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In April 2018 we launched the Bennett Institute for Public Policy at Cambridge University, a brand new venture at one of the world’s leading universities, enabled by the generosity of Cambridge alumnus Mr Peter Bennett.

As co-Directors of this Institute, our overriding aim is to make it one of the premier academic venues for thinking about the most pressing policy challenges of our age. This is a critical moment to establish such an Institute, which has at its heart a commitment to: analysis of the economic, social and political systems in which policy is developed; the creation of powerful new networks of policy-makers, influencers and researchers; and the development of a new generation of reflexive and critical policy leaders.

We will be bringing together the world-class research of Cambridge in technology, engineering and the natural sciences with a deep understanding of the social and political forces now reshaping democracy and creating fundamental challenges for governments around the world. Our work reflects a readiness to move away from the assumption that there are technocratic fixes or simple solutions to intractable challenges arising from resource scarcity, conflict or technological change. Instead we will develop research examining the growing demand for a fairer and more sustainable distribution of the world’s natural and social assets and analyse the impact that technological change is having on the nature of work, community and consumption around the world.

The ethos of this new, cross-disciplinary venture is encapsulated in the following statement of our mission:

“Our goal is to rethink public policy in an era of turbulence and growing inequality. Our research connects the world-leading work in technology and science at Cambridge with the economic and political dimensions of policy-making. We are committed to outstanding teaching, policy engagement, and to devising sustainable and long-lasting solutions.”

The panel discussions we organised for this event focused on some of the major substantive questions the Institute will be researching, including questions about global inequality and strategies to reduce poverty, the role of cities in contemporary public policy, and the impact of disruptive technologies upon our political and economic lives. We debated, too, fundamental questions about the purpose and goals of policy-makers, asking if ‘well-being’ could provide an appropriate lodestar for governments increasingly interested in understanding the causes and consequences of individual and collective behaviours.

This publication offers a flavour of some of the main lines of argument presented at our launch conference and of the discussions that ensued. We hope that you find it engaging and thought-provoking, and that it gives a sense of the issues and ideas that this new Institute is aiming to explore in its work.

Cambridge, June 2018
Mike and Diane
On 16 April 2018 we launched the Bennett Institute for Public Policy with a conference bringing together policy-makers, business people, non-governmental organisations and academics to discuss some of the most pressing public policy issues facing governments and populations around the world. The conference panels were organised around four topics: poverty and inequality; global cities; policies to combat climate change; and the goals and measurement of public policy in the 21st century. This report builds on those discussions and collects some of the contributions to the conference.

Our speakers were given an ambitious task – echoing that of the Institute itself – to ‘rethink public policy in an era of turbulence and growing inequality’. Each of the six essays in this report addresses that mandate by exploring challenges we face in the present; what we can learn from the past; the and the ways we could build better policies in the future.

The first two essays, by Eldar Shafir and Keetie Roelen, raise questions about the current approach to reducing poverty and inequality in the 21st century. The technical aspects of public policy are undoubtedly important, but so too are its human sides. Eldar Shafir argues that the way in which we construe our own realities, our cognitive limitations and social contexts all affect human behaviour in ways that have important implications for policy-makers. A behaviourally-informed approach to public policy would address the ways in which people perceive their circumstances, the reasons for their beliefs and the environments in which they arrived at their assumptions.

The psychological dimension of poverty is the subject of Keetie Roelen’s essay. She asks what role public policy can play in reducing the shame experienced by those in poverty. In her view, policies need to be implemented in ways that avoid blame, foster self-esteem and build on the strengths of the individuals seeking help. For both Shafir and Roelen, policy-makers need to reconsider human behaviour and emotion, both of which have important implications for the success or failure of policy.

The third essay, by Ian Mitchell, offers a challenge to those thinking about these contemporary problems by exploring the lessons that can be learned from the previous century’s approach to development. He points out that from 1900 to 1999 there was a remarkable increase in living standards. Much of this economic growth was underpinned by financial and natural assets. However, that same period was marked by major crises, which suggests that policy-makers need to spend more time planning for future shocks. Furthermore, we should remember that the earth’s natural capital is finite and that the benefits of trade, technology and migration need to be more evenly distributed in future.

Cecilia Wong’s essay focuses on a major question for today’s policy-makers: can we have successful cities without a national plan for investment in infrastructure and urbanisation? Using England’s ‘Northern Powerhouse’ as an example, she identifies major challenges to ensuring equality across and within cities, including transportation links between the north of England and London. In her view, there is a real need to develop a national plan for integrating Britain’s cities and regions if the UK government is to deliver a more equitable future for its citizens.

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The final two essays examine evidence and measurement. Theresa Marteau considers the kinds of interventions available to policy-makers who are trying to shape human behaviour. The more restrictive the intervention, the more effective it tends to be. The problem is that high levels of intervention are not often acceptable to the public. How can this tension be resolved? She makes the case that we need to engage publics with evidence in order to strengthen public policy.

Finally, what evidence do we need in order to judge whether public policies are effective? Diane Coyle argues in favour of downgrading the conventional measure of economic growth. GDP does not capture important aspects of the economy, including those that have resulted from the digital transformation of the current century. She suggests that an alternative approach might be to have a balance sheet of the kinds of assets, be they physical, financial, human, social or intangible, that people need to live the lives they aspire to lead.

Overall, this report raises questions which will be at the heart of the research pursued at the Bennett Institute. How should we frame the problems we face and measure our goals and outcomes? How can we keep people at the heart of public policy?
Towards Behaviourally Informed Policy

Eldar Shafir

It seems appropriate in these days of crises of governance and politics that there should be a growing interest in policy thinking and research. We need multidisciplinary efforts to develop guidelines, laws, regulatory measures, funding priorities, evaluation metrics, and interventions that can bring about favourable societal outcomes and help improve human welfare. Our task is to devise thoughtful, ethical and effective ways to promote greater well-being, safety, satisfaction, happiness, health, and hope, and reduce misery, fear, and pain. However the promotion of hope versus fear, of wealth versus misery, of satisfaction versus pain is heavily dependent on behavioural factors – on knowing what motivates and incentivises people, what makes them act as opposed to procrastinate, pay attention or get distracted, obey or disobey the law, act or fail to act on their intentions, empathise with or fail to appreciate the fate of others. As the economist John Maurice Clark pointed out nearly a century ago, when the outcomes you try to achieve depend on how people behave, you better understand how people behave. If the policy-maker does not bother to understand psychology, he will not thereby avoid psychology: “Rather he will force himself to make his own, and it will be bad psychology” (1918).

Bad psychology comes in many forms. A naive understanding of incentives, for example, might suggest that paying people a small amount rather than nothing to perform a societally desirable act can only increase instances of that act; instead, it turns out that the loss of the ‘psychic’ benefit of ‘good citizenship’, brought about by the monetary remuneration, can, in fact, lower observed rates of pro-social behaviour (Müller and Prentice, 2013). In police stations, lineups (where suspects are observed one at a time), concurrently seem comparable to show-ups (where the suspects are seen one at a time), but we now know that the former leads to more false identifications than the latter (Gonzalez et al. 1993). Having workers opt-out of, rather than opt-in to, retirement savings, looks like a minor nuance, except that the former generates many more happy and well-fed retirees. A main contribution of the behavioural agenda in recent years has been a rich portrayal of the many ways in which our intuitive understanding of everyday behaviours can be misguided. Now what is needed is an empirical investigation of our underlying assumptions and a deeper understanding of how behavioural insight might prove most effective for better policy making.

One aspect of our mental life that has profound implications is ‘construal’, the simple fact that we need to form mental representations, in our heads, of the external world. Although obvious, this has the oft-neglected implication that behaviour is directed not towards the world as it is, but towards our particular and often idiosyncratic representation of it. You might offer me a benefit that is objectively quite generous, but which I may find demeaning. You may make the streets objectively safer, but I might perceive them as more menacing. Commercial flights may be much safer than driving, yet I’ll continue to drive carelessly and maintain my fear of flying. From risk communication and public health announcements to the design of financial services, diets, and roads, policy-makers need to worry not only about the objective facts but about how they may be construed and might most effectively be conveyed.

And then there is our limited bandwidth. Everyone understands, of course, that our cognitive capacity is limited, but our cognitive limitations are much more severe than most of us recognise. When we talk on a (hands free) cell phone while driving our reaction times and ability to detect peripheral objects are comparable to those when we are legally drunk (Strayer et al. 2006). When we are busy maintaining seven items in working memory, we are less likely to notice things around us, or to pay attention to what we eat (Shiv and Fedorikhin 1999). Of course, construal and cognitive limitations often interact. When we focus on the gun in someone’s hand we are less likely to remember their face; this can lead to misidentification and to false convictions, under conditions that give us false confidence in our recall and our judgment (Loftus et al. 1987; Steblay 1992).

This brings us to a third fundamental feature of human behaviour, namely, the importance of context. Human behaviour tends to be heavily context dependent. One of the major discoveries of modern behavioural research is the impressive power that the situation exerts, along with a persistent tendency on our part to underestimate it. In several well-known studies (Darley and Batson 1973; Milgram 1974), minor contextual features were found to override people’s professed intentions and deeply held beliefs. To the extent that minor contextual features are sufficient to overcome education, personality, and intention, policy-makers have at their disposal a powerful set of tools – an ability to influence behaviour that they under-appreciate, carelessly misuse (and sometimes abuse) and could employ better.
Some of the work that colleagues and I have conducted recently on the psychology that emerges in conditions of scarcity employs the fundamental elements of construal, cognitive limitations and context (Mullainathan and Shafir 2013). Conditions of scarcity, we have argued, create persistent challenges. In contexts of economic fragility, many events – shifting working hours, a sick child, an eviction notice – can generate threat and instability and create challenges that consume mental resources and lead to distraction and miscalculation.

Of course, there are other aspects to human behaviour that we would do well to consider. People are moved by various types of nonpecuniary incentives, social motivations, implicit attitudes, salient identities, fairness concerns, loss aversion, and other proclivities and tendencies that, “rational” or not, can have profound implications for a policy’s success or failure (Shafir 2012). But as we explore these further, we would do well to recognise the importance of construal, context, and cognitive limitations – what people perceive, their situation, and what they are able to do - to an ever evolving agenda of behaviourally-informed policy design and implementation.

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The Human Side of Poverty Reduction

Keetie Roelen

Public policies urgently need to take account of the human side of poverty. Debates tend to be dominated by technical concerns over what works for poverty reduction and why, often predicated on quantifiable measures of success. Greater engagement with psychosocial aspects of poverty as part of policies aiming to reduce poverty is long overdue, both for intrinsic and instrumental reasons. Policies that give greater weight to the human side of poverty will ensure allegiance to the principles of rights and dignity on which they are premised and are likely to be more effective in achieving their objectives.

Poverty is an inherently shameful experience. An expanding body of research from across the globe provides evidence of the harmful psychological impact of living in poverty, both at the individual and relational level. In Haiti, the majority of women participating in a comprehensive poverty reduction programme reported low self-esteem and mild to severe forms of mental health issues at the time of their enrolment (Roelen and Müller 2018). Children in Uganda consider home, school and the community to be places and spaces where poverty-induced shame manifests itself (Bantebya et al.), showing just how ubiquitous poverty's psychosocial consequences are.

The psychosocial effects of poverty can lead to negative coping strategies that may trap people already trapped in poverty. Common responses to feelings of shame include avoidance, disengagement and self-oriented distress (Tangney et al. 2007). These behaviours can also be observed in relation to poverty and dealing with its negative psychosocial implications. In India, for example, farmers have been found to resort to alcohol and in extreme cases to suicide in response to the shame associated with living in poverty (Mathew 2010). Lack of clean and adequate clothing and footwear and the shame associated with this is a common reason for children to drop out of school or disengage from interacting with their peers.

So what role does policy play?

Unfortunately many policies, including those that have poverty reduction as their prime objective, introduce or exacerbate notions of shame and have negative psychosocial implications. Some policies use negative psychology as a way of incentivising compliance with policy regulations. In the US, 'lunch-shaming' refers to a policy whereby children who are unable to pay for their school meals receive a stamp on their forearm as a visual and physical marker to incentivise their parents to ensure money is available.

This explicit use of stigmatisation and shaming tactics is rare. However, many policies undermine dignity and respect in more implicit ways, often unintentionally and inadvertently. In South Africa, female applicants for the Child Support Grant feel maltreated and stigmatised by programme staff, sometimes leading them to forego the cash transfers in order to avoid pejorative treatment (Wright et al. 2014). Similarly in India, stigmatising treatment in health facilities presents important barriers to women seeking health care (George et al. 2005). Ultimately this undermines the core objectives of these services, namely poverty reduction and improving health outcomes.
What can policy do better?

First, great gains can be made by reducing poverty. Expanding evidence on social protection in low- and middle-income countries shows that the provision of cash transfers has enormous potential in terms of reducing poverty, and in turn on improving feelings of dignity and self-respect. Cash transfer recipients in Ethiopia report that the ability to buy on credit and no longer having to beg from family members has greatly improved their standing within the community and relationships across their networks (Berhane et al. 2015).

How these interventions are implemented is key. Ken Loach’s film ‘I Daniel Blake’ provides a vivid and heart-wrenching account of the undignified treatment of welfare recipients. Social assistance recipients in the Netherlands indicated that the most important change that would improve their experiences would be to be treated without judgement and blame (Bierbaum and Gassmann 2016). In the words of Daniel Blake: ‘when you lose your self-respect, you’re done for’.

Secondly, policies may introduce explicit elements that aim to foster people’s self-esteem and self-efficacy. In an experiment in a soup kitchen in the US, clients participated in a self-affirmation exercise in which they were asked to describe a personal experience that made them feel successful and proud. The exercise improved performance on cognitive tests and resulted in greater willingness to apply for social assistance (Hall et al. 2013).

Notwithstanding the potential of such explicit interventions, we should be cautious of the ‘Oprah Winfrey effect’: Oprah Winfrey is the epitome of the American Dream by becoming highly successful despite having the odds stacked against her, with her own experience underpinning her approach to helping others to help themselves. It is exactly this appeal to people’s inner strengths in overcoming hardship and doing well in life that fails to acknowledge structural barriers and constraints. The concurrent individualisation of poverty feeds into widely prevalent negative narratives of people living in poverty or benefiting from welfare or poverty reduction schemes, thereby reinforcing cycles of blame and shame.

Clearly, in order for poverty to be reduced in dignified and respectful ways, policies need to build on people’s strengths to cultivate and reinforce those in positive ways. At the same time poverty reduction will only go hand-in-hand with dignity and respect if efforts are made to acknowledge and interact with people’s everyday economic, social, cultural and political situations. These are affected by realities outside the individual’s immediate control, regardless of their level of self-respect, self-esteem or self-efficacy.

Bibliography


The 21st century brings new challenges for policy-makers, particularly if we are to reduce global poverty and inequality. As we look to these challenges, it can be easy to lose sight of what we know from the 20th century. This essay looks at what we did well, what we failed to prepare for and how to apply these lessons to the present.

In summary, I suggest that policy-makers and social scientists can do four things:

• Recognise the monumental success of the 20th century and what drove it
• Spend more time preparing for crises and developing contingency plans
• Gain a better understanding of environmental, financial and social assets and the role they play in poverty, inequality and macro-stability
• Find new policies that extend and pre- or re-distribute the gains from trade and technology

Unprecedented progress in the (second half of) the 20th century

The last century culminated in the most remarkable rise in living standards humanity has ever seen. This was not limited to narrow economic metrics but was also reflected in life expectancy, disease eradication and self-reported well-being. Remarkably, this came in the face of a doubling of the world's population from 1950 to 2000 (population growth is now slowing).

Two paragraphs are not enough to do justice to the economic history of this period, but after the two World Wars, some of the important features of development policy were: the beginning and spread of industrialisation; the emergence of a rules-based trading regime; the recognition of environmental degradation; technology; knowledge and its (cross-border) spread and migration.

In spite of some failures in these areas, overall these were the conditions that enabled prosperity to spread from a few Western countries, to a large part of the globe, including China which, since market reforms in 1978, learned and traded its way to 10% growth per annum and met almost all of the Millennium Development Goals early (World Bank 2018; United Nations 2015). One major lesson then is that sharing ideas – partly through trade across borders – was crucial in increasing and spreading prosperity.

Charles Kenny noted:
If the technologies behind labor productivity did not spread across borders, then one country increasing productivity would have no relation to the output per capita of other countries. The historical pattern would be of random spikes or sustained jumps in one country not closely followed by any other. Instead, the evidence is of a positive association between global and country growth as well as the level and growth of neighbor income and home country growth (Kenny 2018).
Preparing and responding to crises

Of course, this was not a linear march towards economic progress. Indeed, the entire period was characterised by major shocks and between 1930 and 1950 there was barely any reduction in those living in poverty.

The World Wars are the obvious example, but the Spanish influenza pandemic immediately after the First World War killed a greater number of people – some 20–50 million, roughly 1 – 2.5% of the global population (Billings 2005). Relative to the volume of books, remembrance and memorials of the incredible sacrifice of troops, and those that gave parts of their lives to support the war effort, this even-greater human catastrophe is virtually invisible. The financial crisis, the outbreak of Ebola and Brexit provide ample evidence that public policy rarely has a plan B, let alone a Plan C or D. So, a second lesson is to think about, and prepare for, shocks.

We need a better understanding of assets

The third lesson I draw from this period is the importance of assets. Financial assets underpinned mainly booms, but also several busts. A potentially even more important trend was the steady liquidation of the earth’s natural capital – and in particular the atmosphere’s protective layers of gas. Some of these were successfully addressed – like Chlorofluorocarbons (CFCs). As Julian Allwood noted at the launch conference of the Bennett Institute, in the face of this compelling evidence even a climate champion like the UK did almost nothing to reduce its carbon footprint, and the prospects of further progress are poor (Allwood 2018).

Public policy is just beginning to focus upon the need to effect change in access to certain assets, such as housing between generations (Cribb et al. 2018). It is increasingly obvious that income is no longer an adequate measure of welfare or inequality.

The entire planet operates on a combination of environmental, financial and social assets. Environmental assets need to be valued fully, and policy needs to ensure they attract income where they provide public services – this is true from addressing climate change and preserving forests through to local decisions on building planning and parks. Macro-economic policy should not just focus on a country’s indebtedness but also the assets on its balance sheet – taking account of the level of human, natural and other capital. Public spending should be judged not just on how it contributes to debt, but how it adds value to assets. The causes of financial crises still need to be understood and addressed – including the role of more concentrated financial wealth and herd behaviour of investors. In finance, it is well-understood that, all else equal, assets with stable and predictable returns are more valuable. Extending this concept into environmental and social assets reinforces the argument to improve preparedness and effective responses to crises. By understanding the world in terms of assets, we will be better-placed to design policy which recognises true value and works for generations to come.

A better appreciation, pun intended, of assets is surely something we need in the 21st century.

Prosperity, nationalism and redistribution

The final lesson is that we didn’t do enough to redistribute the benefits of trade, technology and migration – and we need to do better, especially with the advent of a new wave of technological progress including artificial intelligence (AI). Without the gains from trade, technology, automation or AI, an inward focus may become a self-defeating vicious circle.

Take migration as an example. There was a step-change in migration at the start of the century, followed by an increase in nationalism. Migration is widely and rightly recognised as a domestic and international economic boon. The number of migrants coming to Organisation for Economic Co-operation and Development (OECD) countries has grown quickly by historic standards: in the EU, migrants went from 8% of the population, to 12% in just 14 years from 2000 to 2014. In Britain, Polish nationals have gone from being a tiny minority at the turn of the millennium to the largest migrant group in every region in 2015. Alongside this change, and the post-financial crisis economic stagnation of the last decade, nationalist parties have seen a step-change in their support, as evidenced by concrete electoral success for Brexit and the election of President Trump. New work by Davis and Deole shows that, across European countries, support for far-right parties only increased in areas with high migration populations where there is also high unemployment (Davis and Deole 2017).

If rising nationalism translates into an inward focus, this will inhibit the very forces that push up productivity and prosperity and potentially create a vicious cycle where poor economic progress reinforces nationalist tendencies, which further damages economic progress.

Designing effective policies to pre-distribute or redistribute gains – on migration, technology or trade adjustment – have received scant attention from researchers and policy-makers. We need to re-learn the lessons from economics 101: improvements in efficiency from trade and technology will need to be redistributed. Social scientists and policy-makers need to work out how best to do so.

Conclusion

As we move further into the 21st century, it can be easy to lose sight of the lessons from the last century. Understanding what drove 20th century development, planning for crises, taking account of a wide range of assets and redistributing the gains from trade and technology would be major steps towards addressing the new challenges we face.

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Planning for agglomeration without an effective UK city and regional development framework

Cecilia Wong

International policy discourse has been preoccupied with the growth advantages brought by spatial agglomeration. Under the influential thesis of New Economic Geography and New Urban Economics, the pursuit of national efficiency in concentrated urban localities is argued to be the optimal outcome of a market-driven process and the rational decisions of individuals and firms (Fujita et al. 1999; Nathan and Overman 2013). Some advocates of this view argue against planning and place-based policies that attempt to rectify spatially imbalanced development patterns, as such actions are seen as counterproductive and ineffective in terms of national efficiency (Martin 2015). A key question here is whether it is possible to have successful megacities and spatial agglomerations without state inputs in infrastructural development and planning for urbanisation.

Multi-city agglomerations, spanning jurisdictional and functional boundaries, are widely found in the US to form growth coalitions. There is, however, disagreement over whether these coalitions are bottom-up initiatives or the mediated results of top-down national/state architecture (Wachsmuth 2017). Meanwhile, China has shifted towards a more ecological-oriented economic growth strategy via a National New Urbanisation Plan (Fang and Yu 2017). Under this Plan, people and activities will be reconfigured into hierarchical urban agglomeration systems (city clusters), with large cities driving high end economic growth within ecological resource limits and most of the population tightly contained in the smaller towns and cities performing lower order functions.

The UK government has been promoting the concept of a Northern Powerhouse – a vision of an agglomeration economy among close-knit cities in northern England. However, the Northern Powerhouse is largely a transport infrastructure plan. While transforming the interconnectivities among northern cities is a vital component for spatial rebalancing, it has to be strategically related to the future development context of the rest of the UK. The challenge is whether the government’s cash injection on transport infrastructure will create a new powerhouse as currently many of its neighbourhoods are ranked within the country’s top 20% most deprived areas (Figure 1). For a long time, there has been too little capacity for the north to deliver transformational infrastructure and it relies on public funding to unlock private investment. This is partly related to finance, but also partly to risk and a lack of strategic vision in the government’s own spatial development policies.

Figure 1 Index of Multiple Deprivation 2015 (DCLG, 2015: 4)

There are major challenges to transforming the lagging northern English region into a global powerhouse as the spatial divide largely persists, with London and the South East of England continuing to dominate the country’s economic growth (Wong and Webb 2014). For example, London has 1.6 times more direct inter-city rail links than Manchester and Birmingham. With high speed rail links, the journey time between London and many northern cities is significantly compressed, but this mainly enhances trip gravity towards London. Turning to airport capacity, the five major London airports account for nearly two-thirds of all international scheduled passengers, with Heathrow having the lion’s share. The largest regional airport is Manchester, with just 7.8% of the share, and it still has spare capacity. While Manchester, Liverpool, Leeds, and Newcastle have relatively good access to local airports, passengers in the north still need to make international connections via London or other European hub airports.

Infrastructure investment in England tends to reinforce the differential spatial trajectories and favour London. According to the 2013 National Infrastructure Plan, £36 billion was targeted at the capital, representing 40% of England’s total spend on regional projects and programmes. The East Midlands and the North East, with investments of £2 billion and £2.2 billion respectively, receive the least amount of capital funding. On a per capita basis the East Midlands continues to trail in investment with just £567 per person while the equivalent figure for London is £4,333.
The formation of a mega-city out of a number of lagging core cities will require strategic vision, spatial and policy integration, effective action and delivery and balanced spatial development. More importantly, planning for economic agglomeration should be seen as a socio-spatial process to develop collaborative and inclusive governance. City-regions are regarded as the most robust spatial scale to address infrastructure investment and urban competitiveness at the local level in research studies (Begg 2002). There is a very strong argument to have further devolved power to give the main cities in England similar powers to that of the London Mayor and a similar strategic brief. However, the derivation of a robust development strategy for the country will require a strong grasp of functional economic geographies, rather than an adherence to rigid administrative boundaries. Spatial development issues such as transport flows, migration and pollution seldom respect administrative boundaries and need to be addressed on a cross-boundary basis. Better understanding of functional inter-relationships can help to underpin collaborative initiatives between neighbouring local authorities and key stakeholders.

Figure 3 shows commuting patterns in England and Wales and the flow density it highlights illustrates the labour market pull of different towns and cities. It is important to note that commuting flows criss-cross local authority boundaries especially for higher order socio-economic groups which move across regional and sub-regional boundaries (Hincks et al. 2017). This raises a question: can district-based housing targets set by local authorities adequately address the complex housing demands arising from such differential labour market areas?

It is too early to tell if the Northern Powerhouse project can take off. However, without a proper national spatial strategy to integrate different policy sectors for our cities and regions, it is difficult to foresee whether a transport-oriented agglomeration project will truly deliver a sustainable and equitable future for the north. If the government is serious about spatial rebalancing, there is a need to examine the spatial relationships between different parts of the north and the relationship between London and the rest of the country. More importantly, the Brexit vote in June 2016 has created major uncertainties for many places in northern England as they have been the major recipients of European Union regional development and structural funding over the last two decades to support major physical and social regeneration projects. The gravity of the spatially diverse problems in many provincial cities provides an imperative for strategic thinking, even if the region may not itself be the optimal spatial focus for this focus.

**Bibliography**


The year is 2025. Portion sizes of food and alcohol are regulated to be smaller. Plastic packaging is no longer visible on supermarket shelves. Cakes and confectionery have doubled in price, along with beef and petrol. Rates of obesity – particularly amongst the poorest children – have started to fall, as have greenhouse gas emissions. These are just some of the policies that could help change our behaviour at the scale needed to tackle two major global threats to population and planetary health: obesity and climate change.

Despite robust evidence, the chances that such policies will be implemented in the next few years depends on many factors, of which their public acceptability is one. Currently a barrier to more effective public policy, can public opinion be turned into an opportunity?

Most of our behaviour – be it how fast we drive, what we eat, or how much we save – is shaped by cues in our environments – often without our awareness – rather than by our good intentions. Reflecting this, more effective interventions to change our behaviour are those that alter these environmental cues rather than our intentions. Reducing our consumption of the products that harm our own and the planet’s health – tobacco, ultra-processed foods, ruminant meats, alcohol, fossil fuels, plastic and more – at the scale needed, will require effective, sustained interventions within the multiple overlapping environments we live in – physical, economic, digital, social, cultural and more (Marteau 2018).

Policy makers have a number of options. A simplified range of interventions, adapted from the Nuffield Council on Bioethics Report on Public Health Ethics (Nuffield Council 2007), is shown in Figure 1. These range from those targeting less conscious processes by altering cues in physical environments (known as nudging) or economic environments (most often by taxation).

Publics and policy-makers have a marked preference for the first type – the interventions at the lower end of the ladder (Diepeveen et al. 2013; Petrescu et al. 2016). Unfortunately, interventions at the higher end – nudging and taxing – are generally more effective at changing behaviour across populations and at the scale needed. This misalignment between public acceptability and effectiveness is a potential barrier to policy makers adopting the most promising interventions. What might explain this misalignment and could it be re-aligned?

Public acceptability of government interventions to change behaviour is shaped by a myriad of factors, including trust in government and political orientation. When asked about specific policies, more precise predictors emerge. Support for interventions such as nudging and taxing is associated with three factors: first, believing that the intervention is effective at tackling the problem; second, believing that our behaviour is strongly shaped by environmental cues; and third, judging that the intervention is fair. Could targeting such beliefs increase public support for less acceptable but potentially effective policies?
A team of us in Cambridge recently conducted a systematic review to examine the impact on policy support of communicating the effectiveness and ineffectiveness of a range of government policies (Reynolds et al., under review). We identified 37 experimental studies concerning policies for obesity, climate change, gun crime and others and found that communicating evidence of a policy’s effectiveness increased support by an estimated 4%. Communicating evidence of ineffectiveness decreased support by a similar amount. These results provide a contrast to the “post-truth” narrative that people are insensitive to factual information, although uncertainty remains about the most effective ways of communicating such information. The size of the effect we found can be described as modest, although referendums and presidential elections have hung on less.

But how well and for how long would the impact of exposure to evidence of effectiveness endure in the real world where competing messages abound? Such messages come both from industry and governments. Some from industry are designed to counter planned public policies that would reduce consumption of their products – e.g. “Why should responsible drinkers pay more?” or “Don’t let bureaucrats tell you what size drink to buy”. Others from governments are designed to promote consumption to support national industries – e.g. “buy British Beef”.

Competing messages from the tobacco and fossil fuel industries, among others, have been well documented. For instance, the book The Merchants of Doubt describes how industries employ scientists to counter the science by casting doubt on basic evidence that there is a problem as well as on the effectiveness or legitimacy of proposed policies. The legitimacy of interventions such as capping the size of products or using aversive images on cigarette packs or alcohol containers is challenged with accusations of a nanny state, undermining autonomy and removing freedom of choice.

Competing messages from governments reflect different, often conflicting, priorities across departments. For example, a UK policy goal for tackling childhood obesity is supported by a Treasury-led policy for an industry levy that increases the price of sugary drinks but undermined by a Department for Environment and Rural Affairs policy to remove production quotas and minimum prices for sugar beet, thereby encouraging more supply and cheaper sugar.

How might these tensions between health and wealth be resolved? A starting point is to articulate them more clearly and widely with a view to broadening the terms of the discourse and stimulating debate around the state’s role in changing citizens’ behaviour. Journalists and academics both have a role to play; the latter in their capacity as researchers and contributors to discussions open to all – be it in universities, at literary festivals or on the burgeoning number of media platforms.

Changing behaviour across populations is key to meeting many of the global public policy goals for this century. The more effective interventions – nudging and taxing - hold little immediate appeal to policy makers or the many publics they serve. But appeal is not fixed and as such, this creates an opportunity rather than a barrier to more effective public policy. Engaging publics with the evidence on effective and ineffective ways of changing behaviour, as well as frameworks for considering the state’s role in promoting change, could go some way towards strengthening public policy fit for the many challenges we face.

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How do we know if things are getting better?

Diane Coyle

The aim of policy is to make things better. Politicians and officials respond to the demand that government's job is to improve citizens' lives. This was even the main slogan during Labour's successful 1997 UK election campaign, 'Things can only get better'. The key question that follows is 'what does 'better' mean, and for whom?'

The measure for a long time now has been economic growth, steadily increasing Gross Domestic Product (GDP), with an assumption that growth will deliver something for everyone, even if unevenly distributed. But the presumption that more GDP equals better is increasingly being challenged.

Of course, there have long been criticisms of measuring progress using GDP. Environmentalists point out that a seemingly modest 2% a year increase compounds to a doubling of incomes – and so dramatic increases in resource and energy use – about every 35 years. Feminists have long noted that attributing no GDP-value to unpaid work in the home means policy-makers undervalue that domestic contribution to well-being.

The criticism has intensified more recently. One reason is that the digital transformation of the economy is hardly visible in official GDP and related statistics. In fact, most of the rich OECD countries have a 'productivity puzzle' in the sense that GDP per hour worked (or per unit of total labour and capital inputs used) has been more or less flat for a decade even as everyone can see technology transforming utterly both their work and leisure experiences in a fundamental way.

Another is the striking degree of inequality within most countries. Even though much of the increase in income inequality occurred during the 1980s, the aftermath of the financial crisis in 2008 made it painfully obvious. Some groups of people, mainly living in former industrial areas such as the US rustbelt, the north of England, northern France, and eastern Germany, have seen little or no increase in their living standards for a decade or more. This has been due in part to technological change (because automation started long ago in manufacturing) and to globalisation, the rearrangement of production in supply chains that spread across many countries. Political choices played a role too, deregulation and the weakening of traditional unions for instance.

The anger in these areas has been building for a long time. It was hidden from public debate because regional and social inequalities tend to be obscured by the headline growth in GDP. In the UK, there were not even any up-to-date regional GDP figures available ahead of the Brexit referendum; they are only now starting to be published.

It might seem strange to focus on the statistics when there are such significant societal challenges to be faced, but the figures matter. Although we think we measure what we see, in fact we see what we measure. For example, the trends that led the western democracies to their present politically and economically troubled situation were invisible to the policy world. Thomas Piketty and his colleagues constructed in a long and intensive effort the income inequality statistics that burst into public consciousness with the publication of his bestselling 2014 book Capital in the 21st Century. There is still little data available on the digital transformation, or even on the cross-border flows of goods, services, intellectual property and money that have redrawn the world order since 1980. It is quite likely, however, that the trade figures so exercising Donald Trump would tell an utterly different story if – for instance – transfers of intellectual property such as designs and blueprints by US corporations were accounted for in the statistics.

My own research focuses on the invisibility of the digital transformation in the official statistics. The importance of digital platforms as a business model, including people switching from high street banks and stores to online alternatives, the extensive use of cloud computing by businesses rather than investing in computer hardware and software, the importance of the quality of service experiences, the continuing trend by manufacturers of contracting out the actual manufacturing of products to another firm, often abroad, the importance of intellectual property and data as an asset – all of these trends and others are all too present in everyday life but are not captured in official statistics.

However, exploring whether GDP could be better measured to reflect the modern economy raises the deeper question of why we should be interested in measuring it. Over the long sweep of history since the Industrial Revolution GDP does tell the extraordinary story of economic growth, the escape from the Malthusian trap, increasing life expectancy, better health and rising standards of education. GDP per capita has risen more than exponentially in the western economies and a few others. But perhaps it is expecting too much to squeeze the idea of prosperity into a single number?

One alternative, that would put sustainability and fairness at its heart, would be to measure the assets needed for people to lead the kind of life they would like to lead. Having a balance sheet means that it would be clear when assets were being run down for current consumption. This would be apparent in terms of natural capital measures such as clean air and biodiversity. The others relevant to economic well-being are physical, financial, human, social and intangible capitals. It would be important to consider the access different places or groups of people have to these types of capital, just as income distribution is relevant to the GDP metric.

The six capitals approach measures economic well-being in terms of the Nobel laureate Amartya Sen’s concept of ‘capabilities’, rooted in social justice and the idea that it is important for people to have agency over their own lives. This makes it an appealing alternative to the current GDP framework for assessing whether the government is delivering for its citizens, translating the many dimensions of well-being into the single question of how much more has been produced or spent in a given time period.

There might be other approaches to economic well-being worth exploring too. Statistics might seem a bit dull and technical as a subject, but they provide a very important window onto the social world. Policy-makers cannot do without them, and so it is essential to make sure that the evidence available is used to interrogate the fundamental question for anybody keen to contribute to improving public policy: ‘What is prosperity and how do we know when we have it?’

Bibliography

Biographies

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