



Address at the 6th OECD World Forum

Mapping the future of well-being

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- As I understand it, this session is supposed to be about the roadmap forwards.
- Two nights ago our host said that *“a glass which is full will bring a smile to your face”*. Yesterday morning Jeff Sachs sobered us up with the statement that we are living in a Machiavellian world in which once again the powerful reign. I haven't given up on the eudaimonistic idea of virtuous government in pursuit of well-being. But to a large extent, that relies on an appeal to an ideal that relies on exemplary, restrained behaviour. In the absence of virtuous leadership, we are forced to turn back to tactics.
- The Machiavellian world is a tactical world, in which if your glass isn't full, it is because someone has emptied it. It is a world in which praxis counts for more than theory or philosophy.
- So assuming Jeff is right (and a believer in evidence-based policy solutions would have to say he has abundant evidence on his side), I am going to answer Martine's question, with two refinements:
- *“How, in a Machiavellian world, can we ensure that the environmental issues we've discussed are addressed and mainstreamed into decision-making processes that take a long-term global perspective?”* Allow me to propose three tactical propositions for our roadmap.
- First, **it may be easier to agree on ill-being than well-being**, on negative rather than positive diagnoses. There's an interesting parallel here with Sir Isaiah Berlin's distinction between positive and negative liberty. The case for positive liberty to realise a range of potentials has always seemed harder to make than the (negative) liberty of freedom from interference.
- This seems to be the advice of happiness metric sceptics. A paper I came across by Mark White at George Mason University suggested that the irreducible subjectivity of happiness suggests governments should guard their resources *“to deal with ongoing problems and sudden crises when they present themselves”*. It seems that even libertarians concede a role for governments when the going gets rough. (It's a pity that some of them don't seem to want to use knowledge to avoid it in the first place...)
- But the utility of focusing on negative rather than positive experiences surfaces also within the happiness community. Alan Krueger, a scholar much more open to the idea of happiness as a goal, has made the case for focusing on experiential subjective wellbeing and measuring the percentage of time that people spend in an unpleasant state.
- Incidentally, my experience with governments during my time at the OECD also supports the power of focusing on negatives. As you know, the OECD loves league tables – comparative ratings are a signature product. Even the most cynical government finds it hard to ignore being judged at the bottom of the league. Being at or near the top has much less leverage.
- Focusing on the negative seems particularly apposite in the context of the environment. While political discourse at least pretends that policy is about even better education, health status, life expectancy and so on, environmental policies have no such pretensions to perfectionism.

- The idea of living under the mandate of heaven in harmony with the natural order only exists, for most people, in association with the idea of a lost golden age. We understand our encounters with the natural world as being at its expense. The environmental issues of our day are all about trying to halt depletion and degradation that has brought us to the edge of some truly catastrophic outcomes. Looming climatic disruption raises the prospect of sea level rise, the geographical spread of diseases and pests, compromised food security and massive loss of biodiversity – whether from land clearance, ocean acidification or climate feedbacks radically restricting habitat. These all have huge consequences for human well-being.
- Focusing on the things that could really go badly wrong seems a not unreasonable way of prioritising things – survival trumps happiness because there will be no flourishing, no well-being, no better lives without massive intervention to stop uncontrolled dumping of waste gases into the oceans and atmosphere.
- My second proposition is about **the way we communicate the case for intervention**. Here I offer two thoughts. The first is to be honest about inconvenient truths and uncomfortable transitions. This runs strongly against the deeply meliorist taproot of policy-making as the OECD understands it, with its by-line of better policies for better lives.
- I don't have a problem with a policy maker who argues that her policies are designed to make people better off. But that is too often expressed in a way that airbrushes out the real costs and hardships that may be transitionally in the offing. It is very easy to talk about new technologies, new industries and new opportunities. But there are losers. And there are also changes in lifestyle that can't be painlessly adjusted to. It would be better to admit them and be honest about the limits to any adjustment policies. Shielding the least able to adjust and being upfront in advance about the necessary adjustment costs for everyone else seems to me a safer strategy.
- Furthermore, I endorse Jeff's insistence that **there are no simple solutions**. Rather than pretend there are, real time and resource needs to be spent explaining why that is so. I actually think it's an opportunity.
- Speaking as a former politician, my experience is that people react in a rather binary like/don't like, good/bad, way to decontextualized data points – if they can be bothered to take an interest. If water quality is poor according to one measure, it will either be ammunition in the hands of one group or a bullet to be dodged on the part of another.
- But complexity makes that harder. It often involves stories about inter-relationships that don't lead to simple conclusions or solutions. People like a puzzle. And it can create a constituency for finding out more. Complexity invites enquiry. Making the case for getting really good data is easier if it's being commissioned to answer really interesting questions.
- Treating people as adults and levelling with them has to be the first step in regaining public confidence. Political management should be about more than marketing.
- Beyond that, I would urge those of you dealing with environmental data to make meaningful links to experienced life. Abstract data points – dissolved oxygen, trophic states, PM_{2.5} – are not very user friendly. Well-being isn't experienced as averages or statistical trends. It is often thrown into sharpest focus when something changes abruptly and unexpectedly. The more unexpected it is, the harder it is to adapt to. This is where building resilience becomes so important.
- The most potent linkage between the environment and well-being is health. For instance, links between air pollution and the development of children. While many of us may believe nature's biodiversity has intrinsic existence value, making the political case for action is much easier if it can be expressed in terms of tangible links with human well-being.

- I would also favour much more focus on **stocks rather than flows**. Much has been achieved in recent years to give prominence to the various capital stocks on which current and future well-being relies – physical, financial, social and natural capital. We sometimes talk about these as though they were infinitely substitutable. They are not. Maintaining social, human, financial and physical capital is utterly dependent on the resilience of natural capital. Paying much more attention to the way in which we are leveraging natural capital – and jeopardizing the future flow of ecological services – requires a different style of reporting. Shortly before leaving the OECD I suggested to my colleagues that maybe we should give away our two-yearly economic surveys and shift instead to less frequent surveys focused on the medium to long-term trends that could place future prosperity and well-being at risk – whether it be a degraded environment, declining human capital or an accumulating pile of decaying physical infrastructure. This would require communicating more about the health and resilience of stocks than short-run flows.
- Let me also say a word about **modelling** on which we rely so heavily in many environmental fields. In the world of climate policy, the case for action is largely built on modelling. It has played an extraordinarily powerful and useful role. But it has also lulled people into thinking of the challenge as one of incremental change over what, in human terms, are long timeframes with catastrophic change being something ‘out there’ in the distant future – and outside the model.
- The reality is likely to be much messier and unpredictable and public realisation is likely to dawn jerkily and locally. An unheralded event outside the normal bell curve can suddenly render infrastructure irreparable. If that possibility hasn’t been clearly communicated in advance there is likely to be a sense of betrayal. Being frank in advance about the need to manage coastal retreat and loss or prepare for new viruses arriving with new insects will in the long run do more to win trust in knowledge than turning a blind eye until the day the storm breaks.
- **Finally, my third tactical offering takes an institutional turn.** We need to find ways of decoupling dealing with long-run challenges from short-term political debates. This audience will be most familiar with the independence that statistical agencies in OECD countries, at least, enjoy.
- My own country is seeking to follow the UK in seeking expert advice on carbon budgets far into the future. Perhaps not surprisingly, it is easier to commit to action that will not bite within the current electoral cycle but which must be prepared for well in advance.
- There is no blueprint here. Different issues will suggest different institutional measures. But we should be looking for ways to prepare for environmental challenges while there is still time to adjust rather than remain stuck in crisis mode. If insurers and some pension fund managers can look far into the future to manage risks, surely we can find ways in which governments can do the same.