

THE FUTURE OF WELLBEING

Richard Layard

OECD World Forum, Incheon

27 November 2018

MAIN POINTS

- 1. The goal of policy should be subjective well-being**
- 2. Information base now exists**
- 3. Top priority is mental illness**

MEASURING SUBJECTIVE WELLBEING

Overall, how satisfied are you with life as a whole these days?

0 1 2 3 4 5 6 7 8 9 10

NOT AT ALL

COMPLETELY

Simple; democratic; acceptable.

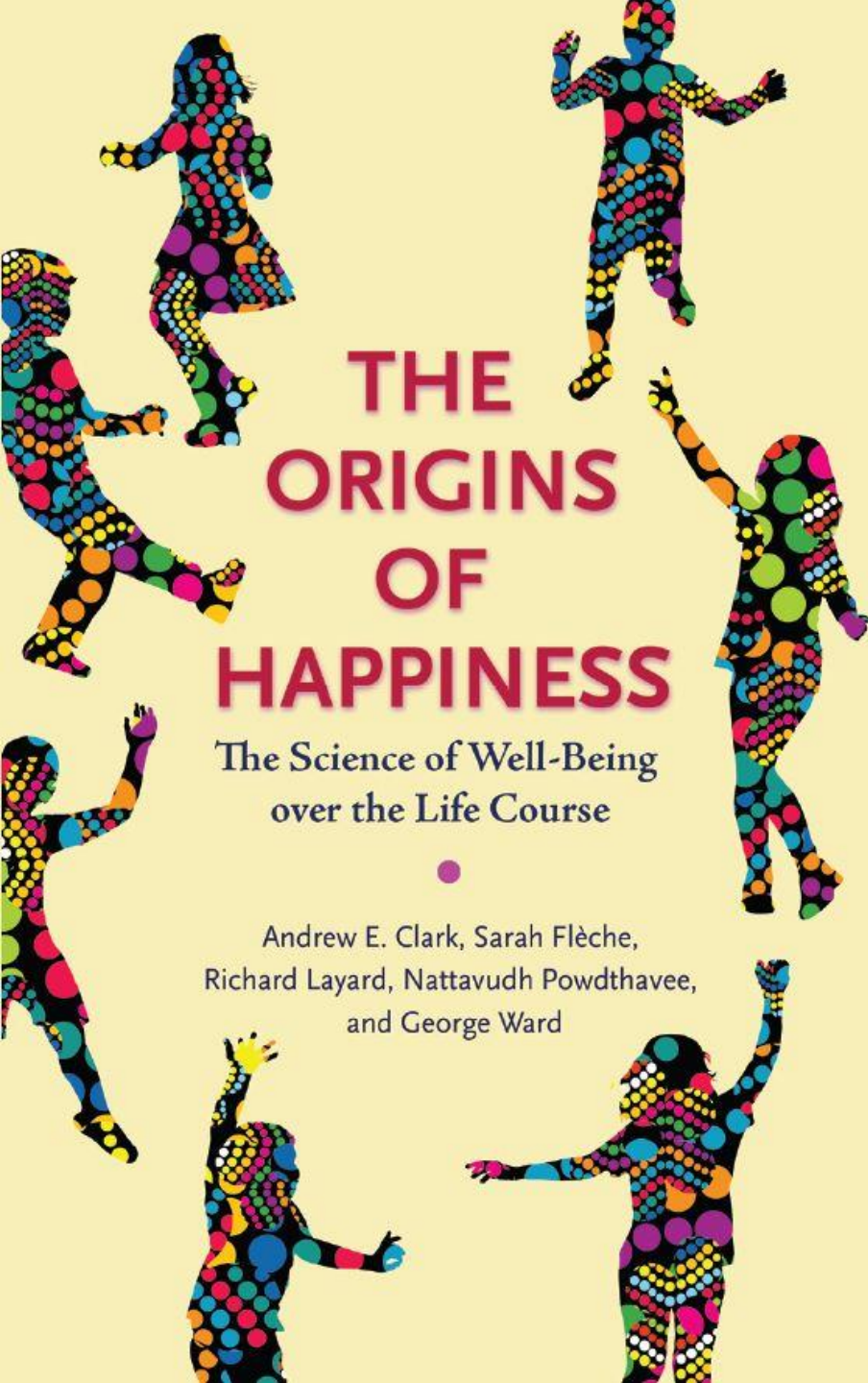
**Well correlated with biomarkers and
behaviour (e.g. voting)**

GOVERNMENTS' AIM

Maximise sum of life-satisfaction in the population.

Method: choose policies with highest values of

$$\frac{\textit{Life} - \textit{satisfaction}}{\textit{Cost}}$$



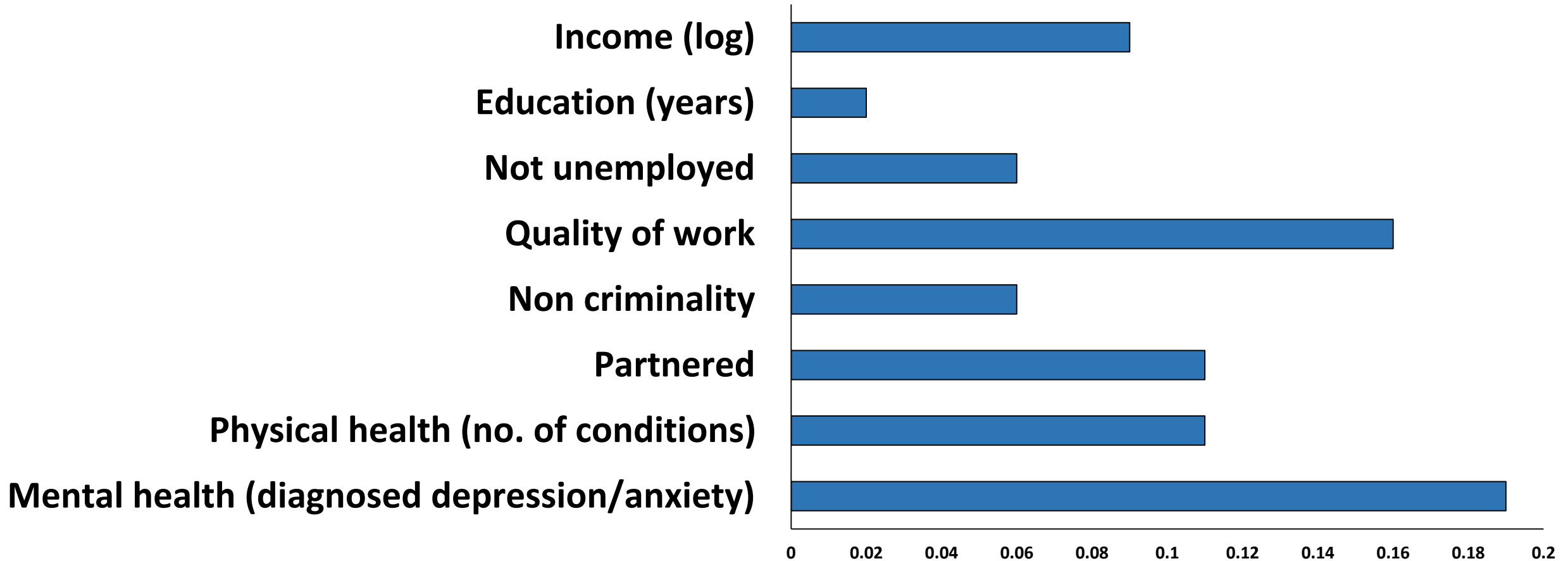
The Origins of Happiness

The Science of Well-Being over
the Life Course

Andrew E. Clark,
Sarah Flèche,
Richard Layard,
Nattavudh Powdthavee
George Ward

WHAT EXPLAINS LIFE-SATISFACTION?

(Partial correlation coefficients)



WHAT EXPLAINS LOW LIFE-SATISFACTION?

(Partial correlation
coefficients)

	In high-income countries	In low-income countries
Low income	.09	.10
Unemployment	.06	.02
Physical illness	.10	.06
Mental illness	.17	.07

SHOCKING NEGLECT OF 750 MILLION PEOPLE

	% in treatment	Expenditure (% of GDP)
High-income countries	24%	0.18
Low-income countries	6%	0.06

COST-EFFECTIVE TREATMENTS

DEPRESSION: modern talking therapies, medication

ANXIETY DISORDERS: cognitive-behavioural therapy

CHILD BEHAVIOUR: parent training

50% recovery rate

World Health Organization (WHO) mhGAP

Intervention Guide

IMPROVING ACCESS TO PSYCHOLOGICAL THERAPIES (IAPT)

Aim: offer to all with depression/anxiety the psychological therapies recommended by government guidelines.

Treats over 600,000 people per year

Recovery rate during treatment: 50%

Cost per person treated: £650

SAVINGS

(1) Savings on benefits and lost taxes

Per person treated: £640 over 2 years.

Repays cost within 2 years.

(2) Savings on physical healthcare*

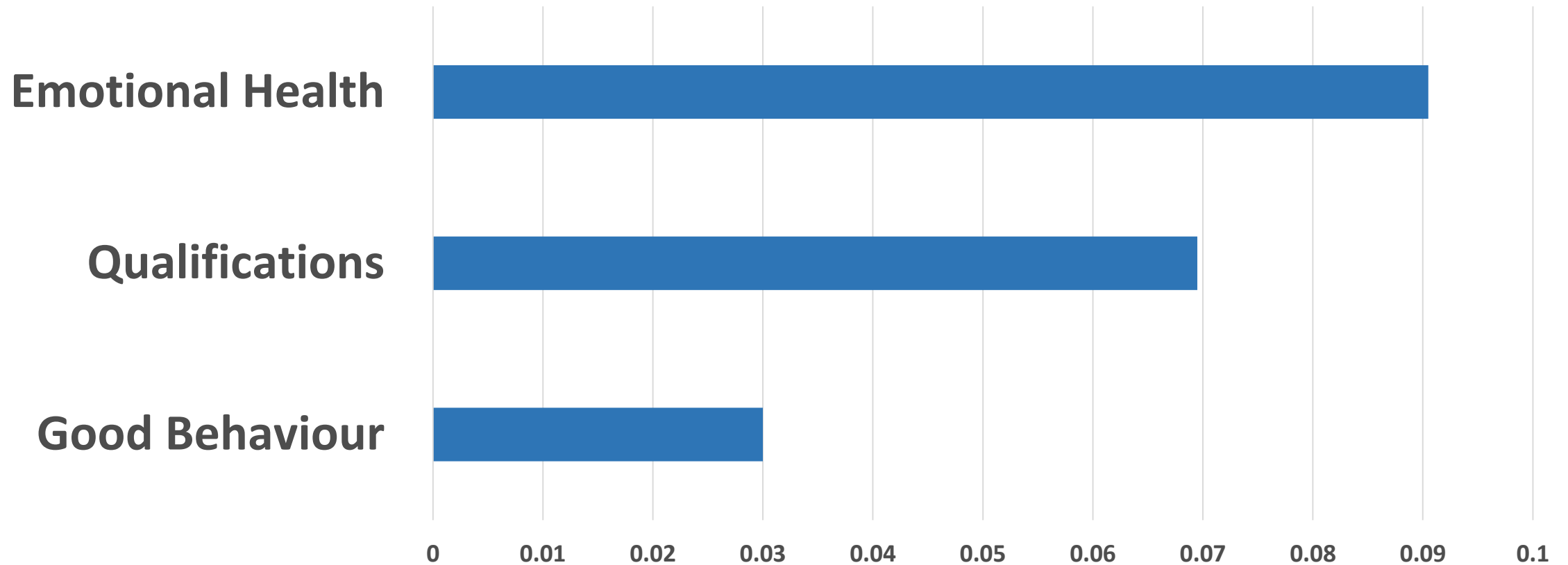
Per person treated: £600 p.a.

Repays even faster

**For normal mix of co-morbid and other patients*

WHAT (AT AGE 16) PREDICTS ADULT LIFE-SATISFACTION?

(Partial Correlation Coefficients)



THE MOST COST-EFFECTIVE INVESTMENT TO REDUCE MISERY

**Raise Mental Health Expenditure
by 0.2% of GDP within ten
years.**



Global Happiness
Policy Report 2018

Global Happiness Council

Global Happiness Policy Report 2018

**Mental Illness Destroys
Happiness And Is Costless To
Treat**

**Layard, Chisholm, Patel,
Saxena & Thornicroft**

*How Better
Mental Health Care
Transforms Lives
and Saves Money*

THRIVE

Richard Layard and David M. Clark

Foreword by Daniel Kahneman,
author of *Thinking, Fast and Slow*

Thrive

**How Better Mental
Health Care Transforms
Lives and Saves Money**

**Richard Layard
David M. Clark**



ACTION FOR HAPPINESS

actionforhappiness.org