

Wellbeing and mental health need to be the new frontier for the welfare state

Mar 7 2012

Richard Layard believes that the main aim of social science should be to throw light on the conditions conducive to happiness. Here he reflects on the work his programme at the Centre for Economic Performance has been doing on mental well-being.



In 2005, I wrote a [book on happiness](#) in which I tried to juxtapose the philosophical arguments in favour of wellbeing with the evidence on its causes – and thus derive some important policy implications. From it has followed the [Centre for Economic Performance](#)'s research programme on wellbeing, designed to push forward our understanding but also to produce practical action. We can begin with the practical action.

The first area here has been mental health. By analysing data on a typical group of adults (participants in the 1970 British Cohort Survey, when they were 34 years old in 2004), it is possible to explain their reported levels of happiness and misery. The results show that mental health eight years earlier explains four times as much of the misery in our society as does the level of current family income. Mental illness also has massive economic costs, putting over one million people onto incapacity benefits.

According to the national Psychiatric Morbidity Survey, one in six adults would be diagnosed as suffering from clinical depression or crippling anxiety disorders, but only 25 per cent of these are in treatment, compared with nearly 100 per cent for most physical illnesses. This is shocking because, as [one of our studies shows](#), if cognitive behavioural therapy (CBT) were made generally available, it would pay for itself through savings on incapacity benefits and lost taxes.

That 2007 paper was written with LSE's Martin Knapp, the UK's leading expert on the economics of mental health, and David Clark of the Institute of Psychiatry at King's College, who is one of the world's leading experts on CBT. To improve things, we formed the LSE Mental Health Policy Group, which in 2006 produced [The Depression Report](#). This included the proposal to train up to 10,000 therapists in the UK to deliver effective therapy services in the NHS.

The government essentially accepted our proposals and they are now being rolled out nationally as the [Improving Access to Psychological Therapy Programme](#) (IAPT) over a six-year period (2008-14). David Clark and I are actively involved as advisers to the programme, and have published two evaluations of it – one on [the two pilots](#) and one on the [first year of roll-out](#) – which confirm the soundness of our original cost-benefit analysis.

In its original form, the programme covered only adults. But in 2007, I became a member of the Good Childhood Enquiry and was co-author of its [final report](#). One key chapter was on child mental health, where, with Stephen Scott of King's College, we developed the proposal for an IAPT programme for children. The government has accepted a version of our proposal and the programme begins in 2012.

It would obviously be better to prevent mental illness than to have to cure it once it has developed. Fortunately, there are now many programmes for school children that attempt to do that and have shown significant results. One of the best known is the Penn Resiliency Programme, developed at the University of Pennsylvania using the basic ideas that underlie CBT.

With the help of the Young Foundation and the Local Government Association, we found three local authorities that were interested in piloting the programme in England. Altogether 22 schools participated and the programme was found to reduce the incidence of teenage depression significantly, especially for those most at risk.

In the UK, children spend one hour a week on 'personal, social and health education' (PSHE), most of which probably has no effect. Even the most structured programme of Social and Emotional Learning in secondary schools has been shown to have no effect. To replace this ineffective teaching, we have trawled through all the world's best programmes and constructed an evidence-based curriculum for 140 hours, which we are hoping, with government backing, to pilot shortly.

Having a job is a key element in wellbeing, so we have continued to press two of the Centre's oldest ideas – the apprenticeship guarantee and a cap to life on unemployment benefits. As the recession began, Paul Gregg and I designed what we called the [Job Guarantee](#), which the Labour government implemented as the Future Jobs Fund. Despite favourable evaluations, this has now been abolished.

But perhaps our biggest, and least effortful, success has been on the national measurement of wellbeing. In 2008, the Office for National Statistics decided to have [some work on this](#) and commissioned myself, Robert Metcalfe of the University of Oxford and Paul Dolan, a wellbeing economist recently appointed to an LSE chair in social policy, to advise them.

Our proposed questions (see box) are now being asked of 200,000 people in the government's Integrated Household Survey, and the answers will appear regularly in the country's official statistics. Through the mediation of the OECD, most advanced countries can be expected to follow suit.

Integrated Household Survey subjective wellbeing questions

I would like to ask you four questions about your feelings on aspects of your life. There are no right or wrong answers. For each of these questions I'd like you to give an answer on a scale of nought to 10, where nought is 'not at all' and 10 is 'completely'.

- Overall, how satisfied are you with your life nowadays?
- Overall, to what extent do you feel that the things you do in your life are worthwhile?
- Overall, how happy did you feel yesterday?
- On a scale where nought is 'not at all anxious' and 10 is 'completely anxious', overall, how anxious did you feel yesterday?

There have of course been intellectual challenges to the wellbeing movement. To promote understanding of our viewpoint, we sponsored a major collaborative conference on happiness and public policy, the papers from which were published as a [special issue](#) of the *Journal of Public Economics*.

In [one recent study](#), two colleagues and I investigated the rate at which the marginal utility of income declines as people get richer. We found that marginal utility is inversely proportional to income – an old idea going back to Bernoulli, but never before directly investigated.

More recently, some distinguished authors have questioned the Easterlin hypothesis. But in that paper, we were able to show that at least in the UK, the United States and West Germany, average happiness has not grown while average real income has shot up. The key reason is that people mainly value their income in relation to the income of others, just as Easterlin first suggested.

We are now embarking on a major systematic study of wellbeing over the life course, with three

aims. The first is to build a comprehensive model that really shows how much different factors matter. The second is to disentangle the true causal effects of people's experiences by properly controlling for genetic influences. And the third is to use the findings, combined with experimental evidence, to show how policy evaluation of much of government policy could be undertaken with happiness rather than willingness-to-pay being the criterion of benefit.

In my view, the wellbeing movement is unstoppable. Happiness is the only good that is self-evidently that, a 'good' – and we are coming to know more and more about the conditions that make us happy or otherwise. But there is a long way to go and the main aim of social science should be to throw light on the conditions conducive to happiness and the ways in which those conditions can be produced.

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