Discussing:

The Origins of Happiness

Martine Durand, OECD Chief Statistician
Conference on subjective well-being over the life course
LSE, 12-13 December 2016
This is essential work

• We need evidence that can move us from measurement to policy; cross-sectional findings aren’t enough

• This is an essential complement to the important work that statistical offices are doing at measuring well-being, addressing the “so what?” question

• The emphasis on emotional health in childhood should be a game-changer: it’s hard to demonstrate this through any other type of research

• Shows some practical ways in which policy priorities change if you take well-being as the policy objective, rather than economic growth
The effect of everything on everything (almost)

A necessary focus on left to right

But things happen within these boxes too

Family and schooling

Child outcomes

Adult outcomes

Adult life-satisfaction

Income
Parenting
Family break-up
Mother’s mental health
Schooling

Intellectual
Conduct
Emotional

Income
Education
Employment

Conduct
Family

Physical health
Mental health

Life-satisfaction

A necessary focus on left to right
Are your independent variables really independent?

Risk that summary results are misunderstood because mediation and moderation effects aren’t visible?

→ Non trivial from a policy perspective

→ Especially helpful to know about protective factors (since not all bad things can be stopped)

→ What about the joint distribution? e.g. Is the effect of multiple deprivations greater than the sum of its parts?

Figure 1.1: How adult life-satisfaction at 34 and 42 is affected by adult outcomes at these ages (British Cohort Study)

<table>
<thead>
<tr>
<th>Variable</th>
<th>( \beta ) (s.e.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>0.07 (.01)</td>
</tr>
<tr>
<td>Qualifications</td>
<td>0.02 (.01)</td>
</tr>
<tr>
<td>Not unemployed</td>
<td>0.08 (.01)</td>
</tr>
<tr>
<td>Non-criminality</td>
<td>0.06 (.02)</td>
</tr>
<tr>
<td>Partnered</td>
<td>0.17 (.01)</td>
</tr>
<tr>
<td>Physical health</td>
<td>0.06 (.01)</td>
</tr>
<tr>
<td>Emotional health (lagged)</td>
<td>0.18 (.01)</td>
</tr>
</tbody>
</table>

\[ R^2 = 0.147 \]
How do these results differ from cross-sectional findings?

“…the key lesson is the power of these studies to shed a completely new perspective on human life” (p.11)

• Seem to reinforce cross-sectional results – with added benefits about causality and duration over time!

• Where were the real surprises? Child emotional health vs. intellectual performance stands out. Any others?

→ e.g. Partnership status (married/cohabiting) seems to be coming out as more important? Why might that be?
• Inherent (unavoidable?) **gender bias**
  • Mother’s mental health matters more – but it was measured more!
  • Working mums juxtaposed with father’s unemployment

• **Missing elements** (e.g. environment, social connections, social capital, personal security, income but not wealth…)

• Some things appear to be **measured rather badly?** – e.g. intellectual performance at 16 in the BCS

→ **Presentation of findings is important:** things we think we know vs. **things we don’t know we don’t know**

→ **Can any study do everything?** **General Social Survey** model; combining survey and non-survey sources
Education often the answer to many policy problems: GDP growth, income inequality, saving the planet, populism…

- Emotional health of children surely an important focus
- But what other **NEW avenues of influence** are suggested, beyond school?

Cost-effectiveness analysis. The big vision. Important to think big

- But data demands are enormous

What are the **smaller incremental changes** that could be more palatable in the interim?

- Familiarity breeds consent?
• **Issue of aggregation:** Is it only the simple aggregate that we care about?
  - What about the principle of doing no harm? Distributional justice?

• **Happiness adaptation:** the “happy peasant” is still a major stumbling block for many people.
  - If there were full adaptation, none of the childhood effects would come through
  - Would be helpful to discuss this more in Part III (links to discount rates too).
What’s next?

• **Replication.** Hard to do, since data are rare. Cohort effects? Macro context? **Policy environment** effects?
  → Tomorrow’s discussions!
  → How well has the data in other countries met the challenges thrown down?

→ What can we expect in the **future**? … are there more cohort studies in the pipeline? How do we get good-quality life satisfaction measures into them?

• Life course focuses at the individual level – must complement this with more analysis of the **societal-level drivers / public goods**
  → e.g. what impact of the **environment** (and other resources?
  → **Social capital/connections** and **trust/governance**?
Thank you for the book!

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