What politicians and commentators are saying about *Nation in Transit*

'Today's politics is dominated by negative campaigning which is fuelling misery and pessimism. Phil Anderson has set out a programme to challenge that and reminds us that in politics we must enthuse and inspire, not just condemn.'

Jackie Doyle-Price MP

'Phil Anderson has taken his intelligent, compassionate, and community-focused style of politics and applied it to some of the biggest issues facing Britain today. Our political debate needs to include more voices like this.'

Stephen Metcalfe MP

'The decision to leave the EU exposed deep levels of discontent in the UK. *Nation in Transit* provides a helpful and hopeful analysis for where we go now. As we search for ideas to address the issues that Brexit exposed, Phil Anderson has focused his political knowledge and experience in a way that suggests a new direction. I hope we pay attention to this timely and important publication.'

Dr David Landrum

'This isn't a book that simply diagnoses the issues facing us: it offers a broad range of radical ideas for treating the underlying problems, rather than the "more of the same" approach that characterises current political engagement. None of these issues are simple, and none will be solved easily, but *Nation in Transit* – with its chapters on subjects from the allocation of social housing to the way we create and administer money – opens a discussion we need to hold publicly, and as soon as possible.'

Dr Guy Brandon

NATION IN TRANSIT

NATION IN TRANSIT

A manifesto for Post-Brexit Britain

Phil Anderson

Muddy Pearl

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INTRODUCTION: BREXIT GROUND ZERO

Living where I do, you become a connoisseur of white vans. Big ones with ply lining, tool racks, and enough space to lug everything you need for a small building site. Medium-sized ones which act as workshop, stock room, mobile office, and canteen for thousands of plumbers, carpenters, and electricians. And small ones which you can use like a car but still claim tax breaks because they are treated as a business expense.

You become pretty familiar with white van accessories too. The big ones normally have a collection of dents where they got too close to a forklift and an industrial grade padlock on the back to stop anyone nicking the owner's gear. Small ones get fluffy dice and alloy wheels. And the medium-sized ones invariably have a sticker saying 'no tools kept in this van overnight' and some scrawled writing in the dirt on the back suggesting that the vehicle is 'also available in white'.

White Van Man is the salt of the earth and the soul of the nation. He (or occasionally she) works hard, plays hard, looks after his family, and takes pride in his home. He's nobody's fool, despite what the broadsheets think of him. He never goes on strike, rarely throws a sickie, but will walk off the job rather than be talked down to or short changed. When he thrives, Britain thrives, and when he doesn't it is a warning sign that the nation had better sit up and take notice.

Right now, White Van Man isn't thriving. The most recent accessory to appear on Thurrock's white van fleet was a 'Vote

Leave' sticker, and it didn't reflect a new-found interest in European politics. White Van Man has never really been a political animal. He will admit to admiring Maggie Thatcher, but that's about it. That sticker was never about policies, it was an expression of frustration, disillusionment, anger, and a deep sense that things aren't right and no-one is admitting to the problem, let alone solving it.

It therefore came as no surprise that Thurrock and its South Essex neighbours registered one of the highest 'Leave' votes in the country, with over 70% of voters demanding that we quit the EU and 'take our country back'. Essex didn't sleepwalk into Brexit; it kicked open the door and angrily demanded that Britain leave now before there was any trouble. If the referendum was a political earthquake then this was the epicentre; the 'ground zero' from which the political order has been shaken to the core and from where the future shape of the nation will be determined.

That future shape is what we now need to figure out. Most people are smart enough to realise that simply leaving the EU won't solve all of their problems. They just knew that something had to change, and this was the biggest opportunity for change that they had been offered in a generation. Voters on both sides of the referendum debate are now looking for a clear, positive vision for a post-Brexit Britain that can unite the nation and offer a course through the risks and opportunities that lie ahead.

This book is not about the post-Brexit angst being suffered by 'Remain' voters coming to terms with a future outside of the EU that they never really thought would happen. It is about the pre-Brexit unhappiness and disaffection that led so many people to vote against a political system that they no longer trusted or believed in. And because of that, it doesn't focus primarily on the international treaties or trade deals that have to be negotiated as we put this most controversial of democratic decisions into effect.

Instead it offers practical solutions to the underlying problems that led to Britain's Brexit blues in the first place. Ending the waste of human potential that is mass unemployment and the scandal of low-wage poverty. Getting people out of broken, dysfunctional council estates. Fixing the inequities of the finance system and

enabling more people to know the security of owning their own home. Sensibly balancing immigration with an open, globally connected society. Re-establishing thriving communities founded on strong and deep relationships. Funding public investment, giving a bigger role to charity and community groups, and stewarding the natural and built environments for future generations. The answers combine radical political courage with grass roots Essex reality; because if the solutions don't work for White Van Man then they probably won't work at all.

This book is for all of my friends, neighbours, and relatives who have ever got behind the wheel of a white van. And given that not all of them are big readers, it's also for the decision-makers who make the promises and implement the policies that affect their lives. Some of those decision-makers are my friends too and, just like White Van Man, they're not nearly as bad as the papers would have you believe.

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END THE MISERY

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness.
>
> Thomas Jefferson

> Money can't buy you happiness but it does bring you a more pleasant form of misery.
>
> Spike Milligan

My neighbours are the most miserable people in Britain.

You don't just have to take my word for it; it has been proved by official research. On 24 July 2012, Britain's Office for National Statistics published its first comprehensive national survey of wellbeing.[1] One of the sections was a regional breakdown, which gave the results for every local authority area in the UK. My own borough of Thurrock in Essex had come bottom of the list for life satisfaction.[2] As expected, the following morning the national press descended and ran a series of articles branding our home town 'the country's capital of misery'. Some of those they interviewed were even less complimentary. One resident described our area as 'one big cesspit', while others felt it was 'in need of a facelift' and somewhere they only lived 'because I have to'.

Just a couple of decades ago, Essex Man was held up as an icon of British optimism; the embodiment of a future filled with opportunity. So why hasn't it worked out that way?

My neighbours are unhappy because some of them are unemployed, and even if they aren't their children either can't find work at all or can't get the kind of secure, moderately well-paid jobs which the rest of society seems to expect and which they themselves once took for granted.

They are unhappy because too many of them live on grotty, run-down council estates in badly built, poorly maintained houses. When they walk out of their front doors they experience a gloomy environment marred by litter, vandalism, and the nagging fear of crime. Those who can afford to buy their own home are unhappy because they face years of saving for a deposit followed by three decades of crippling mortgage and interest payments before they pay it off.

They are unhappy because almost half of them have grown up without knowing the security that comes from living in a stable two-parent family. They are confused about their own relationships, lack decent role models to learn from, and have discovered from bitter personal experience the pain that family breakdown causes to both adults and children.

My white neighbours are unhappy because they believe that immigrants are moving in to take away 'their' jobs, 'their' houses, and 'their' public services. My black neighbours are unhappy because they worry that they will be discriminated against in the workplace and that their children cannot walk the streets in safety without fear of being attacked by racist gangs.

My older neighbours are unhappy because they seem to remember a time when everyone in their street knew each other by name, everyone was a member of a local club or society, and everyone was willing to spare the time to look out for each other, and that doesn't seem to happen anymore.

And pretty much everyone is unhappy because they are constantly being told that the world is heating up, rainforests are disappearing, the ice caps are melting, polar bears are dying, and they feel powerless to do anything about it.

This sense of unease and dissatisfaction which so visibly affects Thurrock is repeated to varying degrees across the rest of Britain,

and in fact across the whole of the western world. Most of the problems which afflicted previous generations are simply no longer an issue for people today. We enjoy levels of security and prosperity which our own ancestors could only dream of. But it has not made us happy and it has not convinced us that our society is entering the twenty-first century asking the right questions, let alone offering us the right answers.

I'm a Brexiter, get me out of here

When people feel that unhappy, human nature says that they will eventually start looking for someone to blame. The list has been growing steadily for a decade: politicians, bankers, bureaucrats, fat cats, and, especially, immigrants.

Anyone involved in local politics in Thurrock has seen this pattern emerging for a while. As long ago as 2007, the BNP (a far-right anti-immigrant party) was polling up to 25% of the vote in local elections in Thurrock. They largely faded from the scene after the 2010 general election. Their decline was mirrored by the rise of UKIP, whose slightly more nuanced anti-immigration and anti-establishment message allowed them to attract disaffected right-wing Conservatives and angry white working-class Labour voters who wanted a means to vent their frustration but would not have been willing to go quite as far as supporting the BNP. The three voter groups combined proved a winning combination in local elections, leading to a run of UKIP council victories. By the 2015 general election Jackie Doyle-Price MP knew she had a fight on her hands to hold Thurrock.

At the start of the campaign Labour and the Conservatives were neck and neck in the polls, with UKIP only a few points behind. It seemed clear that whoever lost the most votes to UKIP was also going to lose the election. As the weeks flew by and the polls tightened, UKIP steadily gained ground, turning an already close two-way battle into a true three-way fight to the finish. The pundits and the bookies started to point to Thurrock as UKIP's best chance of general election gain, and with that prediction

came intense media scrutiny and an increasingly aggressive political atmosphere. When I arrived at the count after a long day of door knocking and telephoning, I could tell straight away that the result in Thurrock was going to be national news. No less than three satellite vans were parked up outside, and in the foyer you could hardly move for TV and radio crews looking for someone to interview. Votes were counted, then re-counted. A secretive commotion took place between the Returning Officer and the Election Agents (which we later discovered was the result of several hundred Conservative ballots being found in the Labour pile). My lasting memory of that election night was the roar from the crowd of activists as it was announced that Jackie had successfully fought off all comers and held the seat.

However, if anyone though that 2015 was the high-water mark of anti-establishment anger, they were to be proved wrong in the most dramatic way possible. With a Conservative majority government in place, the promised in/out referendum on Britain's membership of the EU was called for June 2016. Unlike a 'normal' election campaign where local activists have a pretty good insight into the mood on the ground, we had no real idea which way the vote was going. We knew Thurrock and Essex would probably vote to leave, but what was happening in the rest of the country? The polls said it was becoming too close to call, but then the polls had got it wrong in 2015, so could they be trusted?

The shock on Friday morning when it became clear that the UK had actually voted to leave the EU was simply unprecedented. Within less than 24 hours the pound had crashed, global stock markets had wobbled, the Prime Minister had resigned, and the leader of the opposition was facing a vote of no confidence. Britain was entering unknown political territory. The campaigns had (inevitably) focused on the relative merits of EU membership, not on the detail of what would happen if we actually voted to leave. Now we were rushing headlong into a vacuum of leadership and vision with no clear plan for what Britain outside the EU could or should look like.

As the result sank in and the post-referendum analysis began, the sheer scale of the anti-EU vote in Thurrock started to become clear. The highest 'Leave' percentage in the UK had been in the small rural districts of Boston and South Holland, which were unique in having large and rapidly growing immigrant populations of Eastern European agricultural workers. This was predictable and in some ways understandable, but hardly representative of the country at large. The second-highest 'Leave' vote in the country was in Thurrock and neighbouring Castle Point. Over 72% of the population in both areas had voted to leave the EU. Now we were not just 'the country's capital of misery', we were also 'Britain's most Eurosceptic area'. Disaffection and anger had turned into rejection of an entire political system.

Angry of South Essex

For those not familiar with Essex geography, Thurrock sits on the north bank of the Thames estuary, 20 miles east of London. The landscape is a mixture of semi-rural and post-industrial, with the remains of factories, refineries, and power stations still littering the river front. The area today is best known for retail and logistics, being dominated by the M25 motorway, the Dartford river crossings, the ports and warehouses, and the massive Lakeside shopping centre.

Throughout its history, Thurrock has been an industrious place where people came to seek opportunities and make a life for themselves. The Romans established salt workings on the river marshes, and the Anglo-Saxons dug for iron ore at Orsett. Medieval villagers grazed sheep and farmed the land. Sand, gravel, and chalk were dug out to help build the growing London metropolis, and increasingly its rubbish got dumped back into the abandoned workings. The Victorians built forts to defend the river and opened a deep-water harbour for their new-fangled steamships at Tilbury. In the mid-twentieth century the availability of open land with good river access led to the construction of massive oil refineries, cement works, and power stations. At the same time

the population was growing enormously, with Thurrock's sleepy towns and villages in some cases tripling in size as new estates were erected to house workers moving in from the bombed-out terraces of east London.

Although mostly given to hard graft and getting on with life, the citizens of Thurrock have been no strangers to events which have shaped our national history. In 1381, the village of Fobbing became the initial flashpoint of the peasants' revolt after King Richard II's botched attempts to impose a poll tax. Within weeks, Wat Tyler was leading the men of Essex and Kent to march on London, and Lollard priest John Ball was preaching his radical egalitarian sermon 'when Adam delved and Eve span, who was then the gentleman?' Even today local mums push their buggies around Wat Tyler Park, mostly oblivious to the area's revolutionary history. In 1588, Queen Elizabeth I came to Tilbury to address her troops on the eve of the Spanish Armada. In a masterpiece of politically incorrect oratory she assured her subjects that 'I know I have the body but of a weak and feeble woman; but I have the heart and stomach of a king, and of a king of England too'. The Armada was duly defeated and England saved from invasion, an event commemorated by a couple of beacons along the river and a profusion of names like Drake Road and Galleon Road on the Chafford Hundred housing estate.

Modern Thurrock is, by most measures, a typical English borough. We have average incomes, average employment prospects, average health, and even the weather is slightly better than Britain's rather rainy norms. We do not experience the extremes of poverty and oppressive rulers which led the men of Fobbing to march behind Wat Tyler, nor do we face the threat of war and invasion which caused the army to rally for Queen and Country at Tilbury. But something is not right in the land of revolting peasants and feisty queens. Somehow the description 'the unhappiest place in England' and the massive vote to leave the EU didn't take people by surprise. Thurrock at the dawn of the twenty-first century has a swirling undercurrent of discontent, frustration, and anger, and that was showing up clearly in the statistics.

What happens when the giants are dead

Discontent and anger left to fester are bad for a nation and bad for democracy. They cause people to follow a well-worn path that leads initially to cynicism and disengagement, then ultimately into the arms of populists or dictators. Both offer easy and superficially attractive answers, based on a recipe of 'tell people whatever they want to hear' and 'find someone else to blame' with a big helping of so-called 'strong leadership' to steamroller over the inevitable flaws and inconsistencies. By the time it gets to this stage, more moderate voices find it incredibly difficult to compete. Realism lacks the rhetorical appeal of fantasy, and a willingness to make difficult compromises can all too easily be caricatured as hypocrisy. The unhappiness which is revealing itself in Thurrock and across Britain has to be addressed urgently and directly, because the longer it is left to fester the more likely it is to be stirred up and exploited by those who would use it for their own purposes.

What does it take to make people happy? How can human beings live a life that flourishes in every way; materially, emotionally, relationally and spiritually? This question has exercised poets, theologians, artists, and philosophers for thousands of years. But until recently it has rarely been given much thought by practical politicians. The reason is probably that, up to a point, the answers are obvious. When William Beveridge wrote his famous report which led to the creation of the modern British welfare state, he identified 'five giants' of squalor, ignorance, want, idleness, and disease which needed to be overcome. No-one is likely to overlook a giant. Big, obvious social problems demand big, obvious solutions, and you don't need clever research to work out whether people would be happier free from disease and hunger.

That point of obviousness has now been passed in much of the developed world. We have the most productive economies the earth has ever seen, but millions are unemployed. We have comprehensive healthcare systems, but health and life expectancy still vary massively. We have free education for all, but young people still enter adult life lacking basic literacy. Beveridge's welfare-state

reforms enjoyed broad political support and the backing of the vast majority of the public. Solving today's social problems is far more contentious. It is by no means clear whether more of yesterday's solutions will help the situation, or will actually make matters worse.

In some cases we are no longer even sure what the problem is any more. Poverty is easy to define when people lack food, clean water, and shelter. What we call poverty in modern western societies represents riches beyond the dreams of our recent ancestors and our global neighbours. Yet it still looks and feels like poverty. And for every voice saying that we need to provide more for those who have less, there is another suggesting that to live sustainably we all need to consume less and that increasing material wealth is no solution at all.

How do you promote wellbeing when you are past the point of obviousness? In democracies there is a compelling reason for practical politicians to join with the theologians and philosophers in looking for answers. If people believe that your policies and leadership will further their wellbeing, they are more likely to vote for you. Voters may not always be right about what is best for themselves or society, but they aren't stupid and they do have the final say. So if you really want to know whether your political vision is one that people will identify with and support at the ballot box, you have to understand what wellbeing looks like for them. Which leads to an important question: do we actually even know what makes people happy?

Whatever makes you happy

In 1972, the Dragon King Jigme Singye Wangchuck of the tiny Himalayan nation of Bhutan gave a speech in which he coined the term 'gross national happiness', declaring it to be more important than gross national product (the more usual measure of economic prosperity).[3] In most places this would probably have been written off as a nice piece of political rhetoric. In Bhutan, where the transition from absolute monarchy to even basic democracy

was still 25 years away, the King's words were taken very seriously and the royal sociologists set about trying to define what this might mean in practice. Parallels with work in the psychology departments of western universities quickly became apparent, and the modern study of wellbeing was born.

Over the next 40 years, a significant body of research has built up around the subject of how people rate their own happiness, what factors influence it, and how it varies between nations, social groups, places, and circumstances. Two main approaches have emerged. The 'subjective wellbeing' measure is the simplest, and involves asking people about their life and how they feel about it. Questions can look at both day-to-day emotional state ('how happy do you feel at the moment?') and longer term life satisfaction ('how happy are you with your life as a whole?'). The other approach involves looking at those factors which are believed to influence wellbeing (education, health, income, relationships, environment, etc.) and adding them up to give an overall score. Both methods have their strengths and weaknesses. The first approach is obviously subjective but it does have the advantage of measuring wellbeing directly. The second is more objective and can be calculated from available statistics, but it depends on understanding the links between wellbeing and circumstances, which are themselves hotly debated.

The work has polarised opinion about its value, how to apply it, and whether it should even be done at all. As far back as 1968, Senator Robert F. Kennedy gave a speech in which he said that 'gross national product … measures everything, in short, except that which makes life worthwhile'.[4] In 2010, when the British government announced a decision to start collecting wellbeing statistics on a national basis, one Euro-MP called it 'voodoo sociology in the service of a bigger and more interfering state'.[5] In 2011, the United Nations urged countries 'to pursue the elaboration of additional measures that better capture the importance of the pursuit of happiness and well-being in development with a view to guiding their public policies'.[6] And in 2015 Gus (now Lord) O'Donnell, former head of the Civil Service, recommended that

future governments should choose their policies by weighing the costs against the wellbeing benefits that they are expected to bring.[7]

Is it really possible to make sense of why people give the answers that they do and what factors contribute to their sense of wellbeing (or otherwise)? The answer is increasingly 'yes'. We do now have a good understanding of the factors which contribute towards wellbeing and, for the sake of my neighbours, the sooner we start to take notice of them the better.

The landscape of life

Wherever you go in the world and whoever you talk to, some things never change. Statistics must of course be recognised for what they are: everyone is an individual, and none of these conclusions can be used to stereotype how any particular person will think or feel. All of us will know exceptions to these 'rules', and may even be tempted to believe that the exception means that the rule is wrong. But the plural of anecdote is not data. When you ask the same questions of large groups of people rather than just a few individuals, similar patterns always begin to emerge.

People in good health feel better about life than those suffering from chronic illnesses (no surprises there). Women generally feel slightly happier about the overall state of their lives than men do, but are also more likely to be feeling anxious at any particular moment in time.

The relationship between age and happiness follows a well established pattern sometimes referred to as the 'U-bend' (because it follows the shape of a letter 'U' when plotted on a graph). Young people and the elderly are generally the happiest, with the lowest scores for wellbeing being recorded in middle age. It seems that younger people on average are optimistic about the future and have the time and freedom to pursue personal enjoyment day-to-day. Older people gradually become more content with their circumstances (or at least resigned to them), and may face fewer remaining uncertainties in life. Those in middle age by comparison are often at the peak of pressures imposed by developing a career,

raising a family, and financial commitments. Although the U-bend is thankfully not too deep, the lowest point for pressure in the moment and concern about the future occurs for most people during their forties. Yes, the mid-life crisis is a real phenomenon and it shows up clearly in the wellbeing statistics.

This is all interesting stuff, but as a politician there is not much that I can do about people's age or gender. Of much more interest are the factors which are open to influence and which have a proven effect on wellbeing. These fall into three basic categories: security, prosperity, and relationships.

Warm and safe

The first big influence on wellbeing is physical safety and security. It is hard to feel good about life if your nation is being invaded or terrorised, your community is in the grip of gun and knife crime, or your government is a rapacious dictatorship with no regard for any rights but its own. Unsurprisingly the statistics are a bit harder to come by in this area. Governments and other agencies normally have more important things to do in the middle of a refugee crisis or a drug war than conduct wellbeing surveys (and the dictators don't seem that keen either). But we would be foolish to ignore the importance of safety and security as a basic foundation for human flourishing.

The most primitive form of government is a security pact. Strong rulers appear initially to protect their people against aggression (or sometimes to perpetrate it). We see this type of society right throughout history. Even in our so-called 'modern' world, that willingness to give up almost any other rights and privileges in return for basic security is never far beneath the surface. As soon as you take away the influence of a functioning state, it will be replaced almost immediately by strong-man generals, Afghan chieftains, Somali warlords, or urban gangsters.

Even in stable societies, fear of crime leads to anxiety which directly damages people's sense of wellbeing. Oddly enough, people's fear of crime is only loosely connected to the actual

likelihood of them experiencing it. It is a feature of modern Britain that fear of crime has gone up even as the probability of becoming a victim of crime has fallen. It is clear that where people believe they are not safe walking the streets their wellbeing takes a knock – and they are quick to demand that 'someone' should do 'something' about it.

It's the economy, stupid

The second big influence on wellbeing is material prosperity. It should be obvious that living in poverty makes life miserable. The whole of our modern economic system is based on exactly this understanding: that money and the goods and services it can buy will make society a better and happier place for people to live their lives. Economic growth is thus seen as the key test of any government once basic physical security has been provided for. The idea of recession (where economic output goes down instead of up) has become synonymous with fear and failure – and a rapid change of government if not swiftly corrected.

Real material poverty seriously damages your wellbeing. People who have to walk miles to access dirty, polluted water supplies rarely say that they enjoy the exercise. Those living with an empty belly due to lack of food can think of little else. Watching your children suffer or die through easily preventable diseases or inadequate shelter to protect them from the elements is the most agonising experience a parent can undergo. To those of us fortunate enough to live in the rich world, this kind of absolute poverty sounds like something from the history books. But for millions of people around the globe, it is a horrific daily reality.

In spite of the many challenges still to be faced, it is impossible to deny the huge advances that have been made in tackling material poverty through simple economic growth. It took Europe and North America several centuries to eliminate the worst excesses of material poverty. In China, India, South-East Asia, and South America, around 2 billion people have been lifted out of absolute poverty through economic growth achieved by free markets,

capital investment, and rising labour productivity in the last few decades alone.

Given the huge benefits it has brought to society through the elimination of poverty, most of us intuitively believe that when it comes to material wealth, more is better. We may say that 'money can't buy happiness', but the whole of our economic system is based on the assumption that it can and it does. If this is true, then we would expect to see a direct relationship between wealth and wellbeing. Surely the richer you are, on average the better you will feel about your life.

But this is where the story takes a sudden twist. If the relationship between age and wellbeing resembles a U-bend, the graph of wellbeing against material wealth looks more like a wheel ramp. As you would expect, at the beginning it rises swiftly. As the extreme effects of material poverty are removed from people's lives, their wellbeing rapidly increases. But at some point around low to average wealth and income, people discover that they now have all the basic necessities of life available to them: food, water, sanitation, shelter, basic healthcare and education, adequate income, and security for the young, elderly, and vulnerable. Somewhere around this point of material sufficiency there is a sharp kink in the curve and it goes almost flat. And if this wasn't enough, in rich economies there is almost no connection at all between further economic growth and improvements in average life satisfaction.

What this means is that there really is such a thing as 'enough'. Different individuals continue to experience different levels of wellbeing, but once they have reached what we might call the 'point of enough' there is no longer any real connection between wellbeing and wealth. The seriously rich can be extremely content in their comfortable lifestyle, or they can be stressed and depressed by the pressures of wealth and of maintaining it. Likewise, people living just above the point of enough may spend their days anxiously striving for more, or blissfully enjoying a lifestyle of relaxed simplicity.

This result is so surprising, and so counter to the assumptions that underpin our materialistic consumer society, that many

people simply ignore it. If it came from just one or two studies you might be inclined to agree with them. But in fact it shows up in almost every study, in every place, however you ask the question and however you analyse the answers. An extra pound of wealth simply does not buy an extra point of wellbeing. It is, however, fair to say that increasing wealth is unlikely to make you miserable; some studies do show a weak increase and others are pretty much flat, but few seen to claim a negative correlation.

The implications of this are enormous. To understand what a big deal this really is, you only have to consider the basic principles of economics. Economist John Sloman starts his standard university textbook with the following statement: 'The central economic problem is the problem of scarcity … Ask people if they would like more money and the vast majority would answer "yes". They want more money so that they can buy more goods and services; and this applies not only to poor people but also to most wealthy people too. Even people living in a large well-furnished house and with an expensive car would probably like a bigger house, a second or third car, a villa on the Mediterranean, a luxury yacht, and so on. The point is that human wants are virtually unlimited.'[8]

While Sloman may be right about human wants, there is abundant evidence that these wants are basically misguided. People may say that they want more of this or that, but go back to the same group of people a year later and ask them whether they are any happier as a result and the answer will invariably be 'no'. This is not just theory or wishful thinking; it is an observable fact, which is now as robustly demonstrated as many of the other facts on which modern economics depends.

The fact that the connection between wealth and wellbeing stops at the point of enough is massively good news. If greater wealth automatically led to greater wellbeing, then the future of humanity would eventually come down to an endless fight over limited resources. But if wellbeing can be achieved by tackling poverty and getting everyone past the point of enough, then there is a real prospect that our planet could yet prove to have sufficient for all.

While material prosperity was bound to figure in any understanding of wellbeing, no-one, from Senator Kennedy to the Dragon King of Bhutan, has ever believed it to be the whole story. And our investigation of the connection between wellbeing and wealth does leave us with some important questions unanswered. Why do at least some studies of wellbeing show a further increase with greater wealth, even after the point of enough? Why do people in the same place and with the same income report such different levels of wellbeing? And why does the actual level of the point of enough seem to vary from place to place when basic human needs are pretty much the same the whole world over?

Friends and relations

The third and final driver of wellbeing is the quality of our relationships. It is said that no-one ever had written on their tombstone 'I wished I had spent more time at the office'. When people talk about what matters to them most, their answers almost always focus on people rather than possessions.

The vital importance of relationships comes through loud and clear in the studies that have been carried out. Starting with the closest relationships, people who are married are on average more satisfied with their lives than those who are not.[9] Commitment matters; living with a partner makes you happier than being single but not to the same extent as marriage. Those who are currently separated or divorced are on average unhappier still. People who have children are more satisfied with their lives overall but not necessarily less anxious; it seems that the sense of fulfilment that comes from raising a family is real and genuine, but so are the day-to-day pressures of parenthood.

Moving beyond the immediate family, exactly the same effect can be seen in relationships with a wider community. The number of personal friends you associate with is a more accurate indicator of wellbeing than the size of your personal income.[10] One 2006 survey[11] compared participation in community activities between a 'low life satisfaction' group of nations and a 'high life satisfaction'

group, with other factors such as income, life expectancy, and development status being equal. Active participation in community activities was on average twice as high in countries with high life satisfaction compared to those with lower scores. A similar pattern shows up whatever type of activity people get involved in. Particularly noticeable are participation in churches (23% in high life satisfaction nations against 7% in the low life satisfaction group); sports and cultural activities (13% against 6%); groups supporting the young and elderly (8% against 3%); and political parties (7% against 4%). The only exception is trade union involvement, which was actually lower in high life satisfaction nations (6% against 10%). Presumably the role taken by unions in fighting against poor working conditions means that they are more active in places where working life is difficult to start with.

Relationships are so important that they continue to influence wellbeing even when they are indirect. Victorian Prime Minister Benjamin Disraeli looked at the condition of poor industrial workers in Britain and concluded that the rich and poor had become 'Two nations … who are as ignorant of each other's habits, thoughts, and feelings, as if they were dwellers in different zones, or inhabitants of different planets'.[12] He regarded this breach of relationship as not just a moral scandal, but a threat to the unity of the nation and ultimately its survival.

Disraeli's observations have survived in the concept of 'relative poverty'. As mentioned previously, defining poverty in developed nations is trickier than it first appears. At the end of our street there is an estate of houses and flats built cheaply and quickly by the local council in the 1970s. A fair number of the occupants live on low incomes or state benefits, which means that some of my neighbours would definitely be considered 'poor' by British standards. Yet, unlike many people throughout the world they clearly have access to all of the basic necessities of life. The UK Government currently defines 'relative poverty' as living on less than 60% of average income.[13] This can produce some rather perverse statistics. Following the 2008 financial crash average incomes dipped sharply, and because of this the number of people

earning less than 60% of average actually went down. Any measure which says that poverty is reducing because people are earning less is bound to be treated with a degree of scepticism. Relative poverty doesn't actually measure poverty at all, it measures inequality, but it still matters because somewhere around that 60% level people start to feel that they have sufficiently less than their neighbours that the 'two nation divide' begins to re-emerge.

This idea that inequality drives a wedge through relationships explains why the point of enough can seem to fall at different places in different societies. If everyone around me lives in a simple home with access to a village school and clinic and grows food for sale at the local market, I will feel adequately prosperous if I have the same. If all my neighbours have cars, foreign holidays, and the trappings of a consumer lifestyle I will appear poor if I lack them; not because I am experiencing the actual negative effects of material poverty, but because I am excluded from the activities, experiences, and conversations that the rest of society engages in. My physical needs are met but my relationships are impoverished. The same principle probably explains why some surveys do show a continuing connection between individual wealth and wellbeing.[14] People are not made any happier by the material things that wealth can buy, but they may experience less social alienation and higher 'relational status' as they move further out of the zone of relative poverty.

The two-nation divide is not just caused by riches and poverty. Wherever society is divided between black and white, male and female, or high and low status, two nations can emerge. After the referendum vote, commentators are already identifying a new fault line in British society that separates the mostly young, urban, well qualified, and globally open from the older, more nativist, and globally closed. We are right to be concerned about these cultural divides in our society, but the picture becomes even more stark when they become entrenched by corrupt governments or legal systems. Countries which rank highly on respected international indexes for freedom, good governance, and equality under law consistently report higher wellbeing scores than those which do

not. This is true even in nations with high average incomes where social division and exclusion does not necessarily lead to material poverty; the damage it does to relationships is enough.[15]

Where now after Brexit?

The purpose of governments is the wellbeing of their people. Where democratic governments fail to deliver happiness and wellbeing, there is a real risk that society will slide down the ever steepening slope of cynicism, disengagement, populism, dictatorship, and oppression. The Brexit vote was just the beginning of this process. It provided about the clearest possible expression of public disaffection and anger with things as they were, but none of these problems can be solved simply by leaving the EU. The key question now is 'where next for the UK'? If we can find a way to restore the sense of wellbeing which has been lost then the decision to leave the EU could prove to be a once-in-a-generation opportunity for positive, radical change. If not then the next offer is likely to be something even more extreme than the anti-immigrant, anti-establishment rhetoric which characterised much of the 'Leave' campaign.

The components of wellbeing are surprisingly simple and increasingly well understood. People feel satisfied with their lives when they are safe and secure, have sufficient material wealth to escape the effects of poverty, and live in an environment where personal and community relationships can flourish.

What sounds simple in theory has proved incredibly elusive in practice. Governments have at various times managed to deliver some of these things but they have never achieved all of them. The promotion of wellbeing should be a key priority of any government, but it cannot be an exclusive responsibility and it is clearly far too big a task to tackle alone. Governments thus need two things to progress in their mission: humility to recognise that they cannot succeed on their own, and allies to help them on the journey. And it is to this search for allies that we must turn next.