



Final Conference Theme 3 – Policy Day

***Theme 3:* Subjective Wellbeing & Behaviour**

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Theme 3: Wellbeing

- CAGE Theme 3 has 3 major strands:
 - Understanding and measuring wellbeing.
 - The interactions between wellbeing and behaviour.
 - Wellbeing and poverty.
- For this theme as with CAGE more generally working closely with other disciplines, including psychology, history, medicine, political science and the humanities.
- Since wellbeing spans disciplines so to must our research if we are to make significant advances.

Understanding & Measuring Wellbeing

- The first strand is all about how to understand and measure subjective wellbeing (happiness) and how that understanding can help policy.
- This can be considered the “macroeconomics part” and relates strongly to the links with national income and how government can think more about the knock-on impact of government policy on national wellbeing.
- Highlights include:
 - Andrew Oswald’s work on the drivers of national happiness and its relationship with other key social statistics and developments such as mental health, suicide and depression with diet.
 - Andrew Oswald and Gus O’Donnell’s work on how measures of wellbeing can and should inform policy.
 - My own work (with Eugenio Proto and Thomas Hills) on how to measure national happiness in the past which uses novel methods in text analysis to generate data where we have no surveys to inform us.

Wellbeing & Behaviour

- The second major strand concerns the “microeconomics of happiness”: how changes in subjective wellbeing at the individual level generate changes in economic behaviour.
- We also look more generally at behavioural economics and experimental methods and use these to analyse related behavioural concepts such as personality and beliefs and how these interact with happiness.
- A good example of this work is the work by myself, Andrew Oswald and Eugenio Proto on happiness and productivity which has generated significant press interest (around 200 media citations) and has also been widely cited by the academic community and industry. The key insight is that boosting worker wellbeing can also lead to large increases in productivity in the workplace.

Wellbeing, Cognitive Ability & Poverty

- The third strand concerns the role of cognitive ability and poverty and how they interact with each other and wellbeing.
- The key work in this area is by Anandi Mani and her team and includes field work in India on the damage that poverty can do to cognitive ability.
- Another good example of the importance of interdisciplinarity: this work relies heavily on the behavioural and life sciences.

The Future?

- “Happiness Economics” is still very much in its infancy.
- Many unresolved issues such as how it interacts more broadly with behavioural economics, the extent to which nudge style policies can have an impact, and how happiness evolves over time.
- Interactions with industry, the media and policy-makers will always be a crucial part of what we do, not least to help us prioritise across the vast array of open questions.

Coming Up...

- Prof. Andrew Oswald: Interweaving Different Forms of Wellbeing Data for the 21st Century.
- Lord O'Donnell: The Implications of Treating Wellbeing as the Key Outcome by Governments.