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The use of data to improve human lives

Exploring Happiness Research

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Overview

In our Q1 2021 research article we discussed how to structure policy analysis in order to improve human lives. Part of our proposed framework was creating a dashboard of economic and social indicators that allows policymakers to produce data and values-driven policies. The idea is that the trends observed in the data should form the policy strategy of the government - thereby increasing transparency and accountability as the government is clear from the outset with regards to what they a looking to achieve. The link between the governments policy strategy and policies that get put into practice is that the strategy should inform where resources are spent and attentions are focussed. The strategy will also help to lock in formal objectives for the government and the dashboard will show how the government is performing against these objectives.
This research article looks to offer some guiding principles for how governments should create their own dashboards and how it should be used to generate a policy strategy.

The actual data used within a given country may differ depending on how developed it is, the key risks and challenges it is currently facing or the demographic breakdown of the country. For these reasons we try to avoid getting stuck on the details of the actual indicators that we think should be captured within these dashboards. We do offer some examples in the final section of the paper, but more broadly our focus is on ways to embed this approach into the policy making process in a sustainable way.

The aims of this approach are multi-faceted, such as increasing the transparency of government policymaking, increasing public political participation, shifting political debates towards policy, increasing public understanding of statistics and generating more objectivity in relation to the success of an administration. This article leads by making the case for greater transparency in policymaking, then we discuss the principles for applying this approach and finally we discuss the data going into these dashboards.

Making the case for transparency

It has been well established for some time that trust in government is closely related to national measures of subjective wellbeing. The COVID-19 pandemic offered further evidence that trust was the key common factor linking life satisfaction and COVID-19 control. Societies with higher trust in public institutions and greater income equality were shown to be more successful in fighting COVID-19, as measured by 2020 rates of COVID-19 deaths. Unfortunately, there is also increasing evidence that some advanced economies are experiencing public trust in government reaching historic lows. For example, only about a quarter of Americans say they can trust the government in Washington to do what is right "just about always" (2%) or "most of the time" (22%). This compares with around three quarters of Americans in 1964.

The variance in measures of public trust in government is very wide. For example, in Chile just 17% of people say they have confidence in their national government, compared to 85% in Switzerland. In 2020, we generally saw measures of trust in government increase. For example, across a sample of 41 countries we observed 65% of these countries experience an increase in this measure. This is not the first time that such changes have been observed. Seeing trust in action has been found to lead to post-disaster increases in trust, especially where government responses are viewed to have been quick and effective.

During the COVID-19 pandemic many governments were forced to act quickly and in ways that had not been seen before. They put in place restrictions which required clear explanations in order to obtain public support and adherence. Our view is that a continuation of this more transparent way of producing policies (in a reduced form, of course) would be beneficial in a number of ways.

1. First, this will lead to **greater political participation** and understanding of the policy strategy of the government. As we detail in the following section, this needs to be done in a clear and easy to understand way, in order obtain public engagement.
2. Second, it increases **government accountability** and requires timely explanations as to why they have chosen their policy strategy in accordance with the latest data.
3. Third, as we discussed above this approach should **increase public trust and confidence in the government.** This has many positive knock-on benefits such as increased wellbeing and self-fulfilling effects in terms of the effectiveness of government policies.
4. Fourth, the goal is to **decrease political polarisation** by moving the debate away from singular contentious issues, or more often personal issues in politicians lives, and towards broader policies issues. This should help to identify areas of clear consensus allowing for policy progress during a time where bipartisan politics has been on the decline. The proposed approach therefore not only benefits the public, but also create tangible benefits for how effective the government can be too.

As we detail in the following section, this does not imply any where close to the level of engagement from government with the public as we have seen during the pandemic. This situation was an extreme example, where many governments chose to keep the public informed with the situation on timely basis. This will not be necessary in a post-pandemic world, but the experiences of greater engagement from the government with the public could still be taken forward.

For some this approach will be viewed as naive, they may say that even if a government chose to adopt this approach, it would just offer an opportunity for the government to push their agenda to a gullible public. Without doubt some politicians would attempt to do this, but this is why we look to create an objective framework that cannot be gamed by crafty politicians. The question of how to do this is explored in the next section.

Principles for data driven policy

The development of a framework for data driven policy is essential for its success. The government has the ultimate responsibility for choosing the policy strategy for the country that it governs, but it is important that this process is accountable, transparent and navigated using timely evidence. In this section of the paper we discuss five ways to do this.

An independently developed framework

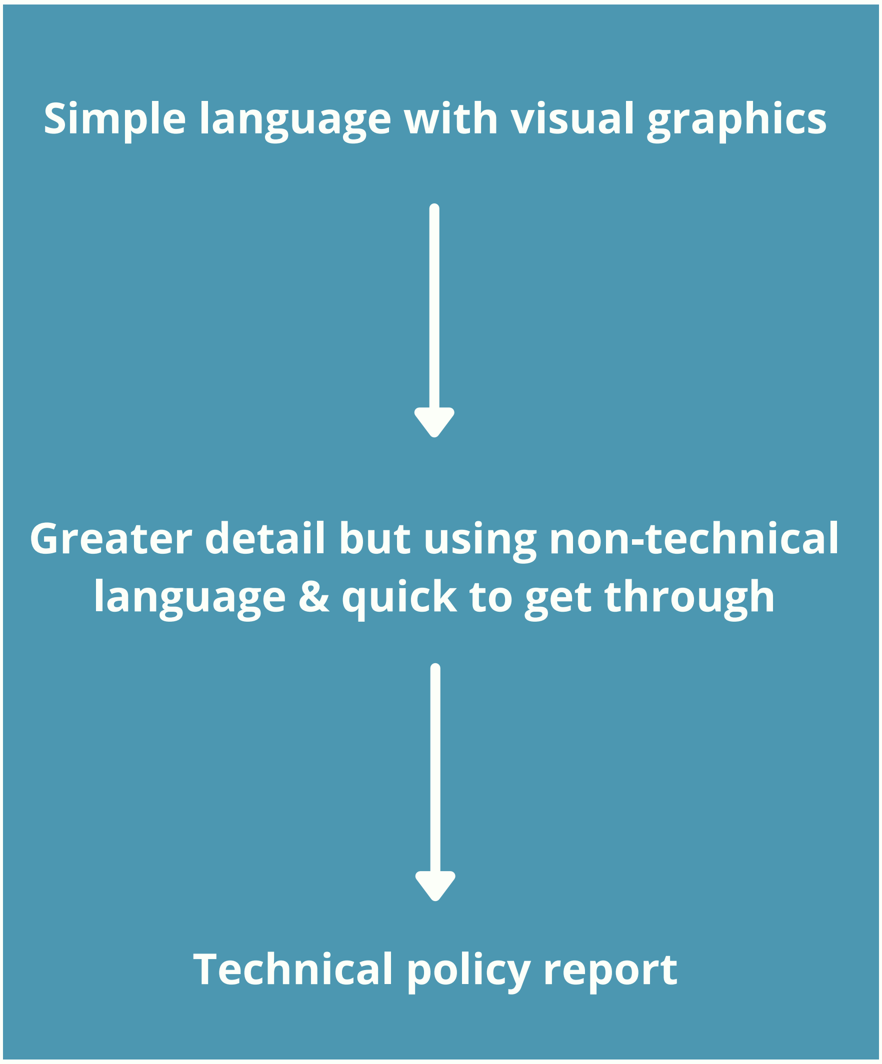
The government should bring together a group of experts, with diverse backgrounds and experiences, to develop the dashboard that drives the policy strategy. This does not mean that all responsibility should be handed over to these experts. The final section of the paper will go into more detail with regards to the principles of the dashboards but broadly *the government set the agenda, while the experts handle the detail.* This means that the dashboards should be broken down into components (e.g. Housing, Community, Economic Stability etc.) and the government should choose how this is structured. The independent team of experts will then be identified in accordance with the topics identified that feed into the dashboard. This team will then decide which indicators are included in order to measure progress under each of the components.

Regular layered communication on the policy strategy

Ensuring that the public is aware of what the government is working towards at a very high level will help to build consensus and trust. To be successful this should not go into much detail for the messages that go to the majority of the public. Simple and easy to understand messages about the policy strategy of the government should be used through social media and major media outlets. The aim should be to make this relatable to the average citizen by explaining how their policy strategy will impact their lives in a positive way. The use of visual graphics and simple language has been shown to impact public understanding and trust of policy messages.

Layered communication however means making the detail, for those that want to access it, available and easy to find. Depending on the nature of the update, there could be several layers to this. For example, a layer above the most simple initial layer but that is still non-technical and quick to get through, followed by a more technical layer which contains all of the detail. An example is detailed below:

Stylised example of layered communication



These updates should also occur on a regular and scheduled basis. As we stated in the 2021 Q1 research article, we think that the national statistical office should be in charge of updating all of the data within the dashboard. This means that the data will be available to the public. But the aim of these updates is for government to clearly explain how the trends in the latest data is impacting their policy strategy. Below we detail a structure an example of how this could work in practice:

- **Q1 interim update:** Short report containing the latest data that is available to be update. There is a limited need to in-depth analysis of how the latest data matches to their policy strategy.
- **Half-year update:** A more detailed report, with a press conference to explain the progress made over the past six months with relation to the latest evidence and how this fits against the policy strategy.
- **Q3 interim update:** Similar style report to the one in Q1.
- **End of year review:** Most detailed report capturing all of the indicators in the dashboard and a press conference to explain how the policy strategy may be tweaked to reflect the latest data.

The frequencies of the data within the dashboard will differ substantially. Some indicators may only be updated on an annual basis, while others could be hourly or daily. Faster indicators should be captured within the quarterly updates, while others may only be captured in the biannual or annual reports. The use of press conferences to explain policy decisions was used effectively by some governments in the pandemic. This should be continued in a slimmed down way (e.g. 1 or 2 times a year) going forward.

Clearly linking policy strategy and data

It is important that the government clearly identifies in these regular reports the relationship between the trends in the latest data and the governments policy strategy. This should be done in a way that does not misguide or misinform the public. Statistics can often be tweaked in order to fit an agenda. Consequently, an additional independent group of experts in statistics and data should review the governments communication in its updates, in order to assess whether they have excessively used misleading statistics to justify their policy strategy (including data visualisations).

Clearly linking policy strategy and wellbeing

Our view is that the ultimate goal of the government should be to increase the happiness and wellbeing of society in a sustainable and equal way. It is therefore paramount that the governments policy strategy is linked to how it will achieve this objective. This should be done in an evidence-based way. A particular focus should be put towards areas of the evidence base where there is the greatest consensus and confidence towards the empirical relationship with wellbeing (e.g. greater investment in mental health support).

Conducting research to understand the data better

Our understanding of what impacts wellbeing has improved significantly in recent years but remains far from perfect. There could be several circumstances where a government may be struggling to point to conclusive evidence for how their policy strategy may impact wellbeing. Or alternatively, a government may have committed to a particular strategy but they do not necessarily understand what is driving some of the trends in the dashboard. For many of the indicators in the dashboard what will matter more than the changes in the variables is what is *causing* the changes in these variables. The better understanding that the government has of these causes, the easier it will be for them to respond appropriately through policy adjustments.

In our previous research article we proposed that the government should create a wellbeing policy agency that will help to generate new evidence to be used in policy analysis. This agency should look to produce both macro and micro evidence for wellbeing. The macro evidence will feed through to the policy strategy of the government (e.g. the relationship between unemployment and wellbeing). The micro evidence will feed through the wellbeing cost-benefit analysis so that the government can optimally choose policies to increase wellbeing (e.g. the relationship between different income tax rates and wellbeing).

Guiding principles for building dashboards

The components and indicators that make up each countries dashboards will be similar but not necessary exactly the same. Countries may differ depending their development, the key risks and challenges they face or demographics. For these reasons we try to avoid getting stuck on the details of the actual indicators that we think should be captured within these dashboards. As an indicative example, we outline the types of components that we think these dashboards should be made up of. As we outlined in the previous section, the choice of components is a government decision, while the choice of indicators that fit into each of these components should be a decision for independent experts.

Stylised example of the dashboards components

1. **Mental wellbeing**
2. **Social connections**
3. **Physical health**
4. **Work**
5. **Leisure and time use**
6. **Community**
7. **Housing**
8. **Household finances**
9. **Economic stability**
10. **Knowledge and skills**
11. **Governance, human rights and corruption**
12. **Environment and energy**
13. **Infrastructure quality**
14. **Innovation**

In the remainder of this section we will outline four guiding principles for building dashboards to guide policy.

Breaking down the data

All of the data within the dashboard should be broken down, where relevant to do so, in a number of ways. This could be by region of the country, or by race, age, sex, wealth, income and so on. The dashboard should therefore be an interactive tool that is available on the national statistical offices webpage.

Layered data

Just as in the previous section when we discussed layered communication, a similar approach should be taken through the construction of the dashboard. The headline figures for each of the indicators within the components should be shown on a national level. In addition, independent experts may choose to select core and sub-indicators that allow some flexibility depending on the purpose that the data is being used for.

As an example, let's say the component in question from the example above is the first one relating to mental wellbeing. In the UK, the core indicators could be their four personal wellbeing measures (Life Satisfaction, Happiness, Anxiety and Worthwhileness). But then, within the sub-indicators could be a range of other measures such as the prevalence of various mental illnesses or the percentage of the labour force taking time off work for mental health reasons. The idea behind layering the data like this is the same as with layered communication: some audiences want more detail than others.

A key part of this will be successfully visualising the data so that it is easy to ascertain quickly the trends in the data and how the government has been performing relative to its objectives. Additional considerations should be taken in order to avoid data visualisations being designed in a way to misinform the public.

Variation in the data

An ideal dashboard will include lots of variation in the types of measures used and the frequency of the data. Typically, we like higher frequency data but if it becomes too frequent, we may become overly focused on noise. For the purposes of the dashboard informing the policy strategy we care more about the general trend of the data than recent ups and downs. By showing data at varying frequencies and relative to historical norms, we can get a good sense of perspective.

We will also want our dashboard to contain a good mix of objective and subjective measures. The benefit of objective measures is that they are less affected by biases. The benefit of subjective measures is that they capture the mood and preferences of citizens. By mixing these measures together it means policymakers are able to get a good handle on *how the population is thinking and feeling in response to how things are going.*

Stability

The fourth and final principle is probably the most important; the data and components within the dashboard need to remain stable through time. In order to make a consistent assessment of how the government is performing with respect to its objectives, it is necessary that the indicators within the dashboard do not change frequently. This principle also looks to guard against the risk that the government will try to remove components from the dashboard where it has not been performing well.

New and improved indicators may come available from time to time and following an appropriate consultation process, they could be added to the dashboard. But this should not happen so often that it becomes difficult to assess progress against objectives. When a new government takes office, they may wish to adjust the dashboard to fit their ideology. Small changes to the components would be allowed but the dashboards are constructed in a way that should be free from political ideology meaning these changes should not be significant.

Concluding remarks

Trust in public institutions has been declining and this is having an impact on the effectiveness of government policies. The Covid-19 pandemic further helped to illustrate this. The pandemic has also taught us lessons about the role the government can play in the publics lives. Our view is that greater transparency from the government in terms of explaining the decisions that it is making to the public would be an effective way to re-build trust. Since greater trust improves the effectiveness of public policies, then following the approach we have outlined in this paper is likely to also be in the best interests of the government as well. Sceptics may suggest that this approach is naive and even if it were adopted, it would be used as a tool by crafty politicians to sell how successful their administration has been. As we detail in this paper, the construction of this framework looks to do achieve exactly the opposite of this. Misinformation increasingly became an issue throughout the pandemic, not just through the media and social media but also through politicians. The framework that we have proposed looks to guard against these risks in a number of ways, any government that embraces this approach will be better off for it, as will its citizens.