## Book Review: A Handbook for Wellbeing Policy-Making by Paul Frijters and Christian Krekel

In A Handbook for Wellbeing Policy-Making, Paul Frijters and Christian Krekel offer a new guide to wellbeingdriven public policy, focusing on the proposal to replace GDP with wellbeing as the key metric to assess societal progress. With the book comprehensively exploring the theoretical and methodological assumptions and implications of the wellbeing approach, Paulo Anciaes recommends this timely work to practitioners at all levels of government.

## A Handbook for Wellbeing Policy-Making. Paul Frijters and Christian Krekel. Oxford University Press. 2021.

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Wellbeing is how happy people feel or how satisfied they are with their life. Achieving wellbeing is the aim of most individuals, so it is fair to argue that the main goal of governments should also be to improve people's wellbeing. This idea has been around for 300 years but has gained momentum during this century. *A Handbook for Wellbeing Policy-Making* is the latest in a succession of recent handbooks on wellbeing-driven public policy (for example, Hugh Barton et al, 2015; Matthew D. Adler and Marc Fleurbaey, 2016; and Laura Musikanski et al, 2019). Paul Frijters and Christian Krekel's new work has a similar scope as these other books, but it gives more attention to practical issues in the implementation of wellbeing approaches.

The authors argue that the time is ripe for wellbeing policymaking because it is now easier to directly measure wellbeing, due to the availability of large datasets, advances in experimental techniques and the accumulated knowledge of 170,000 studies on the determinants of wellbeing (4). The main proposition of this book is that wellbeing could replace Gross Domestic Product (GDP) as the key metric to assess societal progress. This is not a far-fetched idea: there are some real-world examples



of this type of approach. In fact, one of the few things many people know about Bhutan is that in 2006, <u>'Gross</u> <u>National Happiness'</u> was enshrined in the country's constitution as the main goal of the state.

A shift towards wellbeing metrics, as this book recommends, would influence policy selection, including the allocation of resources (which should go to projects that bring more wellbeing per unit cost). Indicators of wellbeing would support both the appraisal and evaluation of public policies: in other words, they would be useful both before and after policy implementation. The proposed method equates wellbeing with life satisfaction, measured in WELLBYs (wellbeing-adjusted life years), a unit of life satisfaction on a 0-10 scale for one person for a year. The advantage of this approach is that it uses a single indicator, which is simpler than composite measures (such as the United Nations Human Development Index or national-level indices of happiness and quality of life) that require a weighting system to combine components.

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A Handbook for Wellbeing Policy-Making is split into five rather long chapters of 80 pages each on average, roughly following the topics set out in the book's subtitle – History, Theory, Measurement, Implementation and Examples – but with plenty of overlaps and repetitions.

Chapter One situates the concept of wellbeing in its historical, philosophical, political and governance context. The authors make some interesting connections to justify the contemporary relevance of wellbeing. For example, they note that many people now make decisions (such as on buying something, visiting places, etc) based on the average ratings of satisfaction of others, typically provided online. In the same vein, public policies could be based on their aggregate impact on the life satisfaction of individuals. On the negative side, this chapter also features an over-long digression on how policies are formulated and budgets are allocated in the UK, which was not well integrated into the main discussion of wellbeing and may be less relevant for non-UK readers.

Chapter Two examines different ways of measuring wellbeing and reviews the factors that have been found to influence it. The material is not presented in the same way as the usual literature reviews in academic papers, but rather to illustrate specific points made by the authors. For example, the measures of wellbeing are examined in terms of their assumptions and the practical problems of applying them outside academic studies. The factors affecting wellbeing are examined in relation to their implications for public policies and the formation of checklists in policy formulation.

Chapter Three introduces a method for policy appraisal and evaluation: wellbeing cost-effectiveness. This involves comparing changes in WELLBYs with the cost of the policies. The method is first described intuitively and then using mathematics, so readers can understand it without looking at equations. Again, assumptions are explored in detail, and several applications are presented.

Chapter Four compares the wellbeing cost-effectiveness approach with more established approaches (namely, cost-benefit analysis and multi-criteria analysis). The authors argue that even though wellbeing could be integrated into cost-benefit analyses (by converting WELLBYs into monetary values), the wellbeing cost-effectiveness approach requires different assumptions and ways of thinking (for example, it does not assume individuals are fully rational and aware of everything that affects their wellbeing). When explaining these differences, the chapter becomes a bit abstract. The second part of the chapter is less heavy, reviewing several wellbeing appraisal frameworks in use, with an interesting discussion of the case of Bhutan.

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Finally, Chapter Five describes seven case studies of applying wellbeing methods in policy appraisal or evaluation. Only one case study is not from the UK: an application at the global level comparing two policy responses to COVID-19 (namely, lockdowns versus 'business as usual'). The book then ends abruptly at the end of this chapter, with no overall conclusions.

The main strength of this book is that it comprehensively explores the theoretical and methodological assumptions and implications of the wellbeing approach. However, it was not clear to me how this approach would account for the aspects that also pose a challenge to usual approaches such as cost-benefit analysis. These include, for example, altruism, non-use values (for example, valuing the existence of an environmental resource without an intention to use it) and the wellbeing of future human generations and other species.

The conclusions at the end of most of the chapters revolve around a practical aspect: the idea that to integrate wellbeing into policy, governments need to know how each policy affects the wellbeing of those affected. The authors argue that state bureaucracies should adopt a self-learning approach, based on data previously collected and methods previously defined, to collect more data or to apply existing data. It sounds a bit general, and I am not sure how applicable it is for governments with tight budgets or in developing countries.

The book overwhelmingly uses examples from the UK, which may make it less appealing to readers in other countries that have different political and governance structures. Having said that, the book is timely in the British context and is aligned with the latest version of the official guidance on policy appraisal (<u>'The Green Book'</u>), the activities of the <u>What Works Centre for Wellbeing</u> and projects such as the <u>Measuring National Wellbeing initiative</u> by the Office for National Statistics. A Handbook for Wellbeing Policy-Making is especially recommended for practitioners at all levels of government.

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