

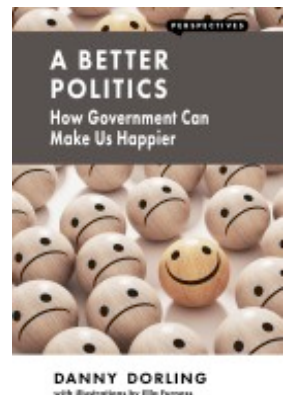
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<http://www.newstatesman.com/politics/economy/2016/03/manifesto-happy-britain>

# NewStatesman

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## A manifesto for a happy Britain

One of Labour's new economic advisers on how  
government can change the world for the  
better – if it dares to think different



One evening, many years ago, I was standing in a field near Luton. Beer in hand, I was listening to speakers on a makeshift stage talk about environmental protests against the M11 link road.

The sound system was cranked up so I didn't notice the police helicopter until it came low and its searchlight lit up the stage. "Free stage lighting," I thought. I remember being very happy. It wasn't quite euphoria but it felt good. And then a morose and stereotypically bearded Finn standing next to me muttered: "How can you live in a country like this?"

I didn't know what he was objecting to. Was it the police, or the need to protest? Perhaps he just hated the music.

My point is that different things make different people happy – but scientific and economic research suggests that in addition to this there are some large-scale interventions that would increase happiness at a population level. Our government can do very little to alter our individual idiosyncrasies. Nor should it. And there is no need to dope the water. But if governments can alter how happy we are overall, shouldn't they? Here's my idea: we should have a minister for happiness.

On one level, the job of such a minister would be simple: to advocate for higher levels of well-organised collective spending on health, social insurance and employment protection, all of which have been proven to produce a happier population. It would also be nice if this minister could tell a good joke.

“The differences in your feeling of well-being living in a Scandinavian country, where welfare programmes are large, [compared to living in] the US are going to be larger than the individual factors in your life,” the American academic Benjamin Radcliff once said. “The political differences trump all the individual things you're supposed to do to make yourself happier – to have fulfilling personal relationships, to have a job, to have more income. All those individual factors get swamped by

the political factors. Countries with high levels of gross domestic product consumed by government have higher levels of personal satisfaction.”

In other words, there are things that governments can do to make us happy that we can't do ourselves. After the experiment of increasing individualism in a few countries, it turns out that there is such a thing as society and that it does affect all of us. So what should be in the in tray of our minister of happiness?

## **Health**

Recently, life expectancy in many areas of the UK for people aged over 60 stopped rising. Mortality statistics then worsened rapidly in 2015. Our minister for happiness will need to realise that this happened when we were already at the bottom of the western European league table for both infant and child mortality. Avoidable and unnecessary deaths cause widespread unhappiness.

Last year, OECD statistics revealed that the UK has the highest economic inequality between rich and poor in Europe. Then an academic paper was published demonstrating that a child born in Sweden is half as likely to die in childhood as a child in the UK and that how society is organised affects all the causes of death, from infection and congenital malformation to road crashes. No wonder the Swedes are more content.

The newly appointed minister would also learn that the suicide rate in England has been rising and that of the 11 affluent countries for which comparable statistics exist, the UK is second only to the US in terms of how common mental illness is.

It would help if the minister's own glass was half-full, because he or she would initially have to deal with a great deal of misery. Of 32 European countries, the UK has the fourth-highest rate of drug-induced deaths among those aged 15-64.

All of us need to look at the underlying causes for these statistics and ask why so many countries in Europe fare so much better than us. We also need a minister to co-ordinate work across health, transport and many other areas.

It was only in 2015 that we learned that UK children are twice as likely to be killed on roads as children in France, Norway or the Netherlands. Deaths from road accidents are devastating, especially when caused by speeding motorists. In the UK, we still allow people to drive at 30 miles per hour in residential districts and we hand out trivial fines for speeding. The Finns, by contrast, take the issue seriously. In 2013, a Finnish motorist was fined the equivalent of £80,000 for speeding. The multimillionaire Anders Wiklof was caught driving at 77 kilometres per hour in an area with a limit of 50. Speeding and other fines in Finland are proportional to wealth.

Similarly, in 2010, a wealthy motorist in Switzerland was fined around £180,000 for driving his Ferrari through a village at 85 miles per hour. (The fine was calculated based on his wealth of £14.1m.) In 2014, a footballer in Germany was fined almost £430,000 for committing multiple driving offences. He did not hit anyone. He was fined largely for his antisocial behaviour, in proportion to his income.

## **Housing**

Everyone needs a secure home to be happy. Unfortunately, a panoply of government policies – from selling off council houses to inadequate taxation of second homes and landlords – have made that ambition more difficult. Across England and Wales, evictions rose to 42,728 in 2015, the highest number ever recorded. We also know that the families of most London children in poverty now rent privately. On average, they move every three years. Repeatedly shifting children between neighbourhoods and schools is disastrous for their educational prospects.

So what should a minister for happiness propose? The standard length of any new short-hold assured tenancies in the UK should be a minimum of three years. Because of schooling needs, that should rise to five years for people with children. (Tenants should be free to leave a tenancy before it ends, however.)

Rents should be fixed during that period, unless improvements are made to the property. The Scottish government has already regulated lettings agencies and is considering rent regulation, which is common in the rest of Europe. Social housing rents should not be more than 30 per cent of disposable income.

For years, Britons have been encouraged to consider rising house prices as an unalloyed good – a steadily growing nest egg that they can draw on if needed. But research published by the Office for National Statistics in September 2015 suggests that for outright homeowners and those with a mortgage, high property prices and private pension wealth do not make the better-off happier. It would help the minister to know that our national statistic agency has discovered: “Levels of property wealth and private pension wealth were not found to be related to levels of personal well-being.”

It is only our smaller amounts of available, liquid wealth that correlate with higher personal well-being – having savings for a rainy day. Yet a quarter of UK households can save nothing at all and another quarter almost nothing. Most wealth in the UK is based on the housing market, with property values determined by the annual sales of a tiny proportion of the stock. Those prices are currently artificially inflated because investors believe that property is an excellent bet and landlords think that they will be able to raise rents indefinitely, evicting tenants when necessary – and because UK wealth and property taxation remains among the lowest in the affluent world. None of this is set in stone.

Annual wealth taxation is needed, as Thomas Piketty proposed in his 2013 book *Capital in the Twenty-First Century*. A flat tax on the value of property owned or proportional to total land value would be a good place to start. Saving small amounts should be encouraged and property speculation discouraged. We need taxation that would make owning more and more and negotiating ever-higher salaries much less attractive. The minister for happiness could propose that we gradually move our top income tax rate towards the higher European norm. In the Netherlands, that is 52 per cent, so we could begin by aiming for that. (Including compulsory health insurance, it is 60 per cent in Germany; it is 62 per cent in Finland and can be as high as 75 per cent in France.)

We have to build new housing because our population is rising. We need attractive retirement apartments, with lifts, near to where people's children live, and homes in and on the edge of cities where people will not need so many cars in future.

The Dutch are among the happiest people in the world and they have a far better system of planning than we do. It is more eco-friendly and less supportive of Nimbyism. A third of the population of the Netherlands uses bicycles as the main means of transportation, not because the country is flat, as much of England is, but because housing has been planned so well. The physical exercise of cycling makes people happier. A quarter of Dutch pensioners cycle; the Dutch also walk more than we do.

## **Resources**

The minister for happiness has much to worry about here. Our greatest resource is ourselves and each other. If we are not happy, we become less resourceful. The UK has the fourth-highest annual divorce rate out of 34 mostly affluent countries with comparable data. The number of children in one-parent households is thus high by international standards. It is much harder to bring up a child alone, or when children move between two homes each week. It is also much more expensive.

Financial pressures, long commutes and overwork make sustaining relationships more difficult. Poverty and poor housing contribute to rows and domestic violence. More than 40 per cent of people imprisoned in the UK have witnessed domestic violence during their childhood. All social issues are interlinked. This is why we need a minister with a portfolio as wide as happiness.

We British have developed a bizarre order of priorities, one that doesn't make us happier. We have only 50,000 family doctors but 280,000 qualified accountants. Nowhere else in Europe comes close to this or behaves like we do when it comes to valuing financiers over health workers. The Swiss pay their top bankers half of what we pay ours and spend almost exactly twice as much on their health services per patient.



In Western Europe, the UK has the third-lowest spending on health. Only the crisis-ridden Greece and Italy spend a fraction less per person (and they used to spend more).

Health spending is twice as high in Switzerland as it is here. It is 81 per cent higher in Norway, 59 per cent higher in the Netherlands, 49 per cent higher in Germany, 41 per cent higher in Denmark and 27 per cent higher in France. The UK commits fewer resources than any comparable country to health care. If it were not for the residual public service ethos in the NHS, many more of us would die early than do already. Having a top-heavy financial sector does not help fund the NHS. It makes running it on a shoestring appear normal. The English elites do not rely on the NHS for most of their health care. They see privatisation as a source for personal profit.

Leaving your society to be shaped by “the market” results in short-term profit maximisation. It is not safe to base an economy on debt-fuelled consumption, instant gratification and being a tax haven for the world’s super-rich. We need to use the resources we have more wisely, including our land, the increasingly universal English language, our time zone and our tolerance.

## **Work**

The lowest unemployment rate in the affluent world in 2015 was in Norway (3.5 per cent), followed by 4.0 per cent in Japan and 4.2 per cent in Switzerland – compared with 7.2 per cent in the UK. In those three countries, with far fewer unemployed people, pay inequalities are also far lower. More people can be employed – and more usefully and happily employed – when a few are not encouraged to be so greedy.

The Dutch city of Utrecht is introducing a basic income trial in 2016. Welfare recipients will be randomly allocated either to receive around €900 a month with no conditions attached or to continue with the normal welfare regulations. In 2017, Finland will begin to experiment with a €800-a-month basic income, to be introduced by its centre-right government. The Swedes have trialled a six-hour full-time day and found that this makes people both happier and more productive. People need choice in the labour market. Basic income, if introduced and slowly increased, would always be set below a level that most people would want to live on permanently, so most will still want paid work. Until people are free to choose not to do inadequately paid work, or even better-paid work that is not worthwhile, the labour market cannot function properly.

Low pay and benefits hurt some more than others. Around 3.7 million children are living in poverty in the UK, despite two-thirds of them having at least one parent in work. One in four older women in the UK

lives below the poverty line. Because we currently harm these groups the most, the minister for happiness could begin with a concern for the happiness of women and children but he or she would also need to know that the suicide rate among men is far higher than among women.

We know that our schools produce poor results in comparison to the rest of Europe and that our children are more prone to mental illness. Or, at least, we should know these facts. There is so much that is linked across departmental silos that the minister would never run out of work to do. In 1962, Harold Wilson said of Labour: “This party is a moral crusade or it is nothing.” It is immoral not to be concerned with each other’s well-being.

## **Conclusion**

The coalition government that came to power in 2010 chose to try to spend a lower proportion of GDP on public goods than almost any other government in Europe. The 2015 Tory government is on course to cut that even further. The 1997, 2001 and 2005 Labour governments presided over a period of slowly rising inequalities, worsening mental health, increased anxiety and a disastrous war.

Our record on making the right national choices is poor, including all the things that government spends money on that cause harm, such as the number of prisons. The rich minority has amassed trillions in wealth, which could be more fairly taxed: property, for example, cannot be moved offshore, so wealth taxes are hard to dodge.

None of this is likely to happen quickly but many are now thinking more carefully about how we can be happier. They were thinking about a better future in Scotland with the very high turnout in their referendum in 2014. They thought about it when they voted for Jeremy Corbyn to become Labour leader in 2015. The shift to optimism began decades ago in Scandinavia and is now mainstream thinking across much of Europe.

Elsewhere, the picture is more bleak: the Tea Party in the US and the xenophobic rhetoric of Donald Trump; close-to-fascist parties in France, Italy and in many smaller European states; the rise of Ukip in England. All hold up a half-empty glass and claim that immigrants drank from it first. They and their allies exaggerate the terrorist threat while pursuing policies that will increase it. They want fear, not happiness. They divert the blame for the economic situation on to the poor and immigrants. If successful, they could make us all far less happy than we already are.

We know that having great wealth creates stupid extravagance, is bad for your children and is bad for society. We know that grossly overpaid managers do not create good management; we know that fear does not make better workers.

Parents should not be fearful for their children, who need a happy childhood. We do not need increasing anxiety and mental illness. We do not need widespread and growing poverty. We need to look for a better politics.

Government can make us happier. But only we can create the government that will do that.

This article is based on “A Better Politics: How Government Can Make Us Happier” by Danny Dorling (out now). A free PDF is available at:

<http://www.dannydorling.org/books/betterpolitics/>

## **A manifesto for a happy Britain**

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