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Re: Inquiry into Long-termism in Policymaking

Dear Caroline,

The [Carnegie UK Trust](http://www.carnegieuktrust.org.uk) welcomes the opportunity to respond to the All-Party Parliamentary Group (APPG) on Future Generations inquiry into long-termism in policymaking.

The interconnection between a wellbeing approach and long-termism

The Trust was established in 1913 to improve the wellbeing of people in the UK and Ireland. Since then, we have undertaken a significant body of work on societal wellbeing and [wellbeing](#) approaches, a term we use to describe legislative and non-legislative policies that seek to put sustainable development and the wellbeing of current and future generations into policy practice. For us, wellbeing means everyone having what they need to live well now, and in the future. Long-termism is therefore a central tenet of the wellbeing approach.

To what extent is a lack of long-term thinking a challenge in policy making? Why is long-term thinking important?

In many ways, this is a straightforward question. The benefits of long-termism are the continued wellbeing of the people of the UK and Ireland. The fact that our own future wellbeing (and that of future generations) is being threatened by our current approach should not itself be contentious. The issue of why that is happening, and what can be done about it, requires a more detailed understanding of policy making in the UK.

The first thing to note is the pervasiveness of the growth paradigm in policy making. In our work on wellbeing, we have heard people say that Gross Domestic Product (GDP) does not dominate decision-making. But it is our contention that GDP is the visible indicator of an obsession with growth and the assumption that growth will deliver wellbeing automatically is hard-wired into policy thinking.

The challenges we face now cannot be solved within short term election cycles or by measuring GDP. It's true in climate policy, but it's also evident in persistent health inequalities, where we need to take a much more preventive approach. The current system incentivises short term 'fixes'; decision makers are held to account by political and media pressure to deliver on economic

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measures such as GDP. This is a significant part of why there is so little space for long-term thinking in policy making and is exemplified in the way we have responded as a country to COVID-19, compared, for example, to New Zealand.

Over a decade ago, the ground-breaking [Stiglitz-Sen-Fitoussi Commission](#) asserted the value of governments shifting their emphasis away from measuring economic production (GDP) to a longer-term, more holistic approach: measuring citizens' wellbeing. Some governments across the world have since started to consider other methods of measurement and more rounded approaches that focus on balancing different areas of wellbeing; addressing inequality; and shifting thinking to consider longer-term strategies to address intergenerational challenges, such as the climate emergency. These challenges are classically referred to as wicked issues in policy making, characterised by conflicting values and perspectives, uncertainties about complex causal relationships, and debate about the impacts of policy options. Wicked issues are - by their very nature - resistant to short-term and silo-based solutions. They require a new way of thinking about social progress.

What are some of the root causes of failures in long-term thinking?

From our experience short-termism has its roots in the political and policy making systems. Short-termism in policy making is symptomatic of current political structures that require politicians to campaign on the short-term successes and failures of governments. Outcomes that take years and perhaps decades to materialise are no help to a politician who campaigns every 4-5 years. Our policy making processes reinforce and exacerbate this. Annual budgets restrict spending to what is achievable within a short timescale **and** directly attributable to the activity.

Addressing these issues requires a different approach to policy making for economic growth alone. It requires analysts to assess a far wider set of potential impacts from policy and legislative change, and to assess a complex set of interrelationships between domains of wellbeing. If we take road building (capital investment) and compare it to early years (social investment) we can begin to see the scale of the challenge. The indicators of success for road building can be observed and directly related to the activity (is congestion decreased, is commuting time decreased and productivity improved for the area). For early years, the improvements in wellbeing (a child's future health, educational achievement and adult income) are not seen as directly affected by the support their family received in their early years. This is beginning to change, as the evidence becomes indisputable, but it is not easy for an analyst to compute the potential benefits that accrue across domains of wellbeing in a way that supports a shift to long-termism. A similar effect is seen in the preferential treatment given to capital budgets, where capital investment can be spread over many years, with benefits accruing many years in the future, but social investment is limited to small-scale, short-term interventions that do not treat the root cause of the difficulties experienced in the UK.

What are some good success stories? What are some examples of poor long-term planning?

Legislation that creates a statutory requirement for governments to both embed foresight in practice, and report on long-term societal wellbeing indicators to parliament beyond election

cycles, has been implemented in countries such as France and Wales (for more case study examples see page 9 of [this document](#)). The Wellbeing of Future Generations (Wales) Act (Welsh Assembly, 2015) requires public bodies to abide by the 'sustainable development principle'. Using the SDGs as a framework, each must set and publish wellbeing objectives and impact assessments, as well as implement five 'ways of working' outlined in the legislation which are based around long-term thinking, collaboration across different sectors, enabling citizens to participate in decision-making, and preventing harm to future wellbeing.

Perhaps one of the most celebrated examples is New Zealand's approach. The NZ Treasury's [Living Standards Framework](#) – first developed in 2011 - captures information and measures 'progress' across several areas of wellbeing. From housing to health, social connections to knowledge and skills, it emphasises both the importance of intergenerational wellbeing and recognises that each domain or area of life cannot be understood in isolation. It acknowledges, for example, that where a person lives may impact their ability to access greenspace or public transport. Likewise, the quality of an individual's personal connections could improve their mental health, happiness, or satisfaction with life. Data in the Living Standards Framework is used to guide [budget allocation](#) (known as the 'wellbeing budget').

The Carnegie UK Trust's recently developed index – [Gross Domestic Wellbeing](#) – offers a similar framework for England and is informed by ONS data. Based on data across a range of wellbeing indicators, its implementation could help guide longer-term decision making and planning. It is worth noting here that Caroline Lucas MP tabled an [Early Day Motion](#) in support of GDWe on 3rd December 2020 with cross-party support from 19 peers.

How can we better incorporate long-term thinking in the policy making process?

Supporting new narratives societal wellbeing as 'progress' could help to rebalance the present economic dominance of decision making, placing greater emphasis on the requirement to improve environmental and social outcomes which are critical to tackling intergenerational challenges and embedding a longer-term approach in the policy making process. Based on the Trust's research and experience in this area, we propose a number of areas for development to incorporate a longer-term, wellbeing approach to public policy. The majority of these recommendations come from our GDWe report, which brings together our and others' work on wellbeing over the last 10 years:

Focusing on outcomes. A focus on outcomes, rather than inputs, processes or targets, is an essential component of the move to a long-term approach.

Budgeting for outcomes: The budget is the mechanism through which the intentions of the government are given form. As such, connecting the budget with longer-term wellbeing outcomes could seek to rebalance the economic dominance of decision making, outlined above. The Trust's forthcoming report on [Children's Wellbeing and the Scottish Budget](#), in partnership with Children in Scotland and Cattanach, and researched by Dr Katherine Trebeck, may be of interest. This will be published next month, and we would be delighted to share a copy with you.

Supporting horizontal integration (whole of government approaches): With governments increasingly realising that the solutions to wicked policy problems can only be found in working together, as each part of the system (education, health, policing and so on) is dependent on the other to achieve its objectives. Whole-of-government approaches go further than joined-up or inter-agency working by ensuring that all stakeholders have the same vision and strategic priorities.

Developing 'super policies': The development of 'super policies' which seek to have a positive impact across social, economic, environmental and democratic [\(SEED\) outcomes](#) could have a transformative impact on policymaking.

Supporting vertical integration (localism): There is a corresponding drive to a new relationship between central and local government, based on a shared understanding of the objectives but allowing for local tailoring to suit the needs and priorities of those communities.

Shifting to prevention: A long-term approach requires problems to be identified and responded to before they become too entrenched and difficult to resolve or mitigate. The lost opportunities of intervening too late are recognised as costly not just for the public purse but also for overall wellbeing.

Deepening citizen participation: That social progress cannot be understood without engaging people about what matters to them and that wellbeing cannot be 'done to' people. Rather that is it a relational process where public servants enable people to realise their own wellbeing. Citizens should have a role in articulating what wellbeing outcomes are, particularly as political representatives may only represent their views for a five-year period. Participatory approaches enable citizens to highlight the change they would like to see over a longer period of time.

Using GDWe instead of GDP as a tool to guide decision making: The implementation of [GDWe](#) as a tool to help promote a more balanced and holistic understanding of complex and long term societal issues.

I hope the above is helpful. Should you wish to discuss any of the comments raised in this response further, please do not hesitate to contact Hannah Ormston at Hannah.Ormston@CarnegieUK.org.

Yours sincerely,



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