2009):** Layard drafted the report from this enquiry, which was commissioned by the Children's Society. Recommendations that have been implemented include the introduction of Improved Access to Psychological Therapies for children and young people (2010), pilots of parenting classes in Camden, Middlesbrough and High Peak, Derbyshire (<http://www.canparent.org.uk>, 2012) and expanded apprenticeships (2009).

**F. OECD wellbeing measures:** CEP has a longstanding interaction with the OECD, which has now held three large conferences on 'What is Progress?', each of which has featured presentations by CEP researchers. The OECD, which master-minded the international measures of GDP, has now recommended international measures of wellbeing that are heavily influenced by the CEP proposals adopted by the ONS. The OECD Guidelines on Measuring Subjective Wellbeing (2013) begin with the questions that CEP persuaded the ONS to use in the UK.

**G. The UN and sustainable development goals:** At the world level, the UN General Assembly passed a resolution on 13 July 2011, encouraging member states to pay more attention to the goal of happiness, and mandated a conference at the UN on the issue in April 2012. Layard was invited

to co-edit the World Happiness Report, which was published at that conference and is contributing to the choice of objectives that will replace the Millennium Development Goals from 2015.

**H. World Economic Forum:** In 2011, the World Economic Forum asked Layard to chair their Global Agenda Council on Health and Wellbeing. He master-minded their report, *Wellbeing and Global Success*, and presented it at Davos in January 2012. There is now growing business interest in workers' wellbeing as one feature of a good business. For example, in March 2012, Layard was asked to give a one-hour lunchtime talk to more than 800 people at Goldman Sachs on the theme *Can we be happier?*

**I Action for Happiness and media culture:** Reaching a wider public requires a movement. To promote a happier society, Layard collaborated with Geoff Mulgan and Anthony Seldon to launch Action for Happiness in March 2011. It now has 22,000 members in 124 countries pledged to try to create more happiness in the world and less misery. More generally, CEP's Wellbeing Programme has played a significant role in stimulating the extraordinary recent explosion in media focus on wellbeing. Since 2003, the research has received over 1,130 references in the press; CEP researchers have made more than 120 radio and TV appearances and given over 100 public talks.

## 5. Sources to corroborate the impact (indicative maximum of 10 references)

All sources listed below can also be seen at: <https://apps.lse.ac.uk/impact/case-study/view/16>

A. Wellbeing as a goal of UK public policy (including measurement) – Lord Gus O'Donnell, former Cabinet Secretary. Also, ONS Website: Society Wellbeing and Guidance and Methodology section (includes CEP contributions). (<http://www.li.com/programmes/commission-on-wellbeing-policy>; or <http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/index.html>)

B. The Improving Access to Psychological Therapies (IAPT) programme – Professor Louis Appleby, former Director of Mental Health, England. Article: 'Therapy deficit', *Nature*, 27 September 2012, 489: 473-4. (<http://www.nature.com/news/therapy-deficit-1.11477>) Article: Polly Toynbee, 'It is not fanciful to make the pursuit of happiness a political imperative', *The Guardian*, 16 June 2006. (<http://www.theguardian.com/commentisfree/2006/jun/16/comment.politics>)

C. The UK Resiliency Programme – Professor Martin Seligman (University of Pennsylvania). Publication: *The state of happiness: Can public policy shape people's wellbeing and resilience?*, 2010, The Young Foundation. (<http://youngfoundation.org/wp-content/uploads/2012/10/The-State-of-Happiness.pdf>)

D. The Apprenticeship Act 2009 Nick Pearce, Director of IPPR, former Head of the Policy Unit at No 10. (<http://www.legislation.gov.uk/ukpga/2009/22/notes/contents>) Also, *Report: Apprenticeship: a key route to skill*, House of Lords Select Committee on Economic Affairs, 5th Report of Session 2006–07. (<http://www.publications.parliament.uk/pa/ld200607/ldselect/ldeconaf/138/138.pdf>)

E. *The Good Childhood Report A Good Childhood*, Richard Layard and Judy Dunn, Penguin, 2009. Press coverage (<http://cep.lse.ac.uk/new/news/topic.asp?topic=a+good+childhood>).

F. OECD wellbeing measures <http://www.oecdbetterlifeindex.org/> and 'Guidelines on measuring subjective well-being', published in 2013: <http://www.oecd.org/statistics/guidelines-on-measuring-subjective-well-being.htm>.

G. *The UN and Sustainable Development Goals World Happiness Report, 2012*. Downloaded 619,234 times and approximately 1,000 hard copies have been distributed. (<http://www.earth.columbia.edu/sitefiles/file/Sachs%20Writing/2012/World%20Happiness%20Report.pdf>)

H. *World Economic Forum Report: Well-being and Global Success*, 2012. ([http://www3.weforum.org/docs/WEF\\_HE\\_GAC\\_WellbeingGlobalSuccess\\_Report\\_2012.pdf](http://www3.weforum.org/docs/WEF_HE_GAC_WellbeingGlobalSuccess_Report_2012.pdf))

I. *Action for Happiness and media culture*. Anthony Seldon (Master, Wellington College) <http://www.actionforhappiness.org/>.

J. Press coverage of the activities of the Wellbeing Programme since 2005 <http://cep.lse.ac.uk/new/news/programme.asp?resprog=9&submit=submit>