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**THE POLITICS OF HAPPINESS**  
A **nef** discussion paper

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# Introduction

Things are amiss. Depression and suicide rates are rising, prompting official taskforces and targets. Crime, and our fear of it, hobbles civic life. We no longer trust the government to put nation before party; we no longer trust each other. Perhaps we no longer really trust ourselves. Escapism, whether through drug trips or shopping trips, is the favourite order of the day. The roads fill, so we build more - the policy equivalent of curing obesity by loosening our belt. And obesity, too, is moving from exception to rule, even among our once loose-limbed children. Each week brings a new 'rage' - road, plane, office, e-mail - to our newspaper pages. And above all, there is a simply a sense among us, almost subconscious and rarely articulated, that life can and should be better than this - or at least, to feel better.

We are quietly (or sometimes not so quietly), raging against the gap between the promise and reality of contemporary existence. We are richer, healthier and longer-living than at any point in our history. Our freedoms are beyond what our most optimistic ancestors dreamed of. We are, then, extraordinarily blessed. But the blessings of affluence turn out to be mixed. There is no question that material gains have made life immeasurably better. Consumption is in many ways a democratic, inclusive force in society. And most people feel OK most of the time.

The truth is neither that affluence has brought unalloyed bliss nor that the workings of developed market economies are destroying communities, alienating workers and turning everyone into greedy self-maximisers. The reality, of course, lies somewhere in the middle. And this should not be surprising. Progress is always patchy and unpredictable.

Nonetheless there is a new, stubborn and profoundly challenging fact on the table: for the affluent majority in affluent nations, increased income, greater economic growth, brings little or no greater happiness in its wake. We 'know' this, in the sense both that policy-makers are aware of it and that we can feel it at a personal level. There is good and growing evidence that other factors, such as companionship, should be ranking much more highly than the pursuit of income or growth.

The message of this paper is not that life sucks, or that we are all doomed. It is that life could and should be better than it is, given our material advances. Thus far, the evidence that money is losing its happiness-making power has done nothing to change our priorities. We continue, in spite of it - and against the predictions of Keynes, Marx, Mill and Tawney among others - to chase growth and productivity at a national and international level, to pursue profits at a corporate level, and to aim for income and wealth at an individual and household level. If the definition of insanity is repeating the same action in the hope of a different result, then we are all mad.

There are at least three good reasons why change has been so slow in coming. For a start, the mechanisms of economic growth and scientific progress have

served us very well for at least a couple of centuries. It is hard to let go of philosophies which have worked for us, and to which we have become so accustomed, simply because they are past their use-by date.

Secondly, there is to date no realistic set of alternative strategies for organising our lives. It is much easier to say that donuts are bad for you and that you should stop eating them if there is some other food available. The environmental movement and its intellectual children have done the most work in terms of providing alternative ways of measuring progress and success. When people look at graphs in Sunday newspapers showing GDP going up and 'sustainable welfare' or 'real progress' flat-lining or even dipping, it feels right to them. But it gives them nowhere else to go on a Monday morning. And there is, as yet, no alternative political philosophy with a hope of competing with the powerful claims of free market economics and 'liberal' societies.

No matter how hard the green movement tries to scare us using apocalyptic visions of the future, we shrug it off. The future of the planet is simply too distant a concern to provoke radical change in the here and now. And the language of crisis probably doesn't help either. We are inured to the rhetoric of imminent disaster. (A recent story headlined 'A Generation to Save the World' – a strong story, on the face of it, made page 13 of *The Guardian*.) Our sense is not that things are about to explode - to go suddenly, sickeningly wrong. It is that things are already going slowly, gradually wrong. Not that social disaster is imminent, but that we are on the wrong track, going gradually off course.

Lastly, and most importantly, the analysis that some of our most cherished collective and individual choices are now proving bad for us, tends to lead to prescriptions, if it leads to any prescriptions at all, which run straight into the powerful counter-argument of individual liberty. An example is the row between the World Health Organisation and drinks manufacturers over the link between obesity and the consumption of sugary drinks. The WHO says the companies, who spend billions on advertising to adults and children, must take some responsibility. The companies say it is the individual's choice, and that the individual must be responsible for the consequences of that choice. (The lawsuits in the US against McDonald's by some obese people hinged on the same philosophical issue.)

And Deborah Shipley MP has re-introduced a Bill to parliament to ban junk food advertising to children – a move that is gaining support among family organisations and some ministers. Even the question of whether fluoride should be added to main water supplies, and apparently minor squabble between competing health experts, goes to the heart of the question as to whether the government, or its agents, can justifiably remove my freedom to drink fluoride-free water on the grounds that fluoride is good for me.

This is the intellectual terrain upon which the politics of wellbeing will be built. The achievement of high levels of individual liberty in economic, social and political life is perhaps the greatest human advance of the modern age. It is the fulfilment of the Enlightenment dream. And any attempts to erode those freedoms are rightly met with fierce resistance. As soon as we get to a point where one group of people are claiming to know what is best for another group of people – and, crucially, to begin *acting* upon that knowledge - we are in dangerous waters. And if we make the mistake of thinking that people must really, deep down, *want* what is good for them, the liberal game is pretty much up. As Popper and Berlin and many others have reminded us, the bottom of that slippery slope is necessarily totalitarianism of one form or another.

Perhaps the greatest achievement of the free-market missionaries – especially Milton Friedman himself in *Capitalism and Freedom* – has been to solder together the notions of individual liberty from state or other interference, and the workings of a free market. The success of this soldering job has been such that the very idea of a liberal critique of the free market sounds to our ears like a contradiction in terms. The contentions of this paper, however, are that the 'free' market may now be making us less free; that our 'freedom' of choice is conditioned in newly

unhelpful ways which misdirect our energies; and that, as a result, individuals who make 'self-maximising' choices often end up inadvertently minimising themselves instead.

One approach to this problem is to treat over-consumption as what economists call a 'collective action problem', rather like the pollution. In just the same way that we have to stop lots of individuals making an individual choice – say, to drive highly polluting cars – which leads to collective losses, we have to stop people consuming in a way that forces others to follow suit in order to retain their relative status. These arguments, associated especially with US economist Robert Frank and Canadian philosopher Joseph Heath, are attractive because they seem to side-step the liberal challenge. In fact, they fail to satisfy most liberal tests, as well as turning a social and cultural problem into a technical one in order to 'fix' it.

The only way to bring about sustained change is by the progressive diminution of the economic sphere as the primary arena for seeking status and measuring progress. And this is only possible by engaging in the politics of culture, values and belief. And there is, I believe, a good liberal case for such a politics. It is an obvious truth that a person's freedom to make a choice is influenced or constrained by their social and cultural environment, and especially by the need to defend the liberties of others and protect common goods. John Stuart Mill himself warned of the liberty-diluting effects of the 'despotism of custom'.

The significance of prevailing custom, or value frameworks, is heightened today by the fact that we are now being drawn to make choices that may not obviously impact on the freedoms of others or clearly injure the common good – and therefore against which here are limited ethical grounds for restriction – but which are bad for *us* as individuals. The challenge for a politics of wellbeing is to reshape the context within which we make our choices; to borrow Tawney's phrase, the aim is to make the better choice the easier choice. As things stand, the easy choice is all too often the wrong one; convenience no longer equals wellbeing.

It is slowly becoming clear that the previously successful dual dynamic of economic growth and human wellbeing is, in Western societies, running out of steam. But we aren't prepared to admit it yet. The free-market economy is now part of the fabric of life, an orthodoxy so established that it is barely visible. A world without pervasive market competition seems as absurd in the 21<sup>st</sup> century as a world without a providential God seemed in the 17<sup>th</sup>.

The Enlightenment successfully threw off this oppressive yoke of ecclesiastical, ordained truth and put human reason, growth and progress in the driving seat. No one can seriously doubt that it has had an extraordinarily progressive effect. Now, though, the benchmarks of success will have to change. The power of the onwards-and-upwards model of progress is waning. The Enlightenment is facing a mid-life crisis.

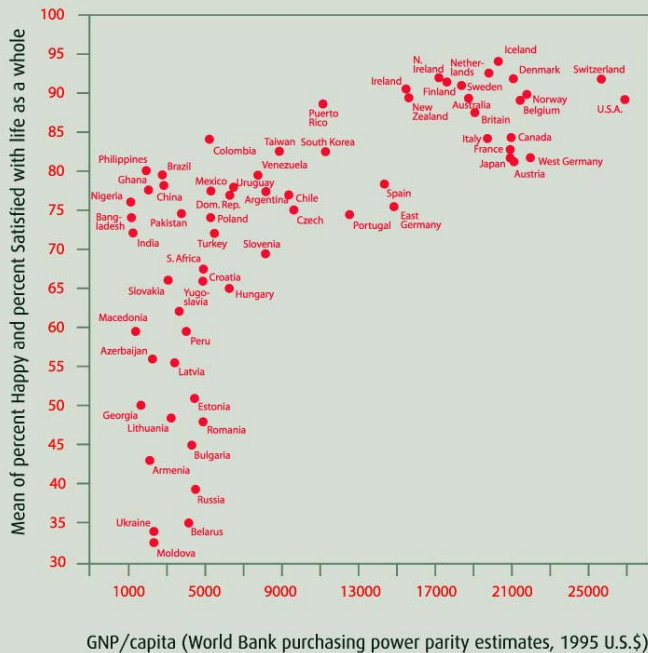
The choice of word 'amiss' at the beginning of this introduction was deliberate. The derivation of the word is probably from the old Norse *a[accent] mis*, meaning 'so as to miss'. The problem with late capitalism is not what it gives us – there is little wrong with Faberge or Furbys. It is what it is failing to give us: companionship, time for reflection, spirituality, security, intellectual development and joy in our children. We have come this far, only so as to miss so much.

# Richer, not happier

Economically advanced nations have enjoyed continued economic growth and prosperity. But GDP has become a poor measure of the good life. Growth in economic output and consumption in affluent nations has been decoupled from reported levels of happiness. Crudely put, above a certain point – around \$15,000 a head Gross Domestic Product – more growth stops delivering more happiness (see Figure 1). An inside toilet makes you feel better about life; replacing a video player with a DVD player does not. So, levels of happiness - or to use the preferred term of researchers, subjective wellbeing (SWB) - are getting no higher in the UK and other European countries, and may be getting slightly worse in the US, despite at least a doubling in levels of income and consumption in these countries.

**Figure 1 Income and happiness**

25 February 2003 Source: Inglehart and Klingemann (2000), Figure 7.2 and Table 7.1. Latest year (all in 1990s).





These arguments have all been rehearsed well elsewhere, most recently by Richard Layard in his Lionel Robbins lectures and in a number of publications.<sup>1</sup> The real question is *why?* Why don't we feel any better? Plenty of explanations have been offered: global insecurity; the constant consumption race to keep up with the Jones's; loss of religious faith; social and geographical mobility; a deteriorating environment; workplace stress; and so on.

But the most compelling explanation for the fact that economic growth and consumption do not correlate with SWB after a certain developmental point has been provided by the political scientist Robert Lane in *The Loss of Happiness in Market Democracies*. Attempting to summarise without too much violence to his argument, Lane says the following: Economic growth has always come with a cost – social dislocation, less time for family and friends, disagreeable jobs – but that for most of economic history these costs have been outweighed, on the wellbeing scales, by the huge material benefits that resulted. Now, however, the scales have tipped the other way. With our material needs pretty well satisfied, the costs of continued economic striving are now outweighing the benefits.

The reason that our continued rise in income is not seeing a continued rise in happiness is that the areas in which greater investment will yield continued improvements in wellbeing lie beyond the reach of markets. In particular, intimate relationships with friends and family – what sociologist Ray Pahl calls 'personal communities' – are highly and possibly increasingly correlated with SWB. And we are now, Lane believes, suffering from a 'kind of famine of warm interpersonal relations, of easy-to-reach neighbours, of encircling, inclusive memberships, and of support of solidary social life.'

It is possible to overstate these loss-of-companionship arguments. There are clearly plenty of companionable relationships around. But the point remains that it is in these areas of life that we would be best 'investing' time and energy, in terms of 'returns' of higher SWB – and we are not. As Lane points out, these relationships are market externalities. As the title of a recent article by Neil Browne puts it: 'If markets are so wonderful, why can't I find friends at the store?' Lane puts this central argument like this: 'the richer the society and its individuals become, *the less purchasable are the goals that bring them happiness* – although they may still pursue wealth with their accustomed vigor.' (my emphasis)

This then, is why we're not feeling better – we are consuming the material goods that used to make us happy instead of the relationships that will now. This simply leads, of course, to another why. Why are we doing this? Why don't we give up the rat race and snuggle up with our loved ones? Why do we chase money with which to purchase things? Why do we over-consume market goods and under-consume non-market goods? At least three possibilities present themselves. First, we haven't yet twigged that the next purchase will not, after all, be the one to make us happy, that we remain in thrall to the romanticism of late capitalism. As Colin Campbell puts it: 'each time they venture into the marketplace, they delude themselves into believing that this time it will be different; the material reality is going to live up to the fantasy.' The field of behavioural economics is growing around evidence of a large gap between 'decision utility' (how much pleasure you think something will bring you) and 'experience utility' (how much it actually does), and the consistent failure of individuals to predict with any degree of accuracy the relative merits (from a happiness point of view) of different choices.

The second possibility is that we have seen through the 'economistic fallacy', but we don't know what to do about it. Martin Hayward, from the Henley Centre, takes this view: 'People used to think, 'If I buy all this stuff I'll be happy.' But now they realise: 'Actually, I feel just as shitty.' But if this is the case, the realisation has yet to influence reality, as the latest credit-fuelled consumer boom demonstrates.

The third explanation is that while the accumulation of money and material goods does not yield more life satisfaction, it does generate something which may be at least as important: social status. The greatest insight of Fred Hirsch was to see that people are disposed to seek status and will therefore judge themselves against the visible signs of success of others. This is a never-ending competition,

because the bar simply gets raised all the time. One house used to be a sign of status: now only two will do. If we assume that we are in some way hard-wired to compete for status, the challenge may be to shift the competition into more fruitful areas, those which suffer less from the diminishing returns of the economic race.

Perhaps the answer is a mix of all three. Most of us, some of the time, realise that more consumption isn't, in the long run, going to make us feel better. Most of us, some of the time, love shopping and think that a bit more money would make things OK. And most of us like to feel that we have a certain standing within society, which may be related to our wealth.

One thing is for certain. If the sources of our wellbeing are outside the realm of the market, it is in the interests of very few organisations to point this out. Capitalism is very good at providing choices between commodities. But, by definition, it is not very good at providing the choice of a non-commodity. As Lane points out: 'People do not buy economic systems...they inherit them'.

I may start to wonder if it would be better for me to stay home with my family than work long hours to buy a second BMW – but I can't expect my firm or BMW to encourage this belief. On the other hand, markets are very good at picking up desires, even if they cannot always fulfil them. So Doritos spends money on advertising campaigns designed to suggest that buying their tortilla chips is one way to boost companionship, styling them 'friendchips'. The non-market need for companionship is linked in the consumers mind to a marketable, saleable product: without difficulty you will be able to think of other advertising campaigns that play on our desires for time, space or relaxation.

Assume for the moment that the above analysis is correct; that we are individually making choices which are not contributing to our wellbeing and in the process creating a society which we would not choose; that we are all falling victim to what Alfred E. Kahn called 'the tyranny of small decisions'. The big question then becomes: So long as these erroneous choices are made freely, what right does anyone have to intervene in them?

As Lane, in the most important sentence of his important book, puts it: 'I find this the central problem of framing a democratic theory of wellbeing: Can governments structure choices that help people choose their own well-being without substituting authoritative choices for free individual choices?' This is indeed the heart of the matter.

# Free to foul up?

Choice is a hot-button phrase in the current political lexicon. It is the mantra in health, education and pension provision. The presumption underpinning public policy is that responding to individual choice – to ‘revealed preferences’ in economists’ language – is a safer bet than top-down, ‘paternalist’ planning. Andrew Smith, the work and pensions secretary, arguing against greater compulsion in the area of pensions and saving, said in November 2002:

‘How is the state going to be better at deciding what the future level of savings should be than the amalgamation of all the decisions made by individuals, their families and their employers?’

This is a classic statement of market liberalism. One consequence of this view is that if people choose not to save and so end their days in abject poverty, no one can say we didn’t warn them. It is their responsibility. This is fairly uncontroversial, at least in philosophical terms. But the other implicit message in Mr Smith’s defense of free choice is that ‘the amalgamation of all decisions’ will necessarily be superior to a collectively-brokered deal enforced by a democratically-elected government. Millions of people can’t be wrong. This is a profoundly mistaken view, as Erich Fromm argued three decades ago in *The Sane Society*:

‘Just as there is a “folie a deux”, there is a “folie a millions”. The fact that millions of people share the same vices does not make them virtues, the fact that they share so many errors does not make the errors to be truths, and the fact that millions of people share the same forms of mental pathology does not make these people sane.’

Millions of people can be wrong, and the evidence is that millions of us are getting it wrong, in terms of how our choices influence our wellbeing. But to show that people are getting it wrong is not sufficient evidence for doing too much about it. After all, the freedom to be wrong, the freedom to foul things up, even to make catastrophically bad decisions is as important as the freedom to be right, to get things right, to make sound decisions. Remember the warning of *Brave New World*, a world in which ‘everyone is happy nowadays’, and in which the Savage has to claim the freedom to be unhappy, sick, ugly and old. A paper from the Government’s Strategy Unit put the killer issue like this:

‘...people tend to overestimate the pleasure that they will derive from a given purchase or career choice, failing to take account of the habituation that will occur. Similarly, evidence indicates that people tend to overestimate the importance of income for their wellbeing while underestimating the importance of relationships. As in other areas within which the state employs a paternalistic argument, such as in the requirement to wear seat belts, some may argue that the state should help people to make choices that will make them happy. However, such arguments need to be balanced against the strong counter view that people’s expressed preferences should be respected *even if they lead people to be unhappy...*’ (my emphasis).

This is a very powerful argument, which has the force of most post-Enlightenment thinking behind it. Even if someone – perhaps the state – genuinely does ‘know best’, no justification for doing very much about it, beyond advertising the fact, necessarily flows from this knowledge. As philosopher Adam Swift puts it: ‘Even if we could identify what would be rational for a person to do, it doesn’t automatically follow that we can justify interfering to get her to do the rational thing.’<sup>2</sup> (As we will see, this might depend on how much coercion is implied by the phrase ‘get her’.)

Taken to the extreme libertarian version of liberalism, the role for the state is minimal; supporting property rights, enforcing contracts, defense and law-and-order - the state acting merely as ‘night watchman’. A great deal of intellectual effort has gone into showing that true freedom requires more than this.

Ronald Dworkin has argued that freedom is related to the resources of people to make use of them; John Rawls that justice requires basic goods. And Amartya Sen, in particular, has argued persuasively that ‘substantive freedom’ means people having the “capabilities”...to lead the kind of lives they value – and have reason to value’. So Sen argues that health care, life expectancy, gender equality, education and political participation, as well as income, are all contributors to my substantive freedom. It is nonsense to say that I am free to become prime minister if I have no education or health care.

But even the progressive liberals like Dworkin or Sen stop short of suggesting how people might make best use of their freedoms. This seems, to them, to cross the line into illiberal, authoritarian territory. Sen stops short of considering the possibility that people in possession of capabilities might systematically make bad choices. Chided by Isaiah Berlin, Sen says in good liberal fashion that ‘responsible adults must be in charge of their own well-being; it is for them to decide how to use their capabilities.’<sup>3</sup>

Look again at the earlier quote from Sen, in which he says that substantive freedom means ‘people having the “capabilities”...to lead the kind of lives they value – and have reason to value’ This begs the very big questions as to what kind of lives people *do* value, and for what *reason* they give this valuation.

Nobody can sensibly claim that our preferences are formed in an individual vacuum. We are obviously hugely influenced by our surrounding environment. As well as the capability of making a choice, the attractiveness of that choice is vital. I could choose a pink cardigan, but prefer a green polo-neck. Why? The process by which preferences are formed has received somewhat less attention in the social science and economic literature, although there are some honorable exceptions, not least some of the work of Daniel Kahneman, the first psychologist to win the Nobel Prize for economics.<sup>4</sup>

Being ‘free’ to make a choice in the classic liberal sense simply means the absence of both coercion and restraint. I am free to eat hamburgers, because no law prevents it. I am free to take no exercise, because no law requires it. It is with regard to this ‘pure’ version of freedom that Bentham accurately claimed that ‘every law is an infraction of liberty’. Of course, there are plenty of occasions when it is completely justified to restrict liberty in the name of some other value. Typically restrictions on freedom are justified by the protection of the freedom of others, but just occasionally on paternalistic grounds, most obviously in the criminalization of driving without a seatbelt.

What is missing from many liberal accounts of choice is an examination of the ways in which wants, or preferences, are formed in the first place – and whether the circumstances of preference formation allow for anything like autonomy. Jon Elster threw down this challenge in a critique of utilitarianism, but it clearly has wider implications:

‘Why should individual want satisfaction be the criterion of justice and social choice when individual wants themselves may be shaped by a process that preempts the choice?’<sup>5</sup>

This question has less urgency when people's choices are broadly sensible ones from the point of view of promoting their own wellbeing. But if we are making choices to satisfy wants which no longer make our lives better (or at least to feel better), an understanding of the mechanisms by which these wants are formed becomes vital. For a closer look at the arguments involved, it is instructive to look at a specific, highly topical issue: obesity.

# Young, free and fat – a case study

Obesity is of course an important issue in its own right. But it is also personifies and exemplifies the deeper problem; that more consumption is not leading to greater wellbeing. And it pointedly raises the ethical dilemmas faced by policy makers in government and business.

One in ten six-year-olds and 17 per cent of 15 year olds are now classed as obese. In 1980, 6 per cent of men and 8 per cent of women were overweight; today these figures are 66 per cent and 55 per cent. In 1993, one in ten men between the ages of 25 and 34 were defined as obese; seven years later, this figure reached one in five.<sup>6</sup> In the US, one in ten children are obese; and the majority of adults are now overweight. The West's backside is spreading.

Obesity is a test case of some of the broader tensions that characterize the politics of wellbeing. The issues of individual choice, nature of liberty, the role of advertising, the location of responsibility, the motivations of big business, the place (if any) for government intervention all feature in the specific debate about obesity. Precisely the same issues figure in the debate about the more general problem of consuming too much stuff that bears negatively, or not at all, on our life satisfaction, happiness and wellbeing.

Three vignettes present the essential features of a politics of wellbeing. The World Health Organisation has urged governments to curb the advertising of 'sugar-rich items' to young people in a bid to stem the tide of weight gain. In the US, lawsuits have been brought against McDonald's by obese youngsters who blame the company for their health problems. (The principal case has just been thrown out by a New York court, but appeals are likely.) And the Labour Party is discussing a policy of refusing NHS care to obese people who fail to lose weight.

As well as being instructive at an intellectual level, these cases are of course fascinating on a human one. As Amity Schlaes wrote in the FT of the McDonalds case: 'Where else to find three hard-and-fast stereotypes – Americans are enormous porkers, eat fast food to excess and launch crazy lawsuits – united in one picture?'

The arguments on each side are pretty straightforward. No one seriously denies that being obese is bad news, both physically and psychologically. Not least, it knocks a decade off life expectancy. The question is where responsibility lies. The food and drinks industry says that if people drink or eat to excess their health will of course suffer: but that the individual must be held accountable for their own choices. John Sutherland, from Cadbury, says:

'I think litigation is extremely unlikely. At the end of the day, people exercise free will and choice in terms of what they eat.'<sup>7</sup>

John Doyle, from the US-based Center for Consumer Freedom (part-funded by food companies) says: 'The reality is that anyone with an IQ higher than room temperature will understand that excessive consumption of food served in fast-

food restaurants will lead to weight gain.'

The judge in the McDonald's lawsuit took a similar line, dismissing the claim on the grounds that 'if consumers know [or reasonably should know] the potential ill-health effects of eating at McDonalds, they cannot blame McDonald's if they, nonetheless, choose to satiate their appetite with a surfeit of super-sized McDonald's products.' (The plaintiffs in the McDonald's case perhaps did not help matters in this regard. The mother of Gregory Rhymes, a teenager weighing in at 28 stones, admitted that he ate in the chain every day but said she would have stopped him if she had not 'always believed that McDonald's food was healthy for my son.')

The counter-argument, frequently made by health campaigners, is that the bombardment of advertising means that people, especially children, cannot truly be said to be making a 'free' choice at all. When children see ten food or drink ads for every hour they watch television, and when these products are endorsed by super-fit sporting heroes such as Michael Owen or David Beckham, can they really be said to be freely choosing a coke over an apple? 'It is absolute rubbish to say that television ads don't impact on children,' says Joe Harvey, director of the Health Education Trust. 'It is an onslaught. Look at the advertising on Saturday morning. Tell me is there any balance in that?'

And a report from the International Obesity Taskforce, argues:

'Large business interests are involved in both promoting sedentary behaviour and the passive over-consumption of food. The food and drink industry seeks to focus on inactivity and promote sports to divert attention from the role of food and drinks. Analysis of marketing strategies shows a targeting of the young and particularly of pre-school children to establish brand preferences.'

A careful study of advertising and consumption by the Food Standards Agency found links between exposure to advertising and consumption of fast foods, which is unsurprising given that the industry spends \$40 billion a year (more than the GDP of most nations) on marketing its products.<sup>8</sup> Kraft foods recently took a step towards an acknowledgement of the responsibility of the companies themselves, both in terms of the content of their products and marketing to children.

For the moment, though, the individual choice argument seems to be winning the day, at least in political circles. McDonalds won in New York. The UK government is rebuffing calls for restrictions on food and drink adverts for children, backing 'advertising education' initiatives instead. And the free-choice argument is indeed difficult to answer. No one is forcing us to eat too much fatty or sugary food. No one is making us slump in front of the TV instead of taking a brisk walk. It is ludicrous to blame profit-seeking companies for wanting to persuade people to buy their products. (There is a separate question of addictive ingredients, but the presence of these ingredients in so many foods will make it difficult charge to stick on any single sector, let alone single firm.)

Most important of all, in terms of the liberal argument, obesity is a problem for individuals that does not generally impact on other individuals – one of the reasons why a parallel between food and tobacco is flawed. The most robust arguments for restricting individual liberty are those based on the protection of the liberties of others. The real breakthrough in the argument over restrictions on smoking, for example in workplaces or public places, came with the production of compelling evidence for the harmful effects of passive smoking. My freedom to smoke has to be balanced by your freedom to breathe smoke-free air. Roy Hattersley vividly makes the distinction:

'For once I am part of the fashionable trend. I am a stone overweight and addicted to Burgundy and chocolate. But, foolish though I undoubtedly am, I encompass only my own destruction. I do not go into restaurants and force the family at the next table to share my Flake. Nor do I pour cheap wine down the unwilling throats of people who sit next to me in theatres. Yet smokers insist I inhale their tobacco fumes.'

This is why obesity represents a new class of problem, one in which people are systematically making choices which are bad, principally, only for themselves which 'encompass only their own destruction'. My obesity does not increase your risk of diabetes or heart disease. The only argument left is the one about higher health costs, implicit in the Labour document, which does of course push your taxes up – but this is clutching at straws. What about dangerous sports aficionados? Or the 400 people who intentionally harm themselves each day? Once the principle of universal care free at the point of delivery is lost, all kinds of exclusions might come to be applied. As Edward Peck and Perri 6 warned: 'Ministers must to be careful to avoid sounding as though they think some sections of the public don't really deserve the NHS.'<sup>9</sup>

The only occasions when my girth impacts directly on you is in a situation of restricted space, such as an airline seat. So Barbara Hewson gets £13,000 from Virgin Atlantic after being squashed by an obese fellow traveler and suffering a haematoma in her chest, torn leg muscles and sciatica. And Linda McKay-Panos, a Canadian law professor, issues an unsuccessful complaint on grounds of discrimination when Air Canada forced her to buy a business-class seat because she could not fit into an economy one (a policy which is now being adopted by a number of airlines).

Thus do two of the most visible liberties of late capitalism – the freedom to fly and the freedom to be fat – collide. In the process, hard questions about the nature of free choice are being asked. Should we be free to make choices that are bad for us? Are the choices we are making truly free? What role, if any, for government?



# Consumption as pollution – the technical ‘fix’

At first sight, arguments for significant state interventions in the area of obesity, as in other areas of self-inflicted wellbeing loss, are defeated by the liberal argument for individual freedom of choice – including the freedom to make bad choices. There are, however, two strategies for defending intervention. The first is to tackle the problem at the site of want formation, and examine the degree to which those wants or desires are arrived at as a result of a truly autonomous process – an approach which is developed in the next section.

The alternative strategy is to deny that consumption only has implications for the individual, and argue that the consumption of person A influences person B by making them feel poorer. (Note that this argument cannot be applied to obesity, at least so long as being obese carries a social stigma rather than being an aspiration.)

This approach is inspired by Fred Hirsch and developed by Robert Frank, Joseph Heath and Richard Layard. The argument is as follows. One of the most important drivers of consumption in late capitalist societies is a desire to keep up with the Joneses. Thorstein Veblen pointed out a century ago that goods were acquired for ‘status’ reasons as well as material ones, and in affluent societies, status is likely to play an increasing part in consumption decisions. This is not necessarily a bad thing. If the status conferred by the acquisition of the good boosts the welfare of the consumer, then capitalism is doing its job well. The problem, though, is that the status of a good is being constantly eroded by a general lifting of standards - the Joneses keep getting richer. Robert Frank uses the example of house size to illustrate this point. In a society where most people have 3,000 square-foot homes, a 4,000 one feels luxuriously spacious. Once everyone has a 4,000 square-foot house, it feels merely adequate - and by the time the typical family has 5,000 square feet, it seems downright cramped. As a result of Veblen’s ‘invidious comparisons’, houses get bigger and bigger – but no one feels any better. Surveys routinely find that most people would rather earn £30,000 in a society in which £20,000 is the average wage than £40,000 in one where £50,000 is the norm.

The Strategy Unit paper recognizes this phenomenon: ‘More controversially, the evidence has been interpreted by some to indicate that an increase in a given individual’s income may have significant *negative* externalities on the life satisfaction of others, depending on how it is used. Conspicuous consumption by some people can lead to envy, or frustration, on the part of others.’

Frank makes two important inferences from this comparative dynamic. First, that the consumption of a person may legitimately be restrained without breaching the ‘harm’ doctrine of John Stuart Mill. Second, that the process represents a collective action problem – a series of individually rational choices producing a society that no one would choose. His policy prescription is a progressive consumption tax, which could mean, in his example, that someone spending less than \$40,000 a year pays 20% tax on their purchases, while spending above

£500,000 a year attracts a 70% rate. This would take the heat out of the competition to keep up.

Joseph Heath arrives at the same broad prescription by a similar argument, that a restriction of consumer sovereignty is justified, without violence to liberal autonomy, on the grounds of 'harming' others and market failure:

'If the value of a good is based on a comparison with what others are consuming, then all of the consumption choices made in this domain generate externalities for other consumers. (And, of course, if one defines market failure as any circumstance in which markets do not achieve Pareto-optimal outcomes, then it becomes true by definition that these are all cases of market failure.)'

Similarly, Richard Layard, in his Lionel Robbins lectures at the London School of Economics, justified constraints on consumption on the grounds that it represents a form of 'pollution', which can therefore be taxed just as environmental pollution is taxed.

There are two problems with this elegant technical fix – a smallish empirical one, and a significant ethical one. The empirical difficulty is that people tend to compare themselves to people in very similar circumstances, rather than those people who are very much richer. It is difficult to see find hard proof for the 'cascade' of consumption down the income scale upon which the diagnosis rests. And it is very hard to see how the tax should fall: a £25,000 income in east Rotherham would certainly be enough to induce some envious comparison among the neighbours – while a similar income in West London would not.

Layard suggests that perhaps television has altered the reference group: 'Where people once compared themselves with the people round the corner, they can now compare themselves with anyone they like, up to J.R. in Dallas. It would be astonishing if such comparisons were not unsettling.' But this remains a conjecture. The evidence available suggests that comparisons remain stubbornly local – in many cases distressingly so. Andrew Oswald and colleagues at the University of Warwick are completing some research showing that the poorest members of the black South African population compare themselves, in terms of income, to those in similar circumstances. Far from envying the tended lawns of the wealthy, the poor township dweller envies only her neighbour's tin roof compared to her own wooden one.

The more significant difficulty with the 'tax fix' is that it fails to clear the liberal hurdle. Frank and others rely here on the fact of the 'harm' caused to the subjective well-being of the neighbour of the person who has just bought a bigger BMW. But this harm cannot be properly compared to the harm caused to my lungs as a result of a road choked with BMWs, because it depends critically on how I respond. I may feel worse off; I may not give a fig. No such subjectivity enters into the proven impact of noxious fumes on my physical health.

The fact is that the problem of competitive consumption could be dealt with by simply removing our desire to keep up, by following the biblical instructions against envy. If I judged my welfare without reference to the material possessions of others, the large houses around the cottage housing my happy family would matter not a bit. Heath implicitly assumes, along with Marx and many others, that the welfare impact of peer-comparison is a fixed ingredient in human nature. Perhaps this is indeed the case. There is little in history to suggest otherwise. But it does seem likely that the prevailing values of a society can at the very least weaken or strengthen a tendency to judge worth and life satisfaction on the basis of these sorts of comparisons. If we came to see that family and companionship were more important to our own wellbeing than the size of our house or car engine, the collective action problem would diminish automatically.

And Mill certainly cannot be used in support of a progressive consumption tax. 'In many cases,' he wrote, 'An individual, in pursuing a legitimate object necessarily and therefore legitimately causes pain or loss to others.' He goes on: 'Whoever is preferred to another in any contest for an object which both desire, reaps benefit

from the loss of others... Society admits no right, either legal or moral, to immunity from this kind of suffering and feels called on to interfere only when means of success have been employed which it is to the contrary to the general interest to permit – namely, fraud, or treachery, or force.<sup>10</sup> The restriction of the liberty of my neighbour cannot, at least using Mill, be justified on the grounds of the protection of my liberty not to be harmed.

Here we can draw on an older philosophical tradition of happiness, pioneered by Aristotle. For him, the keys to happiness or human flourishing are the development of moral character, noble life-projects and self-growth. Aristotle's view would be that the secret lies not in preventing my neighbour, via high taxation, from buying the car - but rather to prevent, via character improvement, my resulting envy. This is an ethically sounder position: if somebody is unhappily envious as a result of another's consumption, it is not at all clear that the problem is less the consumption than the envy. Frank and his followers come dangerously close to endorsing the definition of envy as believing you will be able to walk better if your neighbour breaks a leg.

All of which means that this cannot be a value-free discussion. The problems of misdirected consumption and eroding wellbeing are not simply technical ones. Which means, of course, that there is no technical 'fix'. A successful politics of wellbeing is not about coercion or restraint. The goal must be to make the right choice *easier*, not mandatory. This certainly requires a taming of wasteful consumption competition. More importantly, it means shifting the 'general sentiment' of society in a direction that is more conducive to the quality of our lives. This is much more easily said than done, of course.

# Isaiah Berlin's footnote – the politics of revaluation

According to the received classically liberal view, if I choose to spend rather than befriend, and so end up with lower levels of wellbeing, that's my lookout. It is not for others to inhibit my freedom, even if they believe or know that in doing so they will improve my wellbeing. My wellbeing is my business. We should be honest: this argument is correctly unassailable, so long as the choices in question can be seen to be genuinely 'free'. This then becomes the critical question. How are these choices arrived at? Can the right choice be made easier while protecting liberty? How, and by whom, are our choices structured? Are those 'choice structures' to our benefit? Do free markets equal free choices? What does freedom – that 'protean word', according to Isaiah Berlin, mean today?

These are the critical questions which must be answered by a politics of wellbeing in a liberal society, because the desirability of a choice depends on the value system within which it is made. At a trivial level, choice of clothes is influenced by prevailing fashions. Our 'revealed preferences' don't arrive out of thin air; they are powerfully shaped by our cultural milieu. Our 'decision frames', in economic terms, are as much about culture as cash.

Berlin himself, in his famous essay 'Two Concepts of Liberty' - which is principally an eloquent defense of a "pure" definition of freedom - recognizes this important fact. Buried in a footnote is a statement about the nature of freedom:

*'The extent of my freedom seems to depend on (a) how many possibilities are open to me (although the method of counting these can never be more than impressionistic. Possibilities of action are not discrete entities like apples, which can be exhaustively enumerated); (b) how easy or difficult each of these possibilities is to actualize; (c) how important in my plan of life, given my character and circumstances, these possibilities are when compared with each other; (d) how far they are closed and opened by deliberate human acts; (e) what value not merely the agent, but the general sentiment of the society in which he lives puts in the various possibilities.'* (my emphasis)

As a summary of the boundaries of freedom, this is difficult to beat. There is real uncertainty about (a), with recent research suggesting that after a certain point, the sheer volume of options actually reduces people's feeling of choice. In one experiment cited by Barry Schwartz, people offered a choice of six exotic jams were able to make a decision; people offered a choice of thirty baulked at the decision or 'chose' arbitrarily. Too much choice may inhibit the feeling of freedom, if not freedom itself.

But the significant qualification in terms of the issue at hand is in point (e). Here Berlin is arguing that the extent of a person's freedom is contingent upon the values of society at large. I am less free to choose to become a priest in a violently anti-ecclesiastical society, less free to lead a gay lifestyle in a homophobic one. These are obvious examples. But I am also less free to abandon consumerism and income maximization in a society which uses these as

yardsticks of personal success, and which reinforces this message through a myriad of cultural media: Because You're Worth It.

This is a significant second strand of liberal thinking, too often neglected in contemporary debates. A bias in our social environment can be seen as an infringement of our liberty. While Mill, along with most others in the liberal tradition, focused his attention on the relationship between the state and the individual, he also recognized the freedom-reducing potential of societal value systems, writing that 'protection, therefore, against the tyranny of the magistrate is not enough: there needs protection also against the tyranny of prevailing opinion and feeling; against the tendency of society to impose, by means other than civil penalties, its own ideas and practices as rules of conduct on those who dissent from them'.<sup>11</sup>

Berlin is the most formidable modern exponent of the classical liberal view, arguing that 'the defense of liberty consists in the 'negative' goal of warding off interference'. But he also states, as we have seen, that the 'value the general sentiment of society' places on a possible choice is a potential limitation to the extent of my freedom to make that choice. Thus 'interference' with my freedom need not be by the state, or even other institutions. My freedom can be 'interfered with' by public opinion, by prevailing wisdom, by the values of society - by social, as well as political, tyranny. This is an important philosophical step.

Now there is nothing wrong, *per se*, with the values of commercialism, productivity, economic growth and consumption. And if individual decisions made in tune with those values contribute to individual wellbeing, it may not especially matter if these values are all-pervasive. But if individual decisions made in line with the 'general sentiment of...society' do not in fact contribute to individual wellbeing, we have a problem.

This is the situation in which we now find ourselves. We have a dizzying range of choices, and plentiful resources or capabilities to make them. (An important qualification, of course, is that poor people, even in rich countries, do not.) But the decisions to which we are drawn by what might be called the *economic sentiments* of late capitalism are bad ones. As John Rawls pointed out:

'An economic system is not only an institutional device for satisfying existing wants and needs but a way of fashioning wants in the future.'<sup>12</sup>

How, then, are these wants formed and propagated? In what ways can the 'prevailing sentiments' or 'social tyranny' be said to restrict our freedom? An obvious target as an unhelpful value-creator is the advertising industry. Businesses are powerful, and use their power to promote their products. And this is exactly what they should be doing, given the structures within which they operate - there are no dark forces or hidden persuaders (how hidden is advertising?) or capitalist conspirators at work.

Nonetheless it is important to see that advertising does play a role in creating the culture within which we make our decisions. We have already seen that advertising of food and drink impacts children's diet and health. Companies necessarily promote a consumerist view of the world, and in the absence of strong countervailing value generators, this view becomes a near-orthodoxy. The Churches and Samaritans and Department of Health may promote values of sacrifice, companionship and healthy living - but their voices are whispers in the storm. They cannot compete with the value generators of the commercial sector, cannot alter the course of a society in which money and consumption are King and Queen.

The politics of happiness cannot be about mandating or banning. It is about creating an environment in which something closer to free choices can be made. This means reducing the power of the market ethos in the scaffolding that surrounds our choices.

# What is to be done?

Late capitalism isn't making life feel better. Progress has stalled. We are systematically making choices that are suboptimal ones, in terms of maximizing wellbeing. So what is to be done? There are signs that some in government are asking the same question, at least in terms of state action. The Strategy Unit paper on Life Satisfaction poses the following question:

'If we accept that life satisfaction is an important objective and can be influenced, then the literature throws down a fundamental challenge to policymakers. If decades of legislation, economic growth and increased life expectancy have barely affected the life satisfaction of the British people, then what *should* government be doing?'

There are plenty of ways in which imaginative politicians can help to shift the ground: three small such steps would be better schooling, bans on unhelpful advertising and support for book groups (see box at p.22).

But the changes required do not by and large result from the flourish of a legislator's pen. The state is not even the only, or perhaps most important, institutional player in the politics of wellbeing. Companies have a significant role to play, of course – not least as value generators for their own employees. And religious organizations have a voice which, in some of these matters, is louder than their attendance figures might suggest. The new Archbishop of Canterbury, Rowan Williams, has caused mini-stirs by attacking the 'Disneyfication' of society, the new 'consumer model' of educational provision and the re-branding reflexes of modern corporations. But his Dimpleby lecture offered a more profound critique of the dilemmas presented by the triumph of the 'market state' in which 'choices are defined and managed for you by the market'. The following passage is a case in point:

'If the goal of the market state is maximal opportunity for citizens, and if it seeks to achieve this by rapid executive response to expressed needs within an overall strategy of swift and none-too-accountable negotiation with various national and international agencies outside government as traditionally understood, *there is a high risk of reducing freedom in the name of increasing choice.*' (my emphasis)

But Williams also says that the 'market state is here to stay', and has yet to press home his deeper attack on the culture of consumption. Given the orthodoxy of the grow-earn-spend philosophy, the case for the church and other religious agencies to act as counter-cultures has never been stronger.

And in politics, too, there is a growing need for a clearer moral agenda. Politicians fight shy – generally – of moral preaching, and this is by and large to be welcomed. But politics has a role to play in maintaining what philosopher Joseph Raz calls 'the communal pool of values' which individuals draw upon to 'define the contours of their own lives'.<sup>13</sup> Politicians cannot impose a pool of values, but they are not simply reflectors of values. They are value creators, too.

The shift away from the materialist basis of progress requires, then, very much more than a raft of new policies. It requires, in Gerry Cohen's description, 'a change in social ethos, a change in the attitudes people sustain in the thick of daily life.'<sup>14</sup> Responsibility for the necessary change of direction and emphasis cannot simply be abdicated to others.

Indeed one of the challenges to the politics of wellbeing is the absence of clear enemies. Previous 'progressive' movements have always had their bad guys to aim at: the bishops, the aristocracy, the capitalists, the rich, the speculators, the racists and the polluters. But blaming corporations or governments or the wealthy for our waning wellbeing is to miss the point. We all consume, work and invest in the market economy. It is no good accusing firms of being beholden to their shareholders and then moaning about the poor performance of your pension fund. Blaming companies for putting profits first is like blaming a sprinter for trying to run quickly.

We need, then, not only a reevaluation of our government priorities and institutional goals but above all of our own barometers of success. We need to topple the social tyranny represented by a market ethos, by a general *sentiment* that judges nations, organizations and individuals by the money they make and the stuff they buy. We need a change in the attitudes we sustain in the thick of daily life.

There are signs of hope. Perhaps the Corporate Social Responsibility movement will lose some of its timidity and move some thinking in the corporate world about the yardsticks against which progress is judged. Perhaps the environmental movement will begin to seriously connect with the new economics described above. Perhaps more politicians will begin to see quality of life as more than a piece of pre-election rhetoric.

But ultimately this is a shift in our collective view of the world and of ourselves. The revolution is as much psychological as political, as much spiritual as legislative. As the writer and economist E.F Schumacher put it:

'it is no longer possible to believe that any political or economic reform, or scientific advance, or technological progress could solve the life-and-death problems of industrial society. They lie too deep, in the heart and soul of every one of us. It is there that the main work of reform has to be done.'<sup>15</sup>

It is impossible to overstate the size of the task of shifting towards a political economy of wellbeing. Overthrowing the orthodoxy of the market will be as difficult as the struggle to defeat the orthodoxy of religiously-ordained truth during the Enlightenment. And one of the great difficulties is that the framework of values of which we now need to let go has in fact served us so well for so long. It is rather as if we embarked on a journey by train and made excellent progress (this of course being an entirely metaphorical occurrence!) for the first half of the journey. To continue towards our destination, the place in which, in Keynes' phrase, we will live 'agreeable and wisely and well', it is necessary to change trains. But we are in danger of missing our connection, and remaining aboard a train that is now hurtling us in the wrong direction.

This is hard. And right now there is little help in the offing: there are no Spinozas in sight just yet. But we have to start somewhere, sometime. And that might just as well be with ourselves, now.

## Three Small Steps

### 1. Teaching the Good Life

It has never been more important for citizens to be equipped with the intellectual apparatus and information to shape a good life. We know a lot about what makes life better; we need to be less coy about sharing it with our adults-to-be. The Strategy Unit flirted with something along these lines: 'Young people – and adults – can be given information and guidance about the factors that drive life satisfaction. Going one step further, mutual respect, cooperative behaviour and volunteering can be encouraged, while deceit, greed and envy could be actively discouraged.'

Citizenship education doesn't do this job. We need philosophy. At present, for every youngster studying GCSE social or classical studies there are 50 doing maths (which is compulsory, of course). Last year 1,500 A-level students took papers in philosophy compared to the 210,000 who plumped for business studies. And just a thousand applied to study philosophy at university, compared to the 39,000 who went for business studies, marketing, management studies, accounting or finance.

The new citizens of our society are eschewing the contemplation of the good life in favour of the acquisition of various competing models of marketing.

To move beyond the Enlightenment, we need a new generation of *philosophes*. So let us make 'The Good Life' a core curriculum subject up to the age of sixteen, taking in the best of philosophy, psychology, new economics and spiritual traditions. We are in danger of teaching our children how to work and earn, but not how to live.

There is a broader point to make about education, too. Research suggests that levels of education are associated with higher levels of wellbeing, even after allowing for income effects. Education needs to move towards what Keynes called the 'arts of life'. At present, Government policy appears to be pointing in the opposite direction, towards a view of education as an instrument for economic efficiency. Vocational education is very well: but we are in danger of making education vocational.

### 2. Ban adverts for bad food for children

The argument for state intervention to limit the freedom of bad food and drink manufacturers to advertise in order to increase the freedom of children to make a healthier choice is unanswerable. The consumption choices for children – especially of food and drink – are currently made in a structure that makes the bad choice the easy one. And enough bad choices make the children in question unhealthy. Obesity is a wellbeing destroyer, and is the natural end-product of over-consumption of high-energy, low-nutrition foods, which in turn is a natural end-product of the over-marketing of them.

There are some signs of movement on this issue. Deborah Shipley MP re-presented a bill to ban the marketing of junk foods to children in November 2003, and there are signs that some ministers, including the children's minister Margaret Hodge MP are beginning to accept the arguments of the 80-plus organizations, including all the relevant colleges of medicine, that a ban is necessary. It is possible that the industry itself will shift the terms of the debate by accepting a share of responsibility – along with parents, schools and the children themselves – for the obesity problem. But at present, the food and drink industry appears determined to repeat the mistakes of the tobacco sector and remain determinedly behind public opinion, thereby ensuring legislative action.

### 3. Bolstering book groups

Book groups have been springing up for the last decade or so, with groups of men, or more often women, spending time in their living rooms or local restaurants discussing a literary morsel. From a wellbeing point of view, these groups are almost certainly very good news, enhancing two of the spheres of Aristotle's cardinal virtues – social association and intellectual life. A study of a sample of the 50,000 people attending such groups showed a marked impact on sociability; but also that this remains an almost entirely middle-class pursuit.<sup>1</sup>

Given the current class bias of such activities, it is hard to argue for subsidies from public funds. But it is worth considering the funding of book groups in Neighbourhood Renewal Areas, for example, as a mechanism for boosting social capital and wellbeing.<sup>2</sup>

<sup>1</sup> *The Reading Groups Book*, by Jenny Hartley (OUP, 2002)

<sup>2</sup> This suggestion comes from Ian Christie at nef.



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