Chapter 8

Countries’ Experiences with Well-being and Happiness Metrics

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1. Introduction

The debate on the relevance of GDP as a measure of people’s well-being is almost as old as the measure itself; this is well illustrated by the famous quote by Robert F. Kennedy: “[Gross National Product] measures everything in short, except that which makes life worthwhile.” The limitations of GDP as a welfare measure were also recognized by its architects, Simon Kuznets and Richard Stone (Lequiller and Blades, 2014). While GDP growth is critical for achieving a number of important objectives, from eradicating extreme poverty to adequate financing of social programs and public investments, it should always be recognized as a means to other ends rather than as a goal in itself.

In recognition of GDP’s inadequacy to capture many of the critical dimensions of human lives, a strong movement has emerged to go “beyond GDP” and bring into greater focus measures that capture people’s living conditions and the quality of their lives. A significant body of research and statistical work has thus been developed aiming to provide alternative or complementary metrics of human progress (see e.g. Stiglitz et al., 2009 and OECD 2011). Many countries have also developed frameworks for measuring aspects of well-being, aimed at gaining a better understanding of people’s lives at the individual, household and community level.

Nevertheless, measuring well-being is not an end in itself. For well-being indicators to contribute to better lives, they must be used in decision-making by policy makers and by the general public. Although more and more countries have taken on the challenge of developing well-being frameworks, and these are often well-documented in reports and websites, much less has been recorded about how, or even if, these indicators are actually being used in policy settings. This chapter aims at describing the progress that has been made on measuring well-being and using these metrics in national policy settings. It begins with a look into the national measurement initiatives associated with the beyond GDP movement, and the well-being measurement frameworks that have been developed in different countries. The next section makes the case for using well-being metrics in the policy setting. It is followed by a discussion of how well-being frameworks can be used in policy throughout the policy cycle to improve policy making. A presentation follows of the common themes and challenges that were observed in seven case studies of countries that have implemented well-being measurement frameworks into policy through various mechanisms (the cases of Ecuador, France, Italy, New Zealand, Scotland, Sweden and the United Kingdom are detailed in the appendix to this chapter). Most of the national experiences recorded in this chapter are fairly new however, implying that, at this stage, impacts are difficult to identify and challenges exist; there is no blueprint for successful implementation. So, the last section sets the stage for a chapter in the next edition of the Global Happiness Report, which will explore remaining questions and issues to be addressed in order to advance the use of well-being measurement frameworks in policy making.

2. Development of well-being metrics —Beyond GDP

For many years, Gross Domestic Product (GDP) has been accepted as the main yardstick to measure economic performance and welfare. GDP is, however, a measure of economic production rather than of people’s well-being. It does not capture important quality of life elements, such as leisure time, social connections or the quality of working environment; it does not reflect inequalities, which are important for the assessment of the well-being of any community of people; and it is blind to the effects that changes in the scale of economic production may impose on the stock of resources that sustain well-being over time.

The “beyond GDP” agenda has advanced significantly throughout the past few decades, and several noteworthy initiatives and frameworks have been developed in recent years. The OECD has been particularly active in pushing this agenda. In 2011, it developed a framework on measuring well-being that both reflected and supported the development of measurement frameworks on a national level. (Box 2.1). Many countries have also ‘breathed life’ into the measurement agenda by establishing frameworks that are published and updated regularly.

Table 2.1 presents 12 national measurement frameworks, the leading agency, and the use of
In 2011, the OECD Statistics Directorate developed a framework for measuring well-being, shaped in consultation with member countries, and drawing upon the recommendations of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz, Sen, Fitoussi, 2009), as well as variety of other national and international initiatives. This framework identifies 11 dimensions as being essential to people’s lives “here and now,” ranging from health status and education and skills; to the quality of the local environment, personal security and subjective well-being; as well as more material dimensions such as income and wealth, housing, etc. (see Figure 2.1). In addition, four stocks of resources (natural, human, economic and social capital) are highlighted as important for sustaining well-being outcomes over time.

The biennial OECD report How’s Life? presents a comprehensive set of internationally comparable well-being indicators for OECD and partner countries. The November 2017 edition presents the latest evidence on both current well-being and resources for future well-being, with a focus on change since 2005. It features an in-depth examination of well-being inequalities in OECD and partner countries, describing “vertical inequalities” (i.e. the gaps between people at the top and people at the bottom of the distribution), “horizontal inequalities” (i.e. gaps between groups of people, including by gender, age and education level), and well-being deprivations (i.e. the share of the population falling below a threshold value or standard of well-being). In addition, special thematic chapters examine migrants’ well-being, and governance and well-being. At the same time, the OECD has created the “Better Life Index” (www.oecdbetterlifeindex.org) as a communication tool to engage with citizens in the “beyond GDP” debate. The website enables users to explore a selection of the OECD’s well-being indicators, and to build their own international index of well-being, by rating the dimensions of well-being that matter most to them.
subjective well-being within these frameworks. Although the motivations underlying the development of measurement frameworks differed across countries, some features are notably similar. First, most of these frameworks have been developed in the past decade, although there are frameworks that date as far back as 1974 (e.g. the Netherlands’ ‘Life Situation Index’).

A second common characteristic observed is that all of the frameworks have taken a multi-dimensional approach, typically combining data about people’s economic circumstances and material living conditions with indicators that consider a wide range of quality of life factors. A third common feature of these different initiatives is that consulting with wide audiences was part of the process for designing the frameworks. This has been done with varying levels of intensity and related either to the indicators or to the dimensions covered by the framework. Box 2.2 describes some of the public consultations that were held as part of the process of creating well-being measurement initiatives and frameworks.

A final common feature of these national initiatives is that, while all share an understanding of people’s well-being as a multi-dimensional construct, they also often include measures of people’s subjective well-being (or happiness) as one of their key components. The last column of Table 2.1 describes how indicators of subjective well-being feature in these national initiatives. Life satisfaction features frequently, but other types of subjective measures are also used. See below for a more detailed discussion of developments in measuring subjective well-being.

Conversely, one notable difference in national initiatives concerns their leadership and motivation. In some countries, the frameworks were developed by a Center-of-Government agency (e.g. the Prime Minister’s office in Israel, Sweden and the United Kingdom, and the Federal Chancellery in Germany, with responsibility for regular publication then sometimes delegated to other agencies) or by a combination of policy-related agencies (e.g. Slovenia, Italy, France, Finland), with a clear motivation for the use of well-being metrics in policy settings. In other cases, the responsibility lies with National Statistical Offices or similar agencies (e.g. Austria, the Netherlands), suggesting that the underlying motivation is more that of providing additional information beyond GDP, without necessarily embedding this information into an explicit policy framework.

**Table 2.1 Selected National Well-being Measurement Initiatives and Indicator Sets**

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<thead>
<tr>
<th>Country</th>
<th>Measurement initiative/indicator set</th>
<th>Leading agency</th>
<th>Short description</th>
<th>Use of Subjective Well-being in the framework</th>
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<tr>
<td>Australia</td>
<td>Measure of Australia’s Progress (MAP)</td>
<td>Australian Bureau of Statistics (ABS)</td>
<td>The ABS has been publishing a report of 26 indicators in four dimensions (Society, Economy, Environment, Governance) measuring progress in Australia since 2002. The latest publication of the report was in 2013.1</td>
<td>Measures of subjective well-being were not included in this framework.</td>
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<td>Austria</td>
<td>How’s Austria</td>
<td>Statistics Austria</td>
<td>Statistics Austria publishes an annual report, since 2012, on 30 key indicators categorized into three dimensions: material wealth, quality of life and environmental sustainability. An interactive tool allowing exploration of historical trends and comparison across indicators was also developed.1</td>
<td>A measure on subjective well-being is included in the framework, based on life satisfaction on a scale of 0 (not at all satisfied) to 10 (fully satisfied). Data source: EU Statistics on Income and Living Conditions (EU SILC).</td>
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<td>Country</td>
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<td>Belgium</td>
<td>Complementary indicators to GDP</td>
<td>National Accounts Institute</td>
<td>In 2014, a law adopted stipulated that an annual report will be published by the National Accounts Institute (Institut des comptes nationaux) on Complementary Indicators to GDP, aimed at measuring people’s well-being and societal development at the federal level. The report has been published in 2016 and 2017, and details trends for 67 indicators grouped in 13 themes and covering three conceptual dimensions: current generation (here and now), future generation (later) and other countries (somewhere else).</td>
<td>A measure on subjective well-being is included in the framework (&quot;Evaluation de sa propre existence&quot;), based on life satisfaction on a scale of 0 (not at all satisfied) to 10 (fully satisfied). Data sources: EU Statistics on Income and Living Conditions; European Social Survey.</td>
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<td>Ecuador</td>
<td>Buen Vivir</td>
<td>INEC (Ecuador Statistics Office)</td>
<td>In support of wider work on Buen Vivir (see Table 3.1, below), the Ecuador Statistics Office (INEC) compiled a set of indicators to monitor progress according to the Buen Vivir concept (see case study, in Appendix).</td>
<td>A 2015 framework developed by the Office of Statistics proposes measuring several elements of subjective well-being or flourishing: evaluation of life (Cantril Ladder); life satisfaction (on a 0-10 scale); positive and negative affect (hedonic well-being); spirituality; and eudaimonia.</td>
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<td>Finland</td>
<td>Findicator</td>
<td>Statistics Finland and the Prime Minister’s Office</td>
<td>Launched in 2009 by Finland’s Prime Minister’s Office and Statistics Finland, the Findicator (Findiakaartor) is an online compendium of over 100 indicators on social progress, with a specific category on well-being indicators. The well-being indicators include 23 indicators across eight dimensions.</td>
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<td>Germany</td>
<td>Gut Leben in Deutschland</td>
<td>Federal government</td>
<td>The German federal government has launched the “Wellbeing in Germany—what matters to us” initiative as a commitment to the December 2013 coalition agreement, which stated that “…We wish to align our policies more closely with the values and hopes of German citizens and we will therefore conduct a dialogue with them in order to gain an understanding of their views on wellbeing issues…”. Following a national consultation process and the findings of other national and international research projects and discussions, 12 dimensions and 46 indicators were in order to describe and measure the current status and trends in wellbeing in Germany. The indicators will be updated on a regular basis.</td>
<td>Measures of subjective well-being were not included in this framework, but the first report of the initiative makes reference to various indicators as drivers of life satisfaction.</td>
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<td>Italy</td>
<td>Measures of equitable and sustainable well-being</td>
<td>National Council for the Economy and Labour (CNEL) and National Institute of Statistics (ISTAT)</td>
<td>The “Equitable and Sustainable Well-Being” (“Benessere Equo e Sostenibile”—BES) project led to the creation of a well-being framework, following the recommendation of a committee convened by the Italian Prime Minister, which is monitored through a set of indicators and an annual report by ISTAT. A law approved in 2016 stipulated that a narrower framework be developed for reporting to parliament in the context of budgetary discussions (see Table 3.1, and case study below).</td>
<td>The BES includes life satisfaction, leisure time satisfaction, positive judgement of future perspectives and negative judgement of future perspectives as indicators of subjective well-being, from a total of 130 indicators.</td>
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<td>Israel</td>
<td>Well-being, Sustainability and National Resilience Indicators</td>
<td>Central Bureau of Statistics</td>
<td>In April 2015, the government adopted a resolution requesting the Central Bureau of Statistics to publish a set of well-being, sustainability, and national resilience indicators, following a two-year process of selecting indicators led by the Prime Minister’s Office, together with the Ministry of Environmental Protection, on the basis of a government resolution approved in December 2012. The 2015 resolution approved indicators in the following domains: quality of employment; personal security; health; housing and infrastructure; education; higher education and skills; personal and social well-being; environment; civic engagement and governance; and material standard of living. In addition, the resolution required the development of two additional domains: information technology; and leisure, culture, and community. For each domain eight indicators were selected. The framework consists of 11 dimensions, with eight indicators per domain. Life Satisfaction is part of the “Personal and Social well-being” domain, and is presented from two data sources, from the Israeli General Social Survey, on a scale of 1-4, and from Gallup World Poll, on a scale of 0-10.</td>
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<td>Japan</td>
<td>Commission on Measuring Well-Being</td>
<td>Commissioned by government</td>
<td>In 2010, a Commission on Measuring Well-Being was established under the by the national government’s Cabinet Office, with the participation of experts. Its stated aim was to promote research and studies on new growth and well-being, as well as to develop and improve statistics on related indicators, as a part of a “New Growth Strategy” adopted by the government. The discussions of this Commission were published in the December 2011 report “Measuring National Well-Being—Proposed Well-being Indicators.” The framework is based on three domains; socio-economic conditions, health and relatedness, and each domain contain both subjective and objective indicators. The current level of happiness has been measured in the National Survey of Lifestyle Preference conducted since 1978 by asking individuals to score their happiness between 0 and 10.</td>
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<td>Netherlands</td>
<td>Monitor of Well-Being</td>
<td>Central Bureau of Statistics</td>
<td>In 2017, the Dutch Cabinet commissioned Statistics Netherlands (CBS) to compile an annual Monitor of well-being, with the aim that it will serve as the instrument to facilitate the public and political debate on well-being. The policy assessment agencies—the Netherlands Bureau for Economic Policy Analysis (CPB), the Netherlands Environmental Assessment Agency (PBL) and the Netherlands Institute for Social Research (SCP)—will also contribute to the Monitor. In addition they will conduct a periodic exploration of well-being based on the monitor. The monitor will be based on the Sustainability monitor, which has been published since 2011 and reports on progress in three themes: The set of indicators consists of three individual dashboards: quality of life here and now, resources for the future and the impact on other countries, and a total of nine dimensions. To be confirmed—the first Monitor is yet to be released.</td>
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<tr>
<td>Slovenia</td>
<td>Indicators of Well-Being in Slovenia</td>
<td>Institute of Macroeconomic Analysis and Development (IMAD), Statistics Slovenia (SURS), the Slovenian Environment Agency (ARSO), National Institute of Public Health (NIJZ)</td>
<td>Indicators of well-being have been developed as part of the National Development Strategy launched by the Slovenian government in 2015 to establish a common vision of Slovenia's future to 2050 (see case study, in Appendix. The indicator set is implemented by a consortium of four institutions: the Institute of Macroeconomic Analysis and Development (IMAD), the Statistical Office of the Republic of Slovenia (SURS), the Slovenian Environment Agency (ARSO) and the National Institute of Public Health (NIJZ). The indicators are presented in three categories: Material, Social and Environmental well-being. The indicators are updated once a year, and data is presented from 1996.</td>
<td>The framework includes both life satisfaction and happiness.</td>
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<td>United Kingdom</td>
<td>Measuring National Wellbeing (MNW) program</td>
<td>The UK Office for National Statistics</td>
<td>The MNW started in 2010. Its aim was to monitor and report “how the UK as a whole is doing” through measures of well-being. A progress report is published biannually covering areas including health, natural environment, personal finances and crime. The measures include objective and subjective data.</td>
<td>The Annual Population Survey (and a variety of other official surveys) includes four subjective wellbeing questions into the Annual Population Survey; the largest of their household surveys. People are asked to respond on a scale of 0 to 10, to these questions.</td>
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Box 2.2. Public consultations within national measurement framework initiatives

Several countries have undertaken public consultations as part of the process of developing measurement frameworks relating to well-being. These can be held at different stages of the process of establishing the well-being framework, and accordingly, the inputs from the consultations can shape the framework in different ways. Public consultations require time and resources, and can considerably extend the time needed to complete a process of selecting indicators, but can also contribute meaningful insight into what matters most to people.

Consultations can have several advantages: they can be used to ensure the measurement approach and selected indicators resonate with the public, and have the legitimacy that comes from meaningful engagement with a wide range of stakeholders; they offer a visible way to demonstrate commitment to people’s well-being through exploring what is important for the public to know and measure; and they can raise awareness among the public and foster broad acceptance of the measurement framework and recognition of its potential usefulness.

International examples of consultations on well-being include:

• In Italy, as part of the process of establishing the BES framework (BES—benessere equo e sostenibile—“equitable and sustainable well-being”), a steering group was established on the “Measurement of Progress in Italian Society,” including 33 representatives of entrepreneurs, professional associations, trade unions, environmental groups, Italian cultural heritage groups, women groups, consumer protection groups and civil society networks. The group aimed at developing a multidimensional approach to the measurement of well-being. In addition, a Scientific Commission with 80 researchers and experts from ISTAT (Italian Statistical Office), universities and other institutions was also established to consult on this process. Moreover, a survey representative of the Italian population was conducted (about 45,000 people interviewed), inquiring which dimensions are important for well-being. This was further supported by a dedicated website, a blog and an online survey to consult with the public on the committee’s decisions (approximately 2,500 respondents). Finally, after the presentation of the first report, the initiative was presented in a series of meeting in different regions of Italy.

• The New Zealand Treasury conducted targeted workshops in the development of its Living Standards Framework. In the first round of consultation, held in 2009, workshops were held with government, business, academia and community groups to get feedback on the proposed framework, the communication of the framework and what topics or themes were important, with some 200 participants. Additionally, an advisory group was set up to consult on the framework, and the group included representatives both from government and outside it.9

• Germany initiated a “national dialogue” on the main issues that are important for quality of life in 2015, which took place over a period of six months.10 This process was aimed at identifying the measures that can be used to describe quality of life, through identifying what is important to people. The dialogue consisted of several forms of public consultation: meetings, online surveys and postcards. About 200 meetings were held throughout the country with over 8,000 participants. The Chancellor, members of government, and Cabinet Ministers participated in 50 of these meetings. Civil society, representative organizations, business associations and trade unions also supported the dialogue. Over 7,000 people responded through the
online survey and the postcards. The outcomes of the dialogue were incorporated, together with international comparison and research projects, into a framework with 12 dimensions and 46 indicators, which will be updated on a regular basis.

• In the United Kingdom, the consultation process formed the beginning of the “Measuring National Well-being” program in November 2010, with a six-month National Debate. This consultation asked people ‘what matters’ in order to understand what should be included in measures of national well-being. The National Debate was carried out by the Office of National Statistics (ONS) and included: 175 events held around the UK, involving around 7,250 people and received more than 34,000 responses, as well as responses from organizations representing many more people. Meetings were also held with citizens, hard to reach groups, organizations, charities, various experts, the National Statistician’s Advisory Forum and a Technical Advisory Group (ONS, 2011). Following the National Debate, the UK ONS has taken formal public consultation on several other well-being measurement issues, including proposals of domains and headline measures of national well-being, as well as on measures of human and natural capital.

• In Israel, the process for selecting indicators to monitor “Well-being, Sustainability and Resilience” included a public consultation process held in concurrence with the work of expert groups on each of nine domains covered in the framework. Following the consultation, two additional domains were added to the Israeli framework. The consultation consisted of two elements—an online survey, which garnered responses from approximately 1,600 respondents, and workshops with populations that have less access to the internet, which included some 400 participants. The responses from the two elements were analyzed together and a mapping was derived highlighting the dimensions that are important for quality of life, according to respondents. In addition, expert groups, comprising representatives of government, private sector, civil society, labor unions, academia and other organizations, were set up for each domain.

• In France, following the enactment of the law on “New Wealth Indicators,” the process of selecting indicators involved a two-fold process of consultation. The first part saw the establishment of a working group of over 60 people, comprising researchers, representatives of civil society, international organizations and experts. The working group established an initial list of themes and indicators. The second part of the process was a wider public consultation, intended to assess the adequacy of the indicators and prioritizing the themes and indicators in order to narrow down the final set. Three types of consultations were held: an online survey, where over 4,000 respondents taking part were asked to order the themes according to their importance; a telephone survey with a representative sampling of the total population, where respondents were asked to rank the themes and indicators; and four focus groups were set up with 10 participants in each, where the approach, themes and indicators selected were debated.
2.1. Advances in the measurement of subjective well-being in national statistics

In the context of the Global Happiness Council, subjective well-being measures collected in national statistical offices are of particular interest. When the OECD’s Better Life Initiative was launched in 2011 (see Box 2.1), one of the first methodological research projects involved preparing guidelines on the measurement of subjective well-being. This followed a specific recommendation made in the Report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz et al., 2009), which encouraged national statistical offices to incorporate questions on subjective well-being in their standard survey vehicles. At that time, there was considerable interest in the question of how and what to measure, with a variety of methods already in use, but a lack of international consensus on good practice, and a number of sceptics in the measurement community who needed further convincing about the validity and value of these data.

The OECD Guidelines on Measuring Subjective Well-Being (OECD, 2013) thus aimed to provide support for national statistical offices and other data producers in designing, collecting, publishing and analyzing subjective well-being data. Subjective well-being can be defined as “good mental states, including all of the various evaluations, positive and negative, that people make of their lives and the affective reactions of people to their experiences” (OECD, 2013). It encompasses at least three different elements:

- **Life evaluation**—a reflective assessment on a person’s life or some specific aspect of it
- **Affect**—a person’s feelings or emotion states, typically measured with reference to a particular point in time
- **Eudaimonia**—a sense of meaning and purpose in life, or good psychological functioning

The OECD Guidelines provided the methodological basis for the development of quality subjective well-being metrics in the three dimensions above. Areas covered included:

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**Box 2.3. OECD Guidelines on Measuring Subjective Well-Being (2013)**

**Core question module**

The following question asks how satisfied you feel, on a scale from 0 to 10. Zero means you feel “not at all satisfied” and 10 means you feel “completely satisfied.”

**A1. Overall, how satisfied are you with life as a whole these days?** [0-10]

The following questions ask about how you felt yesterday on a scale from 0 to 10. Zero means you did not experience the feeling “at all” yesterday while 10 means you experienced the feeling “all of the time” yesterday. I will now read out a list of ways you might have felt yesterday.

**A2. How about happy?** [0-10]

**A3. How about worried?** [0-10]

**A4. How about depressed?** [0-10]

The following question asks how worthwhile you feel your activities were yesterday, on a scale from 0 to 10. Zero means you feel your activities were “not at all worthwhile”, and 10 means “completely worthwhile.”

**A5. Overall, how worthwhile do you feel your activities were yesterday?** [0-10]
(1) Concept and validity, including providing a conceptual framework; a discussion of data quality; the relevance of subjective well-being measures in a policy context; and the accuracy of the measures.

(2) Methodological considerations in the measurement of subjective well-being, covering issues such as: question wording and response formats; question order and context effects; survey mode and timing; and response styles and the international comparability of the data.

(3) Measuring subjective well-being, discussing survey content and planning; survey and sample design; questionnaire design—including key covariates to be collected alongside subjective well-being data; and survey implementation.

(4) Output and analysis of subjective well-being measures, including the use of subjective well-being data to complement other well-being and economic indicators; better understanding the drivers of subjective well-being; and subjective well-being as an input to cost-benefit analysis.

Table 2.2. Measuring subjective well-being in national statistics: taking stock of recent activity in OECD countries

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<tr>
<th>EU SILC</th>
<th>Other (additional) NSO data collections</th>
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<td>From 2014, every 4 years</td>
</tr>
<tr>
<td>Switzerland</td>
<td>From 2014, every 4 years</td>
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<tr>
<td>Turkey</td>
<td>From 2014, every 4 years</td>
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<tr>
<td>United Kingdom</td>
<td>From 2014, every 4 years</td>
</tr>
<tr>
<td>United States</td>
<td>From 2014, every 4 years</td>
</tr>
</tbody>
</table>

Source: Exton, Siegerink and Smith (forthcoming).
The Guidelines also included a set of question modules, designed for inclusion in household surveys and other routine data collections, with the goal of improving the quality, consistency and international comparability of subjective well-being data. The question modules embodied what was known about good measurement practice, balanced with the need to maintain consistency with established methods for which most evidence on validity and usefulness had been established. A “core” set of five short questions was intended to provide a minimal set of measures for widespread use (Box 2.3)—including a primary measure of life satisfaction, for when space constraints permit only a single question to be included. But the proposed modules also offered more in-depth batteries of questions, addressing experienced well-being as measured through time-use surveys, as well as scales for capturing domain-specific life evaluations, multiple aspects of eudaimonia, and a richer set of affective experiences.

In 2016, the OECD conducted a survey of member and partner countries’ national statistical offices (NSOs), to gather information about the use of subjective well-being questions in official data collections (Table 2.2). This found that 34 out of 35 OECD countries now collect life evaluation data and more than three-quarters of NSOs have collected at least some data on eudaimonia and affect, which follow in some respects the recommendations included in the OECD Guidelines (Exton, Siegerink and Smith, forthcoming).

Yet, despite considerable recent progress on measurement, the range of different question formulations in use across different statistical offices continues to pose challenges for the international comparability of subjective well-being data, even within OECD countries. The greatest consensus exists around the use of a 0-10 life satisfaction measure, now available for 30 countries (OECD, 2017a). A particularly important breakthrough has been the 2013 EU Statistics on Income and Living Conditions (EU SILC) ad-hoc module on subjective well-being, administered in all EU countries, plus Iceland, Norway, and Switzerland and Turkey. This featured life satisfaction and eudaimonia questions that are consistent with the OECD Guidelines, as well as affective experiences summed over a period of four weeks. A decision has now been taken to include the central life satisfaction question as a core part of the annual EU-SILC. Meanwhile, data collections consistent with the OECD Guidelines in Canada, New Zealand, Australia, Mexico, and Korea are helping to gradually complete the OECD picture. This international perspective can be particularly important for benchmarking purposes in individual countries, providing a comparative picture on both average levels and the size of disparities between populations groups. And international benchmarking can be especially valuable in the absence of long-term trend data within countries, which will still take some time to build up.

Overall, many NSOs still consider subjective well-being data as experimental statistics, i.e. not having yet passed the mark to become official statistics, and even when collected, subjective well-being is not always included in the national well-being policy frameworks (e.g. Germany, Italy, see Table 3.1. below). There is thus still room for improvement in developing and supporting robust subjective well-being data collection that is comparable over time and across countries so as to facilitate their use in policy making.

3. Using well-being metrics in policy settings

The development of well-being measurement initiatives and indicator sets is an important step in building the evidence base and developing a shared understanding of what makes for better lives. Nevertheless, supplying a breadth of information on the lives of people does not in itself fulfil the ambition to improve policy and decision-making. Although the assembling, regular measurement and publication of data on people’s well-being is a prerequisite, and can in itself be influential on policy, there is also the risk that newly developed indicators may become “just another report” rather than leading to a substantial change in the setting and framing of policy. So how can governments use these indicators to make better policies for better lives?

3.1. The policy cycle, and stages at which indicators and evidence can be used

There is a wide range of ways in which indicators and evidence, in broad terms, can shape policy: from influencing public debate on strategic priorities and emergent issues, through to use in
studies commissioned by government agencies to evaluate the impact of specific policy programs. One way to characterize the various opportunities for metrics to influence policy decisions is to consider the different stages of the policy cycle (Figure 3.1). Based on various policy cycles described in the literature (e.g. Jann et al 2006, Cairney, 2013), it consists of the following stages:

1. **Agenda setting** (identifying policy goals)—based on a strategic analysis of the current situation and its drivers, a strategic review of policy goals leading to identifying areas that require government intervention, followed by prioritization and agenda setting. This could involve central government agencies, parliament and civil society;

2. **Policy formulation** (ex-ante)—investigation of policy options, evaluating costs, benefits and feasibility, selecting relevant policy instruments and levers. This stage would usually involve the government agencies responsible for designing and delivering the policy interventions, resource allocating government agencies, and parliament in some high-impact policies;

3. **Implementation**—executing programs and policy interventions by government agencies that are responsible for the implementation and are provided with the necessary resources, in accordance with prioritization and policy formulation;

4. **Monitoring**—a prerequisite for the next step of evaluating policy impacts is that the policy interventions are monitored, both during and after implementation. Monitoring involves taking stock of the inputs used for the policy intervention, the outputs generated and the outcomes observed; a comprehensive evaluation can also benefit from monitoring the counterfactual of the policy intervention. In this stage, the relevant government agency implementing the policy will be involved, but there is also a role for external stakeholders, such as civil society, to monitor the impacts of policy interventions;

5. **Evaluation** (ex-post)—assessing the results of the policy intervention in view of the policy goals, considering termination versus continuation. This stage of policy making can involve all potential stakeholders: government agencies, parliament, civil society and others affected by the policy.

*Figure 3.1 The Policy Cycle*
3.2. What is different about a well-being or “beyond GDP” approach?

Many well-being indicators already have a well-established role in policy and are used throughout the policy cycle. Jobs and earnings, educational attainment, housing affordability, and health outcomes, for example, are often monitored closely by ministries with relevant responsibilities in these areas. So how and why is it different when policy is approached through a well-being lens? How might policy-making be different—and better? Some of the potential value-added of considering well-being indicators in a policy context include:

• **Providing a more complete picture**—and in particular drawing attention to outcomes that matter to people’s living conditions and quality of life, but that are often not currently considered in routine policy analysis.

• **Supporting the strategic alignment of outcomes across government.** Throughout the policy cycle, cooperation and cohesion across government is essential. Government agencies often operate in silos, focusing on the resources and outputs for which they are directly accountable and without reference to the wider impacts of their actions, and are predisposed to focusing on the outcomes for which they are directly responsible. For example, crime and justice agencies tend to focus on the direct impacts of their actions in reducing crime and enforcing safety measures when setting priorities, despite the fact that spill-overs from other policy areas and society-wide patterns on personal safety outcomes and subjective well-being are large. Policy spill-overs also operate in the other direction, with the personal safety as a major determinant of outcomes in other policy areas. Personal security, for example, is a driver of education outcomes, health and social connections. Similar spill-overs occur in nearly all policy areas. By framing an explicit range of outcomes to be considered, frameworks for measuring people’s well-being can promote consistency across government and provide a common language for agencies to discuss these consequences. Additionally, the integration of well-being frameworks can potentially generate interactions between government agencies.

It can also assist in clarifying responsibilities across and within different levels of government and different groups of stakeholders, increasing co-ordination among policies.

• **Highlighting inequalities and the diversity of experience through providing data at the granular, people-centered level.** In contrast to many aggregate measures that focus on the performance of economic systems as a whole, a focus on people and outcomes at the individual and household level enables the analysis of inequalities, pockets of deprivation and vulnerability, and/or groups among whom outcomes are diverging over time.

• **Considering both well-being outcomes today and resources for tomorrow.** A key critique of GDP is that it fails to take sustainability into account—both in terms of whether economic growth is itself sustainable over time, but also whether that growth is being achieved in a sustainable way—i.e. without environmental and social costs that offset the overall societal benefits of growth, and could undermine the stability of that growth in future. The broad-based economic, environmental and social coverage of well-being measures is therefore a key advantage. In addition, many approaches to measuring well-being include forward-looking components, such as indicators covering the natural, human and economic capital stocks that will support future well-being. This balances out the focus on “here and now” when thinking about the progress of societies, and also enables governments to examine whether progress on well-being today is being achieved at the expense of depleting stocks of resources for future generations.

• **Fostering public debate.** This allows a discussion which is based on an underlying common concept of what makes for a good life, between all stakeholders, from politicians, civil society, businesses and policy makers. For example, public engagement and consultations (e.g. Box 2.2) can provide a space for the public to comment and relate to the set of indicators or dimensions being proposed, encourage shared ownership of indicators, and stimulate debate about what matters most for well-being.

• **Promoting evaluation of the impact of policy programs on people’s lives.** If different
government departments could be encouraged to consider a wide range of well-being outcomes and impacts, this has the potential to help make policy trade-offs and spill-overs more explicit and more clearly articulated. Accountability for results is fundamental to efficient and effective governance. Accountability is also the ultimate rationale for the evaluation of policy interventions ex post, and is an important input into strategic priority setting. Well-being frameworks can form the basis for the accountability procedures for government agencies. In defining the set of desired outcomes expected from policy interventions through a range of indicators relating to people’s well-being, ex post policy evaluation can lead to higher accountability on a wider range of outcomes than previously considered. The agreement around the dimensions and indicators that reflect people's well-being can also streamline external accountability measures, such as parliamentary oversight, audit agencies and civil society, by creating a common language and a consensus on measured outcomes.

3.3. Mechanisms for integrating well-being indicators in policy decision-making

Routine reporting of well-being statistics can, in itself, help to highlight issues and inform policy decisions in the agenda-setting phase of the policy cycle, without recourse to special policy tools or levers. For example, simply making data on levels, inequalities and trends in well-being available to a wide range of stakeholders (e.g. civil society, politicians, business and the media) can shift opinion, inform debate, and influence policy priority-setting.

Nevertheless, to unleash some of the potential benefits of well-being metrics outlined in the previous section, it is necessary to go beyond simply making indicators available to wide audiences. For example, integrating well-being metrics in the stages of policy formulation and evaluation requires a conscious decision on the part of those performing or commissioning this research and analysis, as well as a demand (from decision-makers) for an evidence base on which to draw, and an established set of tools and techniques recognized across the analyst profession within governments (such as the methods set out in the United Kingdom Treasury’s Green Book: Appraisal and Evaluation in Central Government, HM Treasury, 2011).

Several OECD countries have therefore developed more formal and/or structured mechanisms to ensure that well-being or “beyond GDP” indicators are integrated into their policy processes. These can target specific aspects of the policy cycle, or encompass several steps. Table 3.1 provides an overview of 10 countries that have developed such mechanisms, the leading agency, stage of the policy cycle that the mechanism is integrated in, and the use of subjective well-being indicators. For seven of the 10 countries reviewed in Table 3.1, detailed case studies are presented in the Appendix.
### Table 3.1 Examples of mechanisms and frameworks for integrating well-being metrics into policy-making, from selected countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Mechanism</th>
<th>Leading agency</th>
<th>Short description</th>
<th>Step of the policy cycle targeted</th>
<th>Use of subjective well-being in the framework</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong></td>
<td>Well-being framework</td>
<td>Treasury</td>
<td>A well-being framework developed in 2004 by the Treasury in order to underpin analysis and advice across the Treasury’s policy responsibilities. The framework consists of five elements of well-being: the level of consumption possibilities, their distribution, the degree of risk borne by individuals and society, the degree of complexity we face in our choices, and the level of freedom and opportunity we enjoy. In 2016 the Treasury Secretary moved away from the Living Standards framework and undertook a new one, focusing on the budget, productivity and globalization.¹¹</td>
<td>Policy formulation, policy evaluation</td>
<td>In the Treasury’s framework, it is stated that “[the framework] is open to both subjective and objective notions of wellbeing, and to concerns for outcomes and consequences as well as for rights and liberties”.¹²</td>
</tr>
<tr>
<td><strong>Ecuador</strong></td>
<td>1. Constitution 2. National Development Plan 3. Buen Vivir Secretariat</td>
<td>Government</td>
<td>The concept of Buen Vivir was integrated into the Ecuadorian constitution in 2008, and in June 2013 then-President Rafael Correa created the “Buen Vivir Secretariat,” a new Ministry within the national government. A key mechanism is the National Development Plans, which lay out the national strategy for Buen Vivir every four years.</td>
<td>Agenda-setting, policy formulation, policy evaluation</td>
<td>The National Development Plan 2017-2021 includes 38 objectives, with a range of indicators for each goal.</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>Budget law, drawing on “Measures of equitable and sustainable well-being”</td>
<td>France Strategy and the Economic, Social and Environmental Council (EESC)</td>
<td>In April 2015, the French Parliament passed law 411, which requires the Government to submit an annual report to Parliament on the progress in view of 10 new leading indicators that reflect the country’s economic, social and environmental situation. In addition, the report will include an impact assessment of the main reforms envisaged in light of these indicators, and if the government requests, it can be debated in Parliament.</td>
<td>Agenda-setting, policy formulation; policy evaluation</td>
<td>Of the 10 indicators in the framework, one relates to subjective well-being, in the form of life satisfaction with a ladder of 0 to 10. Data is from EU-SILC.</td>
</tr>
<tr>
<td><strong>Italy</strong></td>
<td>Budget law, drawing on “Measures of equitable and sustainable well-being”</td>
<td>Ministry of Economics and Finance</td>
<td>Building on ISTAT’s “Measures of equitable and sustainable well-being”, a law approved in 2016 stipulated that a narrow subset (12) of these indicators should be annually reported to Parliament in the context of budgetary discussions.</td>
<td>Agenda-setting, policy formulation and evaluation</td>
<td>Measures of subjective well-being are not currently included in the set of indicators for parliamentary reporting. They do feature in the wider BES measurement initiative.</td>
</tr>
<tr>
<td>Country</td>
<td>Mechanism</td>
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<td>Netherlands</td>
<td>“Accountability Day”</td>
<td>Netherlands Cabinet</td>
<td>In February 2017, the Dutch Cabinet commissioned Statistics Netherlands to compile an annual Monitor of well-being (see Table 2.1, above). The Monitor will form the basis of Cabinet considerations on the state of well-being in the Netherlands. These Cabinet’s considerations will subsequently be part of the accountability debate in the House of Representatives, which takes place on the third Wednesday in May.</td>
<td>Agenda-setting</td>
<td>To be confirmed.</td>
</tr>
<tr>
<td>New Zealand</td>
<td>Living Standards Framework</td>
<td>Treasury</td>
<td>The Treasury Living Standards Framework was developed in 2011, as part of an internal process intended to enhance policy advice and as a response to external criticisms regarding the Treasury’s vision. The Living Standards Framework is intended to provide evidence-based advice to Ministers on the lives of New Zealanders, and is intended as an input into the policy process, rather than a decision-making tool in itself.</td>
<td>Policy formulation</td>
<td>The Living Standards Framework does not specify the indicators to be used, but provides the conceptual framework. The guidelines of the framework assert that “measuring living standards with subjective measures of well-being provides a useful cross-check of what is important to individuals”.</td>
</tr>
<tr>
<td>Scotland</td>
<td>Scotland Performs</td>
<td>Government</td>
<td>The Scottish government’s National Performance Framework was first published as part of the 2007 Spending Review. It is a 10 year vision for Scotland which uses an outcomes-based approach to measuring government’s achievements, rather than inputs and outputs. The National Performance Framework forms the basis of performance agreements with public service delivery bodies, and is used to monitoring their effectiveness.</td>
<td>Monitoring; evaluation</td>
<td>The indicators featured in the Scotland Performs framework include mental wellbeing (derived from an average score on the Warwick-Edinburgh Mental Well-Being Scale (WEMWEBS) for adults aged 16+ years).</td>
</tr>
<tr>
<td>Sweden</td>
<td>New measures for prosperity</td>
<td>Ministry of Finance</td>
<td>The New Measures of Well-being developed by the Swedish government as a complement to GDP have been integrated into the Budget Bill 2017.</td>
<td>Agenda-setting, policy evaluation</td>
<td>Within the social dimensions, life satisfaction is measured using data from the SOM-institute survey. The survey provides four responses to the question of Life Satisfaction: “Very satisfied; Fairly satisfied; Not very satisfied; Not at all satisfied.”</td>
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<thead>
<tr>
<th>Country</th>
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</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>The What Works Centre for Wellbeing; various central government activities</td>
<td>The What Works Centre for Wellbeing (an independent agency); various central government departments, previously coordinated by the Cabinet Office</td>
<td>Efforts to bring well-being metrics into policy in the United Kingdom have taken several different forms. One is the What Works Center for Wellbeing, an independent collaborative center that aims to develop and boost generation of high quality evidence on well-being intended for decision-makers in government, communities, businesses and other organizations to use in their work.</td>
<td>Agenda-setting, policy formulation, policy evaluation</td>
<td>The What Works Center for Wellbeing uses various measures of subjective wellbeing in different parts of its work, whether evaluation, research or advocacy, often based on (but not limited to) the four questions used by the Office of National Statistics in the Annual Population Survey (see Table 2.1).</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>The Happiness Policy Manual</td>
<td>Ministry of State for Happiness and Wellbeing, The National Program for Happiness and Positivity</td>
<td>In October 2017, a Happiness Policy Manual was published by the National Program for Happiness and Positivity, proposing the use of happiness in policy making. The approach to implementation is presented through three stages of the policy cycle: policy formulation, policy assessment and policy implementation.</td>
<td>Whole policy cycle</td>
<td>Use of data on subjective well-being is central to the Happiness Policy Manual, and the Manual suggests using a range of data on subjective well-being, including life satisfaction, eudaimonia and satisfaction with specific quality of life dimensions.</td>
</tr>
</tbody>
</table>
The case studies presented in the Appendix to this chapter provide more detail and context on seven of these initiatives. The countries presented as case studies are Ecuador, France, Italy, New Zealand, Scotland, Sweden and the United Kingdom. For each case study the settings in which the policy mechanisms and frameworks were developed are described. From the case studies, it is possible to identify some common themes, differences and challenges that arise when implementing well-being frameworks into policy settings through various mechanisms. A short discussion of these follows.

3.4. Some commonalities, differences and challenges in using well-being indicators in policy settings

The case studies presented in the Appendix point to some of the challenges and complexities of developing mechanisms for integrating well-being indicators into policy making and decisions. Some common themes emerge relating to the measurement framework, the process and the political context.

3.4.1. The process of implementing well-being indicators in the policy cycle

As noted earlier, in some countries, well-being indicators were not specifically developed with policy use in mind. By contrast, in others, the process started with a conceptual or paradigm shift, aiming to expand what is considered as important to improve people's lives, such as in Ecuador. Or somewhat similarly, the well-being indicators were integrated into a performance monitoring framework that had already been developed, such as in Scotland.

The stage of the policy cycle in which the indicators are used differs as well. Well-being indicators are mostly used at the policy formulation stage, such in New Zealand and Ecuador, or at the evaluation stage, such as in the cases of the other countries. In France, Italy and Sweden, indicators are more commonly used at the agenda setting stage, with parliamentary reporting at the start of the budget process. Notably, the recently published UAE Happiness Policy Manual addresses the use of happiness data throughout the policy cycle, so following its implementation may prove useful for future research.

3.4.2. The selection of well-being indicators

The number and type of indicators used in policy settings varies significantly across countries. In Sweden, Italy and France, where implementation is mainly through reporting to parliament, the number of indicators is significantly limited, from 6/10 (France) to 12 (Italy) and 15 (Sweden) to facilitate communication. At the other extreme, in the cases of New Zealand and the United Kingdom, a very wide variety of indicators are available from the respective NSOs, to be used for cost-benefit analysis or ex post evaluation of wide range of policy interventions such as in the UK What Works Centre, or for ex ante policy design, such as in New Zealand. Ecuador and Scotland lie in between, with a defined number of indicators, and well-defined monitoring procedures (through the National Development Plan in the case of the former, and a National Performance Framework in the case of the latter).

The use of subjective well-being indicators in policy settings also varies across countries. For example, in Italy, one of the criteria for selecting indicators for the budget law was being able to forecast trends three years ahead; due to limited data collection and quality, subjective well-being indicators were excluded from the list. By contrast, a strong emphasis on subjective well-being outcomes is adopted by the What Works Centre for Well-Being in the United Kingdom.

3.4.3. The political process

In some cases, well-being policy frameworks have been supported by parliament, whether or not they were first initiated by parliament or government. This is the case for France, Italy, and the Netherlands, where the intention is for parliament to have an evidence base with which to hold government accountable for performance, through annual reporting of well-being indicators. To a lesser extent this is also the case in Sweden. In other cases, a central government agency has taken the lead, such as in New Zealand where the Treasury is in charge of the framework, or Ecuador, where the Buen Vivir Secretariat and the Planning Ministry (SENPLADES) are in the lead.

More broadly, as shown in Table 3.1, some of the initiatives presented here have benefited from strong leadership, often involving a prominent political figure promoting the concept of well-be-
ing. The most notable example is Ecuador, where the previous president, Rafael Correa, initiated a revision of the constitution to incorporate the concept of Buen Vivir in it. This was also the case in France, with the introduction of a law by a member of Senate, Eva Sas, and in the United Kingdom, with the launch of the Measuring National Well-Being Program by former Prime Minister David Cameron.

Finally, it is worth recalling that most of these initiatives are still quite recent, so adjustments and modifications are to be expected and it is probably too early to draw lessons. Nevertheless, for those with a few years of implementation, it is clear that ensuring continuity in political engagement with respect to well-being concepts and policy objectives remains essential (see Australia in Table 3.1). Potential difficulties can be compounded when the initiatives are strongly associated with a political figure—i.e. can the actions to implement well-being frameworks outlast their instigator? This remains to be seen, and most likely depends also on how widely accepted the well-being approach is by the public and whether it is mainstreamed within the civil service.

4. Summary and Conclusions

This chapter has described national initiatives to measure well-being and the mechanisms for using well-being metrics in policy settings.

While national experiences vary, commonalities also exist. Context matters too, whether political or procedural, and all the case studies featured in this chapter are describing new developments in the way that measuring well-being is impacting policy making. This review sets the stage for a deeper discussion on how well-being metrics can be best integrated into policy making, which will be part of the 2019 edition of the Global Happiness Council report. Many questions still remain to be answered, and monitoring the developments in this area is crucial for a deeper understanding.

Continuing exploration of the barriers to uptake of well-being frameworks in policy settings will serve this purpose. The project on ‘Bringing alternative indicators into policy’ identified three types of barriers for use of well-being indicator sets in policy (BRAINPOoL, see Seaford and Berry, 2014):

• **Political barriers**—these include a lack of legitimacy for the process to develop new indicators, a poorly defined narrative and a lack of strong political imperative to look “beyond GDP,” i.e. limited demand for the use of alternative well-being indicators from the political level.

• **Indicator barriers**—these are mainly related to the methodology used for measuring well-being and sustainability, and to the lack of consensus around a dashboard of indicators as a measure of well-being.

• **Process and structural barriers**—these barriers relate to the support and incentives within policy making for using well-being frameworks, as well as institutional resistance to change and poor communication of the frameworks to potential users and stakeholders.

Some of these obstacles are apparent in the case studies reviewed in this chapter, while others are harder to identify. The process for selecting which indicators to monitor is complex, and there is still room for improvement if consensus is to be achieved. As described, countries vary in both the number of indicators and their composition.

It is evident that the well-being measurement initiatives, when based on a clear conceptual framework, are useful in outlining how to think about people’s well-being, and how to broaden the set of outcomes that the policy process should try to target. However, it is unclear whether this should be in the form of a specific set of indicators adhered to stringently, or whether it should be viewed as a prism through which to examine various policies.

Different audiences and actors might also require different tools. The National Statistical Offices deal with clearly defined statistics, with set methodologies that allow comparison and scrutiny. But ministries, parliaments and accountability agencies might not relate to the indicators but rather to the conceptual framework, while still achieving the objective of broadening the set of considerations in policy setting to important aspects of people’s lives. Civil service and policy analysts may also require different tools or a hybrid, allowing both an in-depth analysis based on well-being metrics as well as communication tools, for example. Communication with the wider public will require a different strategy, and
making the data accessible and understandable is key to promoting the use of well-being metrics. Further investigation should also address several challenges which have been apparent in this review of national experiences:

- In order to evaluate the ‘success’ of the well-being metrics in impacting policy making, it is necessary to define and identify what an expected impact is. Identifying the impact of a single indicator on policy is difficult. Policy processes are complex and diffuse, especially agenda-setting where well-being metrics are likely to have the greatest immediate influence, and, it will be extremely rare to find evidence of specific decisions being taken on the basis of a single analysis or piece of evidence.

- The development of evidence-based policies will require continued iterative progress in data collection, dissemination, analysis, and policy experimentation. Sustaining the use of well-being metrics over time is a challenge. What steps are necessary in order to mainstream the use of metrics and prevent initiatives from fading away? What is the role of advocacy and what tools are effective in widening the interest across stakeholders?

- Structural barriers could hinder integration. For example, government agencies and ministries tend to focus on the outcomes for which they are directly accountable, even within a well-being framework. This can result in the marginalization of dimensions that, while important for people’s well-being, are not under the specific responsibility of a government agency and so will not be addressed appropriately. Conversely, expanding the range of outcomes for which policy should be responsible might see the encroachment of agencies into areas which they do not have sufficient knowledge or experience (for example, should the Ministry of Education or the Ministry of Health be responsible for healthy education programs?).

- Demonstrating causality in a public policy context is always difficult. Prime experimental conditions for establishing cause and effect are extremely rare when trying to improve people’s lives in a fair and balanced way through major national policy decisions. Collection of the right kinds of data, at the right times, is also central to building the necessary evidence base. Policies targeted at specific outcomes may inadvertently affect a multitude of other factors, or generate unintended outcomes. In the case of well-being metrics there is an additional challenge—because of the multidimensional nature of well-being, the interlinkages between different well-being metrics can be difficult to map out and identify. For example, in the policy evaluation stage of the policy cycle, using well-being metrics broadens the set of outcomes assessed, but isolating the impacts of various dimensions of well-being is most challenging. For many of the well-being indicators that have only been recently introduced in large-scale and high-quality data collections in countries’ national statistics—including subjective well-being—it will take some time yet to build the time series needed to investigate major policy questions of interest, and to enable analytical work such as forecasting. Routine inclusion of well-being metrics in studies commissioned to evaluate policy impacts is also needed to build up the evidence base required.

In the next Global Happiness Council report, further exploration of these issues and best practices will be presented.
divided among the ministries and in the second phase each minister defines how their budget will be allocated between missions and programs. For the 2018 budget, the budget is composed of 31 missions comprising 121 programs. A set of performance indicators is associated to each mission and program, in order to set targets for the next three years and for retrospective assessment at the end of the budgetary year. At the mission level, 95 indicators have been identified and more than 600 indicators are used at the program level.

33 https://www.senat.fr/leg/ppi16-611.html
35 The submission of the DEF report marks the beginning of the annual budget cycle, by defining macroeconomic projections for the next three years and providing the broad orientation for fiscal policy, including the size of expenditure cuts required for the subsequent Budget and Stability laws.
36 Respondents were asked to rate the 12 conditions of well-being identified by the Committee on a 0-10 scale (for more details, refer to: http://www.misuredelbenessere.it/fileadmin/upload/benessere-stat-report.pdf (Italian only))
37 Being self-selected, the sample of 2,518 individuals who responded to the online consultation was not representative of the Italian population. The respondents were mainly aged 25-64 (90% of the sample), two thirds of them having at least an upper secondary degree and almost half of them living in Northern Italy (48%; 32% in the Centre and around 19% in the South) (for more details, refer to: http://www.misuredelbenessere.it/fileadmin/relazione-questionarioBES.pdf (Italian only))
38 There is no direct link to the Sustainable Development Goals.
39 “Comitato per gli indicatori di benessere equo sostenibile”
40 Income is equalized when it has been adjusted to take into account the household composition (as children and adults have different needs and there are economies of scale when people live together)
41 The Committee has, however, raised concerns about the quality of this indicator.
43 In a speech to the New Zealand Treasury, David Gruen of the Australian Treasury explained that by focusing on providing “broad context and high level direction” rather than providing a tool that would deliver concrete answers to policy questions the intended purpose and usage of the framework was not always clear to staff (New Zealand Treasury, 2012).
61 A performance framework is embedded into the national budget in Sweden through the classification of overall government expenditure into 27 distinct “Expenditure Areas”. On the basis of these, high-level goals and indicators can be set. However, the use of the framework is not very systematic, as there is no overarching coherent concept that organizes the framework. Although the Expenditure Areas include goals and key indicators, the indicators are selected by agencies and are not necessarily directly related to the goals (OECD, 2017b).
63 Statistiska centralbyråns, “Indikatorer om hållbar utveckling och livskvalitet till budgetarbetet” SCB, Stockholm
64 See https://wellbeingeconomics.wordpress.com/about/
65 See https://www.gov.uk/government/speeches/pm-speech-on-wellbeing
66 Ibid.
69 See, for example https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/measuringnationalwellbeing/sept2016
70 See https://blog.ons.gov.uk/2017/03/28/national-statistical-blog-reinventing-the-well-being-wheel/
71 See https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/articles/measuringnationalwellbeing/ apr2017
72 See, for example, O’Donnell et al. 2014, where wellbeing and subjective wellbeing are treated synonymously.
73 See https://www.gov.uk/government/news/new-what-works-centre-for-wellbeing
74 See https://www.whatworkswellbeing.org/about/about-the-centre/
75 http://www.alliance4useful evidence.org/assets/Ansa_A4UE_whatworks_final_Full-report-standard.pdf
77 While the Centre was created in 2014, the first few months were spent identifying appropriate research areas and teams, with the first three-year work program launched in June 2015.
78 https://www.whatworkswellbeing.org/
80 https://www.gov.uk/government/publications/culture-white-paper


Appendix: Seven Case Studies of Well-Being Indicator and Policy Frameworks

Ecuador: The good life (*Buen Vivir*)

The concept of “*Buen Vivir*” (the good life) has been at the core of Ecuador’s initiative to integrate well-being frameworks into policy making. *Buen Vivir* goes beyond the anthropocentric view of well-being and values the well-being of nature, not from a utilitarian perspective but with its own intrinsic worth. At the initiative of President Rafael Correa, *Buen Vivir* was included in a revision of the constitution in 2008.\(^\text{14}\) *Buen Vivir* was placed at the center of the country’s National Development Plans, and a dedicated *Buen Vivir* Ministry was established in 2013.

*Buen Vivir*—a concept embedded in the National Constitution

Approved by referendum in September 2008, the Ecuadorian Constitution defined a social vision for the years to come. Its articles go beyond civic rights, the organization of power and the limits of the political regime, to conceptualize the values and world view of the native Quechua peoples around what they call *Sumak Kawsay*, which in Spanish can be translated as “Buen Vivir.” The academic literature presents various definitions for the term, each of them highlighting different values and theoretical frameworks. However, the Constitution was the result of a democratic process that brought together 130 Ecuadorian citizens in a Constitutional assembly, agreeing on common ground: that *Buen Vivir* can be understood as the achievement of internal harmony; of harmony within the community and among communities, as well as harmony with Nature. This last dimension is of particular importance due to the country’s renowned biodiversity embodied in the Galapagos Islands. Ecuador is in fact the first nation to recognize nature as having constitutional rights.

Ultimately, this vision aims for new form of sustainable development, which considers progress beyond economic growth by focusing on people’s well-being within communities and respecting Nature as a subject, not simply as a human resource.

In 2013, former President Correa issued an executive decree to create a “State Secretariat for Good Living” (or *Secretaría del Buen Vivir*, in Spanish). Although its original mandate was until December 2017, it was terminated following last year’s presidential election. Nevertheless, the initiative lasted for just under four years, and was allocated a budget of approximately 12 million USD.\(^\text{15}\) A total of 21 people worked for the Secretariat.

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**Figure A.1 The three core components of Buen Vivir**

![Diagram of the three core components of Buen Vivir](source: Adapted from “Buen vivir en el Ecuador: del concepto a la medición”, p.52.)
with different backgrounds ranging from fields such as sociology and anthropology, to communications and project management. The three main areas of activity were research and promotion of “good living” practices via national media channels and schools, development proposals to other ministries on the topic of Buen Vivir, and the dissemination of Buen Vivir on an international scale. According to Spanish sociologist and former Director, Jesús Sanz, all objectives were met with just 30% of the budget provided. Projects included a “National Values Plan” implemented across public institutions, the launch of a book for children on “values and virtues” at the 2016 CELAC summit. Initiatives in close collaboration with other institutions to promote volunteering, and over 100 videos for national television on citizens’ experience in the pursuit of happiness.

The next step taken by the Ecuadorian government to implement this new vision was to incorporate the concept of Buen Vivir in the National Development Plans, which set out four-year objectives for the political project (2009-2013; 2013-2017; 2017-2021). The Ministry of Planning (SENPLADES), states in its most recent report (SENPLADES, 2017): “The citizens’ revolution is committed to Buen Vivir, for everyone. We want a society in which people can satisfy their needs, live and die worthily with social equality and justice, free of violence and discrimination, achieving individual, social and natural harmony.”

The National Plan for Buen Vivir 2017-2021 stems from a Constitutional mandate for the Government, which is to “plan national development, eradicate poverty, promote sustainable development and an equal redistribution of resources and riches, to achieve Buen Vivir” (Article 3). It sets out goals for national policy, based on core elements of the Constitution that guarantee certain rights. Subtitled “Planning for a lifetime,” the main objective of the national plan is to adopt an inclusive approach so that no one is left out of the development process for Buen Vivir. This approach is structured around three main policy areas: “Lifelong rights for all citizens,” “an economy at the service of society,” and “a wider society for a better State.” Each area contains three goals representing national interests, with detailed target levels to be achieved by 2021. The 38 targets are based on a range of indicators aligned with each goal.

**Buen Vivir** metrics at the heart of policy alignment

Such a central role in the national development strategy required a measurement tool in accordance with the conceptual outline drawn by the Constitution, in order to help design and evaluate public policy. In close collaboration with the SENPLADES, the Ecuadorian National Institute for Statistics (INEC) was responsible for developing a holistic, multidimensional metric for monitoring the programs carried out by the national government. In 2015, INEC delivered its

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**Table 4.1 Buen Vivir dimensions and indicators at a glance**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Example indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Habitat and housing</td>
<td>Households with acceptable living conditions, adequate sanitation systems, safe housing ownership.</td>
</tr>
<tr>
<td>Water and sanitation</td>
<td>Access to water through safe sources, access to adequate sanitation, hygiene.</td>
</tr>
<tr>
<td>Health</td>
<td>Access to and contact with health services, quality of services and installations, acceptable waiting time.</td>
</tr>
<tr>
<td>Jobs and security</td>
<td>Employment opportunities, necessary employment conditions, child labor.</td>
</tr>
<tr>
<td>Education</td>
<td>Adult educational attainment, educational equipment: computers, sports facilities, internet, libraries, laboratories.</td>
</tr>
<tr>
<td>Relations amongst communities and subjective well-being</td>
<td>Trust amongst people and communities, solidarity and volunteering, human flourishment.</td>
</tr>
<tr>
<td>Environmental practices</td>
<td>Good water-saving and energy-saving practices, good consumption practices, sustainable mobility.</td>
</tr>
</tbody>
</table>
first methodological proposal for measuring *Buen Vivir*, in a report\(^{21}\) that would be the starting point for a study in tandem with the Statistical Commission for the Construction of New Metrics for Buen Vivir. Based on the dimensions presented in Error! Reference source not found., *Buen Vivir* is composed of three components, each based on different units of analysis: people, communities and nature. Due to the lack of methodological knowledge on simultaneously integrating three units of analysis into a single synthetic indicator, the strategy adopted by INEC has been to start measuring *Buen Vivir* using the first component: people. Given the equal importance *Buen Vivir* gives to the other components, this implies expanding the indicators so that they reflect flourishment and quality of life, and not just subsistence.

The selection of seven dimensions and over 35 objective and subjective indicators is based on the various rights recognized by the Constitution, international experiences of life quality measurement (including the OECD Guidelines on Measuring Subjective Well-being\(^{22}\)), as well as national literature on the more subjective and spiritual facets of *Buen Vivir* (Table 4.1).

Initially, a workshop among local actors and academics was organized in order to identify common ground amongst the different schools of thought, within the legal framework stipulated by the Constitution. Shortly afterwards, a second workshop brought together international actors (OECD, FAO, OPHI among others) to open up the debate. Finally, discussion groups were put in place to hear the voice of civil society on what matters most for *Buen Vivir*. Although the final goal of constructing a multidimensional index is yet to come to fruition, important measures have been implemented since 2016, such as the inclusion of a set of questions to the national household survey to begin quantifying certain indicators that to date, had never been measured in Ecuador.

### France: New Wealth Indicators (Les nouveaux indicateurs de richesse)

A law stipulating that government will present a report on “New Wealth Indicators” to parliament on an annual basis was approved by parliament on April 14th 2015. The report should cover progress made in view of the “New Wealth Indicators,” and will also assess the impact of the main reforms enacted in the previous year according to these indicators. The timing of the report was set to coincide with the national budget process.

**Previous initiatives prepared the ground for the New Wealth Indicators law**

At the time of the law proposal, several previous initiatives had already raised public awareness and informed policy makers. For example, since the early 2000s, several local authorities\(^{23}\) had developed alternative measures of performance beyond GDP. In 2003, the Nord-Pas-de-Calais region first computed a Human Development Index (HDI) at the regional level. Building on this first initiative, and with the assistance of researchers and representatives of civil society and trade unions, the regional government of Nord-Pas-de-Calais then developed a set of indicators measuring the social health of all French regions in 2008 (Jany-Catrice, Marlier, 2015).

That same year, President Nicolas Sarkozy established the Stiglitz-Sen-Fitoussi *Commission on the Measurement of Economic Performance and Social Progress*, which has subsequently had a profound role in the integration of beyond GDP indicators. Based on the recommendations of the *Commission*, the French National Statistics Office (INSEE) ran a survey in 2011 measuring French quality of life and has since published several documents on this topic (INSEE, 2013). INSEE has also developed a set of indicators to assess the quality of life at different regional levels (INSEE, 2014).

In the same period, the “*Forum pour d’autres indicateurs de richesse*” (“Forum for other indicators of wealth”) was created by a group of civil society actors aiming to support the use of alternative indicators when forming and assessing public policies. This forum regularly publishes documents, organizes debates and participates in public conferences in order to communicate the importance of using alternative indicators to complement GDP.

**The New Wealth Indicators law was approved with no objection**

The New Wealth Indicators law was first filed on October 14th 2014 by a group of three parliamentarians led by Eva Sas (Senator from
The law proposal was approved unanimously by the National Assembly and the Senate. While the law proposal suggested that the report on the new wealth indicators would be published in October, when discussions on the budget law are held in parliament, some representatives argued that it should be published in June when the final public spending for the previous year is approved by parliament.

The final version of the law approved on 14 April 2015 stipulates that: “The government will submit annually to the parliament, on the first Tuesday of October, a report presenting the evolution, over the last years, of new wealth indicators as indicators on inequalities, quality of life and sustainable development, as well as a qualitative or quantitative assessment of the main reforms initiated in the previous, in the current, and in the following year. The report will be presented during the debates on the budget law and these new indicators will be compared to the GDP. The report can be debated in the Parliament.”

Two issues were of vital importance in the law for Representative Eva Sas, initiator of the law: (i) that the law would not prescribe the list of indicators—the indicators must instead be selected after a large national consultation that would include researchers, representatives of civil society, international organizations and experts. An additional requirement was that surveys would be run to further validate that the indicators accurately reflected the views of citizens. (ii) That the report can be debated in a plenary session in Parliament at the government’s request. This is to allow for the New Wealth Indicators to be considered concurrently with the discussions of the budget law.

After the law on the new wealth indicators was ratified, “France Stratégie,” a consultative body attached to the Prime Minister, and the Economic, Social and Environmental Council (CESE), a

<table>
<thead>
<tr>
<th>Themes</th>
<th>Indicators suggested by France Stratégie-CESE and the public consultation</th>
<th>Indicators selected by Government in the 2015/6 reports</th>
<th>Indicators included in the budget Performance Indicator Set</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economics</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employment</td>
<td>Employment rate</td>
<td>Employment rate</td>
<td>Yes</td>
</tr>
<tr>
<td>Investment</td>
<td>Debt-to-GDP ratio by sectors (government, firms and households)</td>
<td>Debt-to-GDP ratio by sectors (government, firms and households)</td>
<td>No</td>
</tr>
<tr>
<td>Financial stability</td>
<td></td>
<td>R&amp;D expenditure (% of GDP)</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Social</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Health</td>
<td>Healthy life years</td>
<td>Healthy life years</td>
<td>Yes</td>
</tr>
<tr>
<td>Quality of life</td>
<td>Life satisfaction</td>
<td>Life satisfaction</td>
<td>No</td>
</tr>
<tr>
<td>Inequalities</td>
<td>Income decile share ratio (S90/S10) or income poverty or material deprivation rate</td>
<td>S80/S20 and material deprivation rate</td>
<td>No</td>
</tr>
<tr>
<td>Education</td>
<td>Share of people with tertiary educational attainment or share of people with a vocational and technical degree</td>
<td>Early school leavers (18-25 years old)</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate</td>
<td>Carbon footprint</td>
<td>Carbon footprint</td>
<td>Yes</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>Bird index</td>
<td>Proportion of artificialized areas</td>
<td>No</td>
</tr>
<tr>
<td>Natural resource</td>
<td>Share of municipal waste recycled</td>
<td></td>
<td>No</td>
</tr>
</tbody>
</table>
consultative assembly, initiated comprehensive work in order to select the new wealth indicators.

The final set of indicators presented in June 2016 were the result of an extensive consultation process, which included a working group, which set the ground for the public consultation; and an extensive three-part public consultation, including an online survey, a representative telephone survey and designated workshops (see Box 2.2). At the end of the consultation process, France Stratégie and CESE published a list of 10 themes measured by 15 indicators, with the recommendation to government to adopt 10 of these indicators (France Stratégie-CESE, 2015). For some of the themes, more than one indicator was proposed, allowing the government to select from these. The list of indicators is shown in Table 4.2.

The implications of the law

The law on the new wealth indicators has several implications, the most immediate one being the publication of a report presenting these indicators, and evaluating how the main reforms initiated in the previous, current and following year will affect the indicators. The report, published every year in October by the Prime Minister’s Office, shows the evolution of the indicators over the past decade and compares France’s position with the EU average or to a group of European countries. It also explains how the main reforms introduced during the previous year impacted the evolution of the 10 indicators (through a short qualitative and, when possible, quantitative assessment). In 2015, the government released the report, presenting it to selected Parliamentary committees (Cultural Affairs, Economic Affairs, Finance, and Sustainable Development) rather than in a Parliament plenary session. In 2016, the Prime Minister’s Office released the second report on the new wealth indicators, including a more extensive assessment of the effects of reforms, but without discussing the report in either a Parliament plenary session or in parliamentary committees.

A note released in March 2017 by the Minister of Budget suggested the integration of six out of the 10 new wealth indicators into the Performance Indicator Set that were first introduced in 2001. For the 2018 budget, five out of six of the new wealth indicators are in fact included in the 95 first-level indicators (Table 4.2).

In July 2017, senator Franck Montaugé of the Socialist party filed a law proposal related to the new wealth indicators, comprised of three articles. The first article proposes to establish a Council for the Evaluation of Public Policy and Well-Being, with the objective of informing parliament on the consequences of public policies on well-being and sustainability. The Council would also be responsible for creating and maintaining a digital platform communicating the new wealth indicators for the general public. The Council would be composed of 18 members of parliament and 18 senators, and be assisted by a scientific committee. The second article of the law suggests an assessment of the new wealth indicators in order to determine if there is room for improvement or complementary qualitative indicators. The final article proposes that an independent body will present a second opinion alongside the publication of the annual report by the Prime Minister’s Office. This law proposal will be discussed in parliament by the beginning of 2018.

Additionally, in 2016 the General Commission for Territorial Equality (CGET) published a report on the new wealth indicators at the regional levels, and committed to an annual publication of these indicators.

Italy: Equitable and Sustainable Well-Being (Benessere Equo e Sostenibile)

The process of implementing well-being frameworks into policy settings began in Italy with the formulation of a measurement framework on well-being. This has provided the basis for subsequent efforts to integrate the set of indicators into policy making through the public finance process.

The annual budget cycle is set, de facto, in two parts: the three-year horizon-planning document (DEF—Documento di Economia e Finanza) issued in April and the Budget law submitted to Parliament in mid-October and approved by the end of the year.

The Budget reform’s law, which officially introduces well-being indicators in the Italian public finance process, provides for:
- A Report attached to the DEF that includes the evolution of the selected well-being indicators over the last three years and the forecast over the following three years, also considering the possible impact of the economic policy announced by the Government over this period. The report is based on data provided by the Italian Institute of Statistics (ISTAT), and on forecasting simulation models by the Ministry of Economy and Finance (MEF);

- A Report to be presented to the Italian Parliament by February 15th every year, illustrating the impact of the policy measures included in the Budget law on the well-being indicators for the next three years.

The “Benessere Equo Sostenibile” (BES) framework

In December 2010, the National Council for Economics and Labor (CNEL, a constitutional body that advises the Italian government, the Parliament and the regions, and promotes legislative initiatives on economic and social matters) and the Italian Institute of Statistics (ISTAT) launched the “Equitable and Sustainable Well-Being” (“Benessere Equo e Sostenibile”—BES) project, with the goal of agreeing on a measurement framework that could be used to assess people’s well-being in Italy.

The first stage of this project involved the creation of a Steering Committee (“Comitato di Indirizzo”) to select the well-being domains. The Steering Committee was supported by a Scientific Commission composed of ISTAT experts and academics from different fields. The Scientific Commission selected the indicators for each of the domains identified by the Steering Committee, while a Support Group (“Gruppo di supporto”), whose members were selected by ISTAT and CNEL, helped coordinate between the two bodies and the Steering committee.

The measurement framework, which was defined as a “work in progress,” has also been shaped by two public consultations: the first focused on the importance of the 15 aspects of well-being identified by the Committee and was conducted by ISTAT, based on a representative sample of the Italian population through the Italian General Social Survey (“Indagine Multiscopo”) in February 2011; the second was conducted online, with citizens invited to communicate on the domains of well-being identified by the committee through a dedicated website (see Box 2.2). Following the first BES report in 2013, more than 100 meetings were organized by ISTAT and civil society actors, which resulted in methodological and technical improvements to incorporate higher-quality and more timely measures within the BES framework.

The BES framework now includes 130 indicators, covering both objective and subjective measures of well-being, equality and sustainability, grouped in 12 domains: health; education and training; work and life balance; economic well-being; social relationships; politics and institutions; security; subjective well-being; landscape and cultural heritage; environment; research and innovation; and quality of services. ISTAT is responsible for the annual publication of national indicators, which are based on either administrative data or official surveys. Measures of “Equitable and Sustainable well-being” (BES) are also available at sub-national level (i.e. provincial- and city-levels), thanks to the collaboration of local government.

The policy use of well-being measures in Italy

On the basis of the Budget reform law, on August 4th 2016, the Italian Prime Minister established a Committee with the task of selecting indicators to measure equitable and sustainable well-being, drawing on national and international experience. This followed the proposal by the Ministry of Economy and Finance (MEF), and was enacted through a revision of the Budget law. The Committee was chaired by the Minister of Economy and Finance and was comprised of the president of ISTAT, the Governor of the Bank of Italy and two experts with outstanding scientific experience.

The revision of the budget law stipulated that the indicators selected by the Committee would be integrated into a report drafted by the MEF as the Document on the Economy and Finance (DEF), which is submitted to both houses of Parliament for transmission to the Parliamentary commissions by February 15th each year. The submission of the DEF report marks the beginning of the annual budget cycle, by defining macro-economic projections for the next three years and providing the broad orientation for fiscal
policy, including the size of expenditure cuts required for the subsequent Budget and Stability laws.

The new revision of the law mandates that the DEF would incorporate a report on progress made in view of the well-being indicators. This would cover a period of the previous three years, and forecasts for the next three years. The report would be based on data provided by ISTAT and on forecasting simulation models. The Committee selected 12 indicators from the 130 metrics considered in the BES framework, which are detailed in Table 4.3.

Table 4.3. BES Indicators Selected for the DEF report

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Details</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average household gross adjusted disposable income per capita</td>
<td>Average income that a person living in Italy can “potentially” spend, after deducting taxes and social contributions and adding the receivable social transfers in kind</td>
<td>ISTAT, National Accounts</td>
</tr>
<tr>
<td>Inter-quintile income share (measure of income inequality)</td>
<td>The ratio between the average equalized income of the richest 20% of the population and the average equalized income of the poorest 20% of the population</td>
<td>ISTAT, EU-SILC survey</td>
</tr>
<tr>
<td>Index of absolute poverty (measure of social exclusion)</td>
<td>Percentage of people living in households with average expenditure below the absolute poverty threshold, over the resident population</td>
<td>ISTAT, Household expenditure survey</td>
</tr>
<tr>
<td>Healthy life expectancy at birth</td>
<td>Average number of years that a newborn can expect to live in good health</td>
<td>ISTAT, Mortality tables and Italian general social survey</td>
</tr>
<tr>
<td>Obesity and overweight rate (measure of health risk)</td>
<td>Standardized percentage of people aged 18 or more obese or overweight</td>
<td>ISTAT, Italian general social survey</td>
</tr>
<tr>
<td>Early leavers from education and training (EU2020 target measure)</td>
<td>Percentage of young people (aged 18-24) who have completed at most a lower secondary education and are not engaged in education, employment or training</td>
<td>ISTAT, Labor force survey</td>
</tr>
<tr>
<td>Unused labor participation</td>
<td>Sum of unemployed people and “potential additional labor force” (i.e. people available to work, even if they did not look for a job in the past four weeks) over the total labor force (the total employed and unemployed) and the “potential additional labor force,” referring to people aged 15-74</td>
<td>ISTAT, Labor force survey</td>
</tr>
<tr>
<td>Employment ratio for women caring for young children</td>
<td>Ratio of employment rate for women 25-49 years with children under compulsory school age to the employment rate of women in the same age range without children</td>
<td>ISTAT, Labor force survey</td>
</tr>
<tr>
<td>Criminality index</td>
<td>Number of burglaries, pick-pockets and robberies per 1,000 inhabitants</td>
<td>Police and ISTAT survey on personal security</td>
</tr>
<tr>
<td>Efficiency of the judicial system</td>
<td>Length of civil proceedings of ordinary cognizance of first and second degree: average duration in days of civil proceedings defined by a judgment.</td>
<td>Ministry of Justice</td>
</tr>
<tr>
<td>Emissions of CO2 and other greenhouse gases (measure of environmental risk)</td>
<td>CO2 and CO2 equivalent methane (CH4) and nitrous oxide (N2O) man-made emissions due to agricultural, urban and industrial activity per capita</td>
<td>ISTAT, Emissions accounts “NAMEA”</td>
</tr>
<tr>
<td>Illegal building rate</td>
<td>Ratio of the number of unauthorized buildings to the number of building permits issued by the Municipalities</td>
<td>Centro ricerche economiche sociali di mercato per l’edilizia e per il territorio (CRESME)</td>
</tr>
</tbody>
</table>
• periodically reviewing the list, to take into account the socio-economic evolution of the country, and to reflect the latest measurement and methodological advancements;

• monitoring the evolution of well-being in the three years preceding the DEF beyond the 12 selected indicators; and,

• investing in the improvement and development of forecasting models for the evaluation of the impact of policies in the well-being indicators.

The law entered into force in September 2016 and, in the 2017 publication of the DEF, a first experimental exercise of policy impact and forecasting was conducted on a subset of four indicators (average household gross adjusted disposable income per capita, inter-quintile income share, missed labor participation and emissions of CO2 and other greenhouse gases). For each indicator, in addition to the information on its evolution over the past three years, a three-year forecasting scenario based on actual policies (i.e. “scenario tendenziale”) and on the policy measures introduced in the DEF 2017 (i.e. “scenario programmatico”) was provided.

In August 2017, the 12 indicators were favorably reviewed by the Budget Committee of the Chamber of Deputies (lower house of the bicameral Italian parliament), with a large consensus across parties and after collecting the opinion of the parliamentary commissions. The president of the Budget Committee of the Senate (higher house of the Italian parliament) has also given a positive review of the indicators. The law will be fully implemented in 2018, under the clause of financial neutrality (i.e. with no additional cost for the public finance). As such, impacts of the reform on policy making are yet to be identified. Continued monitoring of the implementation of the law and of its impacts on the policy setting in Italy will be valuable for learning from this experience.

New Zealand—The Living Standards Framework

New Zealand has made substantial efforts to implement a well-being framework into policy making, mainly within the work of the Treasury. The experience of New Zealand is more mature than some other case studies presented in this chapter, and shows the importance of adaptability of the framework as well as on-going engagement and senior buy-in.

While this work was carried out as part of the Treasury’s commitment to continuously improve its policy advice, it was also triggered by criticisms about the lack of clarity surrounding the Treasury’s vision (LECG, 2009), as well as by the emergence of an international body of research on the need for government policy to look “beyond GDP.” In particular, the recommendations of the Commission on the Measurement of Economic Performance and Social Progress (also known as the Stiglitz-Sen-Fitoussi report, CMEPSP, 2009) was particularly influential, prompting the former Secretary to the Treasury, John Whitehead, to launch an internal work stream to evaluate how the CMEPSP findings could be applied to the department’s research and analysis. The result of these efforts was published as the first version of the Living Standards Framework in 2011 (New Zealand Treasury, 2011). However, Treasury always saw the Framework as a multi-step process (New Zealand Treasury, 2012), which should evolve for different purposes.

The Living Standards Framework

The Living Standards Framework is “intended to help Treasury consistently provide Ministers robust, theoretically-grounded and evidence-based advice that aims to improve the lives of all New Zealanders” (New Zealand Treasury, 2011). It was developed on the basis of a number of guiding principles (New Zealand Treasury 2011, 2012), namely:

• there are a broad range of material and non-material determinants of living standards beyond income and GDP;

• freedoms, rights and capabilities are important for living standards;

• the distribution of living standards across different groups in society is an ethical concern for the public, and a political concern for governments;

• the sustainability of living standards over time is important, implying that policy needs to weigh up short-term and long-term costs and benefits; and,

• measuring living standards through subjective measures of well-being provides a useful cross-check of what is important to individuals.
The Framework is based on a model of societal stocks and flows (Figure A.1 Stocks and Flows in the Living Standard Framework). Four capital stocks—financial/physical, human, social and natural capital—are identified as the drivers of current flows in society. In turn, flows—such as income, employment, leisure, freedom, security and amenities—affect future stocks and, therefore, future living standards. In the first presentation of the Framework (New Zealand, 2011), a number of dimensions and indicators were proposed as a way to operationalize the model for policy use. In total, 10 dimensions—income, wealth, employment, leisure, education and skills, health, security, environment, and subjective well-being—were represented by 44 preliminary indicators, showing overall performance in New Zealand as well as distribution across the population.

For the next few years the Treasury shifted emphasis to meeting the need to provide guidance to day-to-day policy decisions and choices (New Zealand Treasury, 2012). This meant that, while the capital stocks and flows model still underpinned the Framework, guidance to Treasury analysts on the use of the framework emphasized ‘key focus areas’ to encourage analysts to broaden their policy analysis beyond traditional financial measures of costs and benefits, to consider potential impacts on economic growth, sustainability for the future, equity, social cohesion, and resilience. These five focus areas were selected to make the tool more practical for Treasury analysts. The focus areas were selected based on four criteria: they are areas where government decisions are a key influence; they reflect Treasury’s role in the Government’s policy process; they focus on areas that make a major (rather than marginal) difference to living standards; and, they represent key areas of tension where Government is often faced with competing objectives (New Zealand Treasury, 2012).

From around 2016, development attention focused on the four capitals and the need to understand their interactions, substitutability, complementarity and trade-offs across them in order to support further deepening of the applicability of the framework to policy advice. The Treasury’s 2016 Long Term Fiscal Statement, called He Tirohanga Mokopuna, was released. It used the Four Capitals as a framework for reporting on the long term fiscal issues facing the economy and signaled a renewed emphasis on the stock-flow approach identified previously. The Four Capitals are now depicted as an interwoven mat, with a focus on ‘raranga’ or weaving, to signify the interrelationship between the capitals.
The initial version of the Living Standards Framework was developed over 18 months by Treasury staffers. The model and concepts were built through desktop research (drawing on previous national and international findings on the concepts of well-being, sustainability and endogenous economic growth) as well as widespread consultation with other government departments. Data and analysis contributed by Statistics New Zealand and the Ministries of Social Development and of the Environment played a significant role in its development (New Zealand Treasury, 2011). While public consultation on the Framework was limited initially, some of the key contributing elements (such as Statistics New Zealand’s work on Sustainable Development) did integrate public consultation (see Box 2.2). From the start, the Treasury stated that the Framework should be seen as “work in progress,” inviting comments and feedback on every iteration.

As already noted, the second stage of the Framework’s development focused on identifying ways in which the Framework could be used as a practical tool for day-to-day use by Treasury staff in making policy evaluations and decisions. Other government agencies (such as the Ministry of Social Development and Statistics New Zealand) were already measuring New Zealand’s performance over time and against other countries based on similar frameworks (New Zealand Treasury, 2012). The importance of prioritizing practical usefulness was also emphasized by staff from the Australian Treasury, based on their own experience of developing a broader well-being framework.43

A 2015 review of the policy uses of the Framework (Au and Karacaoglu, 2015) highlighted a number of ways that the Framework had been applied to that point. The Framework had:

- Served as a reminder of the wider dimensions of well-being that Treasury advisers should take into account when formulating policy advice. The Framework had been used for brainstorming in the early stages of a project, or for conducting a thorough review of the potential effects of a given policy or group of policies. This use had helped policy analysts focus on what matters the most to people, as well as providing a fresh way of thinking about old problems.

- Served as a guide for the quantitative assessment of trade-offs between alternative
The Framework had been used to explore which aspects of living standards are most important to people, in order to understand the trade-offs that people are willing to accept and help decision-makers make optimal public policy choices. For example, a multi-criteria analysis based on the Framework using a sophisticated surveying methodology had allowed Treasury researchers to explore people’s views related to different pension finance scenarios, to identify the policy package most in line with people’s preferences (Au et al. 2015).

- Served as a guide for designing policies, based on a shared vision of how New Zealanders wish to live. Together, the five focus areas of the Framework—potential economic growth, sustainability, equity, social cohesion, and resilience—were intended to encompass all policy-amenable aspects of New Zealanders’ living standards.

Work to advance and refine the policy uses of the Framework is ongoing. The intention continues to be to apply the Framework in different ways to different policy areas and different stages of the policy process. One important use is to guide analysts to the areas of the research literature which should be reviewed, and the particular research communities with which to connect, to ensure a comprehensive assessment of relevant and up-to-date evidence. This flexibility can be useful in a range of situations. In an April 2015 survey, 59% of the Treasury’s public sector stakeholders were aware of the Living Standards Framework; of those who were aware, 63% found it either very or fairly useful (Au and Karacaoglu, 2015).

While in the early stages of the development of the Framework the Treasury chose to focus on the practical usage of the Framework as a heuristic, rather than emphasizing the development of indicators, this was not because the role of measurement was seen as unimportant. On the contrary, the importance of measurement and official statistics was recognized since the beginning, and Statistics New Zealand was one of the most important partners in the evolution of the Framework. Statistics New Zealand had already devoted much work and public consultation to develop a broad range of social, economic and environmental progress indicators, which were launched in 2008.

The two agencies continue to collaborate to ensure that core indicators used in the Framework are based on official, high-quality statistics to the extent possible, while also having regard to the range of other data available that should be considered to ensure comprehensive coverage of the relevant well-being domains. As the Framework has evolved to be adapted to a variety of different policy contexts and applications, the relevant measures differ depending on circumstances.

The current phase of the work is focused on supporting the stock-flow approach based on the four capitals, and developing the measurement framework to assess current well-being in New Zealand. After a review of a range of available international frameworks, The Treasury has chosen to base the measurement development work on the OECD’s Better Life Initiative framework, with the Better Life Index (BLI) and its array of sub-measures (Burton et al., 2017). The Treasury intends to adapt and supplement the BLI measures with additional indicators of particular relevance to New Zealand, as well as refine the set of measures to focus on priority social and economic areas and pressures in New Zealand. This is work in progress.

Scotland: Scotland Performs

The experience of using indicators relating to people’s well-being and sustainability in Scotland was preceded by the development of an outcomes oriented performance framework. The framework then integrated indicators relating to people’s well-being, broadening the set of outcomes by which government performance was monitored.

In 2007, the Scottish National Party was elected on the basis of a manifesto that promised a number of public sector reforms, including streamlining departmental structures to improve efficiency and reduce silos, exploring new monitoring approaches to assess government performance, and producing a regular ‘Health of the Nation’ report on a range of economic and social outcomes. The new Government’s 2007 Budget Spending Review introduced the National Performance Framework for the first time, with the aim...
of putting these promises into practice (Scottish Government, 2007). The Framework aimed to put the focus of government priorities on outcomes (rather than purely on inputs or outputs), and was inspired by an outcomes-based model used in the Commonwealth of Virginia in the United States, known as Virginia Performs. Over the years, the Scottish National Performance Framework has continued to evolve, but remains a central element of government planning and performance evaluation in the country.

Description of Scotland’s National Performance Framework

The National Performance Framework (NPF) was developed to guide a whole-of-government approach for developing policy and assessing progress. Each part of the performance framework is directed towards, and contributes to a single overarching purpose, namely to, “focus government performance and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing economic sustainable growth” (Scottish Government, 2007). This purpose is supported by a number of high-level purpose targets, strategic objectives, national outcomes, and finally by a set of national indicators, as set out in Figure 4.1.

The content, including all underlying indicators, can be accessed on the Scotland Performs website, the main channel for the Scottish Government’s reporting on progress within the NPF. At the heart of the Framework are the 16 National Outcomes, which together describe a vision for what the Government strives to achieve, covering economic, societal and environmental goals related to business, employment, education and skills, child-well-being, health, inequalities, social exclusion, safety, community, sustainable consumption, and other areas (see Box A.1). The NPF is underpinned by 55 indicators to measure progress towards the outcomes, and support the over-arching purpose. Each national outcome is linked to a number of indicators, and various indicators are attached to multiple outcomes.

The development of the National Performance Framework

Since the launch of the NPF in 2007, it has been regularly reviewed, and two ‘refreshed’ versions have been released (in 2011 and 2016). Changes principally concern the indicator set, with some indicators being replaced, and more being added over time (expanding from 45 in the original set to the current 55). In the 2016 refresh, amendments were also made to a selection of the Purpose Targets. For the development and review of the Framework, the Scottish Government has consulted with a number of partners from other sectors, such as academia and civil society. To date no broader public consultation has taken place at any stage, although assessing how public engagement and communication can be improved has factored into the review discussions.

![Figure 4.1. The structure of the National Performance Framework](source: Scottish Government (2007, 2016))
While the concept of well-being did not factor explicitly into early communication around the Framework, this has been embraced more strongly over time. The recommendations of the Commission on the Measurement of Economic Performance and Social Progress (otherwise known as the Stiglitz-Sen-Fitoussi report, CMEPSP, 2009) and a report by the Carnegie Trust (2011) on the importance of looking beyond GDP were influential in emphasizing the importance of well-being measures and underlining the role of the Framework as a well-being policy tool. An explanation of the 2011 revision stated:

“Consideration was given to the growing interest in well-being, following from the Stiglitz-Sen-Fitoussi agenda…and the subsequent report from the Carnegie Trust …The refreshed NPF continues to provide a range of indicators that, when taken together, provide an overall picture of individual and societal wellbeing in Scotland. It retains many of the previous indicators of subjective wellbeing, including mental wellbeing, satisfaction with neighborhood, and perception of local crime rate, and adds a new subjective measure of self-assessed general health. It also retains many of the more objective indicators that measure societal wellbeing beyond GDP, such as poverty, housing, crime victimization, biodiversity and renewables, and adds several new indicators such as children's deprivation and cultural engagement.” (SPICe Information Center, 2012)

However, in comparison to the UK National Well-being Program led by the UK Office for National Statistics (ONS), no special emphasis is given to the importance of subjective well-being in the NPF. In addition, the Scottish Framework uses the Warwick-Edinburgh Measure of Mental Well-being (WEMWBS)52 rather than the four

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**Box A.1 National Outcomes in Scotland’s National Performance Framework**

1. We live in a Scotland that is the most attractive place for doing business in Europe.
2. We realize our full economic potential with more and better employment opportunities for our people.
3. We are better educated, more skilled and more successful, renowned for our research and innovation.
4. Our young people are successful learners, confident individuals, effective contributors and responsible citizens.
5. Our children have the best start in life and are ready to succeed.
6. We live longer, healthier lives.
7. We have tackled the significant inequalities in Scottish society.
8. We have improved the life chances for children, young people and families at risk.
9. We live our lives safe from crime, disorder and danger.
10. We live in well-designed, sustainable places where we are able to access the amenities and services we need.
11. We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others.
12. We value and enjoy our built and natural environment and protect it and enhance it for future generations.
13. We take pride in a strong, fair and inclusive national identity.
14. We reduce the local and global environmental impact of our consumption and production.
15. Our people are able to maintain their independence as they get older and are able to access appropriate support when they need it.
16. Our public services are high quality, continually improving, efficient and responsive to local people's needs.
questions on subjective wellbeing developed by the ONS (Carnegie Trust, 2013).

**Role in government decision-making**

The National Performance Framework has had a fundamental impact on the structure and working methods of the Scottish public sector by providing a set of objectives, and accompanying indicators, around which all departments and agencies, at central government and local level, aim to be aligned. As the head of the Scottish Government Performance Unit, Anne-Marie Conlong, put it: “Quite simply, the National Performance Framework transformed how we do government in Scotland—in policy terms, in partnership working and in the leadership, management and culture of our organisation”.53

In terms of direct links between the NPF measures and decision-making processes in government, the situation has evolved over time. Initially, the Scotland Performs website was developed as a stand-alone resource, providing ongoing updates on the progress made in each indicator, with little or no additional reporting provided to Parliament or other stakeholders. The Scotland Performs Technical Assessment Group (made up of Scottish Government chief professional officers and senior analysts) set thresholds for each indicator and target to represent what constitutes a ‘stable’ position. Performance in each indicator is assessed over time, with the time period and method for assessing trends varying depending on the indicator, and communicated in technical notes on the site.54 However, over the years, there have been calls to integrate NPF reporting more closely with the policy-making, and especially the budget-setting process (e.g. SPICe Information Centre, 2012; RSE 2013).

As a result, specific measures have been taken to improve the way that measures and analysis related to the NPF are communicated to policy makers, starting with ‘scorecards’ being produced to accompany the budget review process, which usually takes place every two to three years. These scorecards summarize ‘at a glance’ the evolution of indicators for relevant NPF outcomes, for each committee in the Scottish Parliament, showing whether performance is improving, maintaining or worsening. More recently, the scorecards have been accompanied by an additional report setting out more strongly the inter-relationship between the Government’s activities, spending plans and Scotland Performs, outlining the key choices made and a number of representative examples (Scottish Government, 2015). While it has been noted that this form of reporting has been widely used by Committees,55 recent Finance Committee guidelines for the draft 2016-2017 budget process suggests that there is more scope to use the NPF to hold public bodies to account for the delivery of outcomes.56

Overall, the ‘Scottish experiment’ in outcomes-based performance management has been widely commended, both in the UK and internationally (Carnegie Trust, 2013). Some department s have gone quite far in producing strategies that link their own actions to the NPF targets and outcomes, accompanied with concrete indicators of change, such as the Justice department’s 2017 strategy document “Justice in Scotland: Vision and Priorities”.57 However, linking the high-level purpose, targets and outcomes of the Framework with the government’s actions and spending programs remains an ongoing challenge.

The Scottish Government remains committed to the NPF, and to its continued adaptation for more effective policy guidance for improving well-being and sustainability outcomes in the country. Another review is being undertaken in 2017-2018, which aims to revisit the purpose, outcomes and indicators in a more fundamental way than previous refreshes, given that a decade has now passed since its launch (and the original 10-year ‘vision’). Public outreach will play a much more fundamental role in this review than previously, with discussions with community groups and members of the public being held across a number of different channels and events to provide a more bottom-up perspective.

While the NPF was developed and promoted by the Scottish National Party, which has been in power for its duration, a Community Empowerment Bill came into force in July 2015, meaning that the Framework is now embedded in legislation and will continue no matter who is in government.58

**Sweden: New Measures of Well-being (nya mått på välstånd)**

A framework dedicated to measuring well-being has been implemented into the Swedish budget
law very recently, using a limited set of indicators. However, Sweden has previous experience in using an indicator set for accountability and monitoring of policy, under the Environmental Quality Objectives program.

**The Environmental Quality Objectives in Sweden—an earlier implementation of beyond-GDP measures into policy**

The use of “beyond-GDP” measures in the Sweden within policy-making settings was made substantial in Sweden with the integration of Sustainable Development indicators into environmental policy. In 1999, the Riksdag approved a new structure for designing environmental policy by establishing fifteen environmental quality objectives (EQO) goals. The Ministry of Environment and Energy sets the responsibility for achieving the EQOs as shared among a wide range of actors, which include public authorities, non-governmental organizations, the business community, households and private individuals. There are twenty five government agencies that are responsible for following up and evaluating specific environmental quality objectives and eight agencies directly accountable for achieving the objectives. The Swedish Environmental Protection Agency, working with all the relevant agencies, prepares an overall report to the Government, presented every year.

The motivation for setting the EQOs was to ensure accountability and measurement of progress on environmental performance, including regular monitoring of the EQOs, with annual reports to government, and an in-depth evaluation once every parliamentary term. Over the years, the Riksdag has adopted a number of additional and revised interim targets for the EQOs. These targets are replaced on an ongoing basis with milestone targets, which define steps on the way to achieving the EQOs.

Setting the EQOs is based on a wide set of indicators relating to sustainable development, and the Swedish government and parliament have managed to integrate the indicators in a meaningful way in the policy cycle stages of policy evaluation and agenda setting. However, some challenges in implementation exist. The EQOs, as an ambitious environmental agenda, have not established policy priorities in a way that aligns with available resources, and this has reduced their effectiveness (OECD, 2014). Another challenge is the institutional autonomy of local governments, which leads to significant differences in their implementation capacity so that inconsistencies in implementation are apparent.

**The New Measures on Well-being—implementing a well-being framework into the budget process**

Building on its experience with integrating beyond GDP indicators into policy through the EQOs, the Swedish government has recently developed New Measures on Well-being, focusing on the long-term sustainability of economic growth as well as the quality of life and well-being of the citizens. The underlying conceptual framework recognizes the multidimensionality of people’s lives and the resources sustaining a better life and a better society over time. The indicators are also related to the UN Agenda 2030 and the SDGs, which as a list of policy commitments agreed by the world leaders also underscores the shared responsibilities for delivering a sustainable future.

The framework, titled “New Measures for Well-being”, was presented in the 2017 Spring Budget Bill. The budgeting process in Sweden is made up of two distinct phases, with a Spring Fiscal Policy Bill in April, setting the aggregates for fiscal policy, followed by a government Budget Bill, detailing the allocations for the budget year ahead (OECD, 2017b). The annual budget process is one of the key parts of the Swedish policy-making process, and it is characterized by strong collaboration across government. Following presentation of the Spring Budget Bill, budget priorities are negotiated and policy measures are discussed widely.

This process was initiated with the publication of a report on “Measuring Quality of Life” which was presented to the Swedish government in 2015. This report was commissioned by government in 2014, and aimed at mapping and analyzing proposed indicators for monitoring well-being in Sweden, to complement GDP per capita. In addition, a focus was also directed at measuring the distributions of outcomes among different groups in society.

Based on this report, the Swedish government tasked the National Bureau of Statistics (Statistics Sweden) to develop a framework for
measuring well-being, in consultation with government offices, and to suggest a set of indicators. The indicators were to be based on existing data, and take into account gender equality and equality between different population groups and regions when possible.

The fifteen New Measures for Well-being (see Table 4.4) were presented in the spring 2017 Budget Bill. The indicators are divided into three categories: Economic, Environmental and Social. Each category has five indicators, and they are a mixture of both objective and subjective measures.

Developing and presenting this framework is a strong signal from the Swedish government for agencies at all levels of government to adopt it into the key processes of policy-making. More specifically, the government states its intentions to incorporate the New Measures on Well-being in the following ways (Lundin, 2017):

- Monitor socioeconomic development
- Provide input to policy choices and considerations
- Support the assessment of effects of government reforms
- Presented as complementary performance indicators in the spring Budget Bill annually

Coordination of the work on the New Measures for Well-being has been led by the Ministry of Finance. The publication of the framework has generated interest from various stakeholders and academia, and a review of the framework is intended for future publications. At this stage, there is no intention for the indicators to be used to set national targets. It is not yet clear whether the Ministry of Finance, which is coordinating the work on the New Measures for Well-being, intends on integrating these into the Expenditure Areas.

United Kingdom: What works for Well-being?

The UK Office of National Statistics (ONS) has a long history of reporting on societal outcomes through its regular Social Trends publication, first produced in 1970. In 2007, the ONS started looking in more depth at existing datasets to assess how these could be used to help build a more detailed picture of societal well-being. Two years later, an All-Parliamentary Group on Wellbeing Economics was formed to discuss and promote the development of policies to promote well-being. Together, these efforts laid the groundwork for the official launch of the UK Measuring National Wellbeing program by then Prime Minister David Cameron in November 2010. Under this program, the ONS was tasked with developing a new system for the measurement of national progress, guided “not just by how our economy is growing, but by how our lives are improving; not just by our standard of living, but by our quality of life”.

Over the years, the National Wellbeing program has led to the development of a comprehensive measurement framework and indicators, and has been accompanied by a number of associated initiatives to raise the profile and impact of well-being measures in policy. These include:

Table 4.4. New Measures for Well-being (nya mått på välstånd)

<table>
<thead>
<tr>
<th>Economic Headline Indicators</th>
<th>Environmental Headline Indicators</th>
<th>Social Headline Indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP per capita</td>
<td>Air quality</td>
<td>Low-level living standard</td>
</tr>
<tr>
<td>Employment rate</td>
<td>Water quality</td>
<td>Self-assessed health status</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>Protected nature</td>
<td>Education level</td>
</tr>
<tr>
<td>Household debts</td>
<td>Chemical pollution</td>
<td>Education level</td>
</tr>
<tr>
<td>Public debts</td>
<td>Greenhouse gas emissions</td>
<td>Life satisfaction</td>
</tr>
</tbody>
</table>

• The Social Impacts Taskforce. The taskforce brings together analysts from across central government and the devolved administrations. It was set up prior to the launch of the National Wellbeing Program (in August 2010) but played an important role in sharing good practice and guidance on policy-relevant well-being analysis in subsequent years.67

• The What Works Centre for Wellbeing. Launched in 2014, the What Works Centre for Well-being is an independent, collaborative organization aiming to draw evidence together, develop meaningful methods of comparison and produce practical guidance that government, businesses and communities can use to help improve wellbeing across the UK.

• Multiple initiatives to mainstream well-being into different policy areas and levels of government. A number of government departments began to make more systematic use of well-being frameworks and measures (particular subjective well-being measures), including management and evaluation tools for public health, community learning, local government, occupational health, transport, sports and culture, and environmental quality.68

Development of a well-being measurement framework

The dimensions and indicators developed by the ONS for the Measuring National Wellbeing program provide a common understanding and measurement framework for policy work on well-being in the UK. The framework was developed on the basis of extensive public consultation and inputs from stakeholders from across different sectors, which included a national debate, an Advisory Forum and a Technical Advisory Group (see Box 2.2 for further details).

The framework comprises 41 indicators grouped into ten dimensions: personal well-being, our relationships, health, what we do, where we live, personal finance, economy, education and skills, governance and the environment. To communicate the indicators, the ONS developed a ‘well-being wheel’ to show results at a glance across all dimensions.69 However, in 2017, the wheel was replaced by an online dashboard to foster user interaction.70 The dataset underpinning the framework is open to the public and the ONS reports on progress on the headline well-being measures twice a year through its website.71

While the framework comprises ten dimensions, subjective well-being measures (included in the ‘personal well-being dimension’) have received particularly close attention in the UK policy context.72 The ONS measures subjective well-being through four questions, focusing on the life evaluation (self-reported life satisfaction), eudaimonia (feeling that the things respondents do in their life are worthwhile), positive affect (happiness), and negative affect (anxiety).

The role of the What Works Centre for Well-being

The What Works Centre for Well-being was established to build on the work of the ONS, as well as the findings of the Commission on Wellbeing and Policy.73 While the Centre was set up with government support, and in particular from the Cabinet Office, it is managed as an independent social enterprise, with a mission to “develop and share robust, accessible and useful evidence that governments, businesses, communities and people can use to improve wellbeing across the UK”.74 It has 17 founding partners that provide in-kind resources and financial support, including a number of government departments as well as the ONS, and major funding bodies such as the Economic and Social Research Council and the Big Lottery Fund. Its funding totaled approximately £600,000 per year for the period 2014-2017, with five full-time staff.75

The What Works Centre for Well-being forms part of a network of seven What Works Centres and two affiliate members, each addressing a different policy issue or geographic region. In addition, Dr. David Halpern, Chief Executive of the Behavioral Insights Team, was appointed in the part-time position of What Works for Policy National Advisor in 2013.76 The model for all of the What Works Centres is to help to ensure that thorough, high quality, independently assessed evidence shapes decision-making at every level, by:

• collating existing evidence on the effectiveness of policy programs and practices;
• producing high-quality synthesis reports and systematic reviews in areas where they do not currently exist;
• sharing findings in an accessible way; and
• encouraging practitioners, commissioners and policymakers to use these findings to inform their decisions.

The What Works for Wellbeing Centre applies this model to policy areas relevant for well-being. For the first three years of its operations, starting in June 2015, the research activities of the Centre have been focused on a limited selection of themes, covering: lifelong well-being, work, sport and culture, and community well-being. The themes were selected through discussions with the Centre’s partners, as well as through a more widespread consultation with over 4,000 individuals and organizations from across the UK (including six public dialogues). For the Centre’s activities beyond the end of the current three-year work program in 2018, discussions are ongoing with existing and prospective partners.

In addition to the policy themes, the Centre also conducts work in three cross-cutting areas: educating stakeholders about how to integrate well-being into policy and organizational change; providing advice and reflection on how to measure and evaluate well-being; and convening actors across government and other sectors.

The impact of the Centre's work on policy

The focus of the Centre is currently on helping to build a movement around the value of taking a well-being approach, and providing evidence-based thought leadership around emerging issues. The Centre has a number of different channels through which to disseminate its findings to policy makers, including through its participation in the Social Impact Taskforce, through its relationship with multiple government departments, and through its representation at the Cabinet Office by the What Works National Advisor. However, as the Centre is focused mainly on providing syntheses of evidence and discussion papers to highlight issues, rather than on advocating for precise policy choices, it is difficult to assess the direct impact of the Centre’s work on specific policy decisions. Nonetheless, the reach of the Centre’s work is widespread (going beyond the policy sector, to businesses and other organizations). As of 2017, the Centre’s website had 82,000 online visitors, and almost 15,000 downloads of its resources. In addition, the Centre had organized over 60 events for over 4000 policy makers, practitioners and academics. It had also contributed to 225 calls for evidence, with its work being featured in a number of government reviews and documents, including the Stevenson-Farmer Review of Mental Health and Employers, the Culture White Paper, and the 10-year Plan on Disability, Mental Health and Work produced by the Department of Work and Pensions and the Department of Health.