Chapter 8

Adopting a Well-Being Approach in Central Government: Policy Mechanisms and Practical Tools

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Executive Summary

Putting people’s well-being at the heart of policy requires better data, but this alone is not enough. It also requires building well-being into the machinery of government, and the tools used to take decisions. Several national governments have taken steps towards this. This includes integrating dashboards of well-being indicators into budget decision-making and national development strategies; using legislation to lock an outcomes-based approach into government processes; and creating new institutions or government posts with responsibility for well-being.

Deepening this further requires looking “under the hood” and adapting the methods through which policies are formulated, appraised and evaluated. This includes greater use of well-being metrics in shaping how policy priorities are determined, as well as how policy options are assessed (e.g. through regulatory impact assessment, cost-benefit analysis and other screening tools, or post-hoc evaluations).

Achieving this requires investment, including building civil service capacity and shifting cultures of practice within institutions; the development of a well-being evidence base articulating the linkages between high-level outcomes and the policy levers and outputs that can drive them; mainstreaming well-being as a “whole of government” approach rather than sitting in its own policy silo; and hitting the right balance between the added complexity of a multidimensional well-being approach and the constraints of governments’ analytical capacity and resources.

These investments will only be made if leaders are convinced they will result in better policy decisions and thus better outcomes for people. This means carefully evaluating existing efforts to integrate well-being measures, to show the circumstances under which the benefits are worth the costs. It also means identifying areas of policy where a focus on economic efficiency will not be sufficient to produce good results. The most promising test cases for developing a well-being approach are therefore likely to be complex areas of policy making where there are many well-being trade-offs to manage, and different sets of winners and losers to consider.

1. Introduction

A large number of countries are now routinely collecting and publishing national dashboards of well-being indicators (for examples, see Durand, 2018). Simply making available information about people’s well-being, its distribution, and changes over time can serve to reshape policy in several ways, from informing public debate to highlighting priority areas for action. Yet it is not sufficient to rely on the adage “what gets measured gets done”, since in several cases, national efforts to measure well-being remain largely disconnected from policy practice. So, what practical examples and guidance exist for those wishing to strengthen the link between well-being initiatives, and how national and whole-of-government policy is made? For example, in how a Treasury makes decisions about funding priorities, a Prime Minister’s office provides long-term strategic policy direction, or how a Ministry for Transport assesses options for major infrastructure projects? Providing such guidance requires climbing inside the policy process, to examine the decision-making that takes place at the heart of government.

This chapter examines how evidence on well-being has been integrated into the business of decision-making, from individual policy formulation, advice and analysis, through to major strategic planning decisions. It begins by exploring some of the general mechanisms that have been adopted to stimulate greater use of well-being evidence – from informing budget discussions to creating new institutional structures. These are largely steps that senior government leaders, whether civil servants or legislators, would instigate. By contrast, the second half of the chapter adopts a more micro perspective, exploring what a well-being approach might mean for policy analysts working within central government departments. It considers issues such as problem framing, needs identification and agenda setting, as well as tools such as regulatory impact assessments, other policy screening methods, and new approaches to cost-benefit analysis.

This chapter largely relies on examples from current practice in central (national) government. This is not to deny the important advances that have been made on well-being policy in local government (e.g. OECD, 2014), which can in turn inspire change at the national level. Indeed, an
analysis of the policy impacts of “Beyond GDP” indicators, prepared under the European Union’s Bringing alternative indicators into Policy (BRAINPOoL) project, concluded that some of the strongest evidence of uptake is at the local government level (Whitby, Seafood and Berry, 2014). National governments, therefore, arguably have some catching up to do – although as described below, there have been some significant steps taken in just the few years since that report was written.

In all of the country examples cited in this chapter, well-being is understood as a multidimensional construct, such as the one presented in the OECD’s How’s Life? framework (OECD, 2017). This framework comprises both objective and subjective aspects of current well-being outcomes (e.g. income, jobs, housing, skills, environmental quality, social connections, safety, subjective well-being…) as well as resources and risks for future well-being (related to stocks of natural capital, social capital, economic capital and human capital). An emphasis on how outcomes are distributed in society – rather than just average results – is also central to the well-being measurement approach (OECD, 2017; OECD 2018a).

Most central government well-being initiatives are at a relatively early stage of development, and it is often difficult to provide a full and fair evaluation of their benefits at this point. Greater evaluation of these initiatives will be needed in future to help share good practice, and identify where the greatest returns on investment are likely to be found.

2. Broad mechanisms for integrating a well-being approach

The first edition of the Global Happiness Policy Report set out the case for greater use of well-being metrics in public policy (Durand, 2018). So what options are available to those governments wishing to put this into practice? The following section examines five broad mechanisms that have been used to integrate well-being metrics and frameworks in a more systematic way into various government processes and procedures.

2.1. Shaping budgeting decisions

The allocation of public spending is a major lever for achieving policy objectives. The budget process has therefore been targeted by several efforts to broaden decision making “beyond GDP”. This includes monitoring a dashboard of well-being indicators to frame (ex ante) the budget discussion, and to complement the standard economic and fiscal reporting that typically accompanies the budget - a practice which has been adopted in France since 2015 (the “New Wealth indicators”, led by the Prime Minister’s Office); in Italy since 2017 (the “Economic and Financial Document”, led by the Ministry of the Economy and Finance) and Sweden also since 2017 (“New Measures for Well-being”, also led by the Ministry of Finance).

A more ambitious step is to assess budget proposals for their expected impact on well-being, as part of the decision-making process typically coordinated by the Treasury or the Ministry of Finance. For example, in the Italian Economic and Financial Document 2017, a subset of four indicators (household disposable income; the inter-quintile income share; labour underutilisation; and emissions of greenhouse gases) were selected, together with GDP, for deeper analysis. Notably this included an experimental forecasting exercise for the next 3 years, with a baseline (no new policy) scenario, contrasted against a predicted scenario of the aggregate impact of the new policy measures introduced in the budget on the key outcome indicators selected (Italian Ministry of the Economy and Finance, 2017).

At a more granular level, and to support the 2019 “Well-being Budget”, the New Zealand Treasury have developed their cost-benefit analysis template for departmental submissions of spending proposals to explicitly include well-being considerations (see also Section 3.4). This template requires departments to identify and quantify how their proposed initiative is expected to impact on people’s well-being across 12 domains, as well as the four capitals that sustain well-being over time (New Zealand Treasury, 2018a). In addition, the high-level Ministerial priorities for the 2019 Well-being Budget have been informed by an assessment of well-being evidence, including the Living Standards Framework dashboard of indicators compiled by the Treasury (2018b).
The funding formulae sometimes used to allocate resources in government can also take on a broader set of well-being parameters. One example is the European Union’s proposed budget for Cohesion Policy 2021-2027 (European Union, 2018). In order to mirror the evolution of economic and social cohesion in Europe since the financial crisis, the EU Directorate General for Regional and Urban Policy (DG REGIO) proposed modifying the method for the allocation of funds across European regions. This followed a series of discussion papers, considering how the fund could be redesigned around a broader range of needs (e.g. Vandermotten and Van Hamme, 2017; Bachtler, Mendez and Wishlade, 2017). Under the proposal, eligibility for the Cohesion Fund would continue to be based on those member states whose Gross National Income (GNI) per capita is below 90% of the EU average, with income also playing a considerable role in how funds are allocated within those states. However, the proposal also includes new criteria for all regions receiving the funds based on factors such as youth unemployment, levels of education, the reception and integration of migrants between 2014 and 2017, and carbon emissions.

Commensurate with their role in focused policy discussion, the well-being dashboards introduced in budget deliberations often involve only a limited number of indicators (10 in France, 12 in Italy, 15 in Sweden). This represents a small subset of the extensive and more “diagnostic” well-being indicator sets typically produced by National Statistical Offices (such as Italy’s 130 indicators) or to support National Development Strategies. The process for selecting this subset of indicators has varied across countries: in France, it was the product of wide-ranging public consultation; in Italy, decisions were made by an expert committee established by the Prime Minister; while in Sweden, the government tasked Statistics Sweden with the development of the framework, in consultation with government offices (see Durand, 2018, for details). Regardless of the selection methodology, the indicator set should have legitimacy, credibility and priority with the key decision-makers, Parliament, and the electorate – since if they are seen as politically motivated or cherry-picked to tell a particular story, this could diminish their impact.

Timing can be another important factor for dashboards of indicators to have the desired impact. Last year in France, the 2017 report on the “New Wealth Indicators” was published in February 2018, 4 months after the Parliamentary discussions on the budget that took place in October 2017. On the one hand, this suggests that, despite the change in administration since 2015 when the reporting was first introduced, the exercise has been “institutionalized”. On the other, although the task has been fulfilled, its original purpose of informing the budget discussions and voting by Parliament was not achieved (Pagnon, 2018).

Reporting on a dashboard of well-being indicators adds contextual richness to budget processes and adds a layer of accountability – providing some indication of whether the government’s policy settings, on aggregate, appear to be moving national well-being in a positive direction. Nevertheless, a dashboard does not in itself necessarily produce a shift in how policy-makers arrive at their decisions, since dashboards can be easily ignored. By contrast, assessing individual spending proposals, ex-ante, for their anticipated well-being impacts - rather than simply their economic and fiscal impacts – would represent a more fundamental shift, and one that can elucidate critical trade-offs and win-wins among well-being outcomes. Taking this a step further would mean developing mechanisms to assess overall spending, not just the marginal spending shifts that take place with each budget.

A major challenge for deeper integration of well-being in budget decision-making will be developing the evidence base and tools for assessing well-being impacts of proposals. This includes in particular methods of cost-benefit analysis, as well as projections of different policy scenarios - which in Italy have so far only been applied to a limited set of indicators where the greatest knowledge currently exists. The analytical burden introduced by this additional assessment also needs to be weighed against the benefits of the exercise - although as discussed later, requiring a well-being impact assessment can also support the quality of civil service policy advice by requiring the development and articulation of a clear intervention logic. Furthermore, there is the potential to make value for money savings through reconciling conflicting bids and/or consolidating those bids that should produce strong synergies in terms of outcomes, and by being able to look across a number of
bids originating from different sources that all impact on the same well-being outcome(s) and choosing the one(s) associated with the largest effect sizes.

2.2. Ensuring continuity and accountability through legislation

Legislation is one possible lever to secure long-term change in government process and procedure, and (potentially) to garner cross-party political support for initiatives. Thus, in several countries, specific legislation has been used to “lock in” certain aspects of the well-being approaches adopted. Laws such as the Scottish Community Empowerment Act 2015\(^3\), the French 2015-411 law (also known as the “Sas” law after its main author, the Member of Parliament Eva Sas) and the Italian Budget Law which entered into force in 2016, all place a duty on government to regularly report on a set of well-being indicators. However, in all cases, the intent is to encourage policy makers to consider a broader set of outcomes, rather than to require the use of a specific indicator set - thus allowing for priorities to shift as circumstances shift. For example, in Scotland there is a duty on Scottish Ministers to consult on, develop and publish a new set of National Outcomes for Scotland, and to review them at least every five years. The outcomes themselves are then ultimately for the government of the day to determine.

In New Zealand, the government is currently consulting on possible mechanisms to embed well-being in the Public Finance Act 1989 (New Zealand Treasury, 2018b). The proposed revisions would introduce requirements for: i) the government to set out how its well-being objectives, along with its fiscal objectives, will guide its budget decisions; and ii) the Treasury to report on well-being indicators, alongside macroeconomic and fiscal indicators. Under the proposal, it would be for the government to select their own well-being objectives, but the issue of who decides what Treasury reports was left relatively open (with several options on the table, ranging from being closely specified in the Act, to being left to the discretion of Treasury officials).

In Wales, the Future Generations Act 2015 (Welsh Government, 2015) targets all levels of the policy cycle. Informed by a large-scale 12-month public consultation\(^4\), the main provisions of the Act came into force two years ago, and require all public bodies to place seven well-being goals\(^5\) at the centre of their decision-making. The Act can therefore be seen as a legally binding common purpose, overseen by the Future Generations Commissioner for Wales, who monitors and reports the extent to which the different public bodies are setting and reaching their well-being objectives, and reviewing them accordingly. The review is then published and shared with Welsh Ministers.

One key benefit of a legislative approach is that it provokes debate, discussion, and a degree of consensus forming; legislation cannot usually be passed if a majority of lawmakers do not support it, and proposals can be refined through a process of amendments to ensure broad-based support. Legislation is also a relatively long-term measure; future administrations must amend or repeal the legislation if they wish to end it - thus requiring further debate and discussion. One challenge, in a well-being context, is to make the legislation flexible enough to accommodate new priorities, while at the same time purpose-driven enough to ensure that it has teeth, and actually leads to an improvement in the quality of policy-making. National accountability mechanisms can be used for this purpose - for example, in Wales, both the Auditor General and the Future Generations Commissioner help to ensure that government is held to account on its performance regarding the Future Generations Act’s requirements.

2.3. Strategic planning and performance frameworks

Well-being indicator dashboards are usually developed to reflect the way a country thinks about progress and what it means to have a good life. Strategic development planning is, in turn, a method through which specific priorities for national progress in the medium- and long-term are set out. Countries that have explicitly introduced well-being frameworks and indicators into their strategic development planning include Colombia (through “Presidential Dashboards” developed by the Ministry for National Planning), Ecuador (via the policy goals included in the Nationals Plans for Buen Vivir, carried out by the Ministry of Planning), Paraguay (which has adopted the Social...

The Scottish National Performance Framework is a further example of clarifying the government’s strategic objectives through a wide-ranging set of well-being, inclusiveness and sustainability indicators. In Finland, the strategic debate in government is supported by the Strategic Government Programme Indicators, which use a variety of data including well-being metrics, a selection of which is presented during government sessions every fortnight. To some extent, the 2030 Sustainable Development Goals and targets, which were adopted by all United Nations member states in September 2015, can also be seen as a form of development planning and performance monitoring, organised around a set of multidimensional well-being objectives with specific targets and indicators.

National Development Strategies are often the result of extensive consultative processes in order to gain support from different sectors of society on the priorities and goals. In Slovenia for instance, various stakeholders were invited to shape the process, both in the initial stages (e.g. participating in situational analysis and horizon scanning) all the way through to commenting on the strategy in a series of surveys and topical debates towards the end of the process. Ensuring the ongoing commitment of a wide range of government agencies, partners and civil society, as well as cross-party political support, should help development strategies to survive through election cycles and new administrations. Having an agreed (institutionalised) set of well-being indicators collated by the National Statistical Office also provides a backstop, removed from the political realm. In some cases, the requirement to formally state a set of strategic objectives for the government has also been embodied in legislation (see Section 2.2, above) – meaning that while new governments can set new priorities, they have a duty to clearly state and consult on these within a fixed timeframe.

Because of their consultative character, development strategies are often associated with wide-ranging dashboards of goals, orientations and indicators, reflecting multiple voices. For example, the UN 2030 Agenda consists of 17 Sustainable Development Goals, underpinned by 169 targets, and an agreed set of 232 indicators for global monitoring purposes. These indicators are, in turn, a mixture of outcomes, inputs, outputs, “means of implementation”, policy commitments and more. On a more compressed scale, the current Presidential Dashboards in Colombia are composed of 170 indicators and 21 strategic targets; and Scotland’s 2018 National Performance Framework includes 11 strategic outcomes and 81 indicators. Narrowing down and summarising these dashboards for concise communication on progress and results can be challenging, but it is essential if they are to be picked up and used. In Slovenia’s National Development Strategy 2030, therefore, just 30 performance indicators were selected to cover 12 goals, summarised as six strategic priorities. This narrowing promotes more focused communication with stakeholders, but also critically makes it easier for policy-makers to grasp, with a clear vision and sense of priorities.

2.4. Creating new institutional structures

Creating new institutional positions or structures to promote the use of well-being evidence in government provides a very visible way to show a break from the status quo. Examples of existing practice range from creating specific high-level roles (e.g. designating a Minister for Happiness in the United Arab Emirates); new accountability mechanisms (e.g. appointing the Future Generations Commissioner in Wales); to creating a new government department (e.g., the Buen Vivir Secretariat in Ecuador); or forming a separate agency (e.g. the What Works Centre for Wellbeing in the United Kingdom). New responsibilities can also be assigned as part of reforms to existing structures, such as giving the Treasury or Ministry of Finance a cross-cutting responsibility for well-being or sustainability (Whitby, Seaford and Berry, 2014), as has happened to some extent in New Zealand under the new Minister of Finance appointed in 2017.

The creation of an independent “watchdog”, resourced to conduct research and regular reporting, can be a way to hold governments to account for their well-being commitments. It is also a way to ensure the existence of an effective champion who remains politically neutral, and
who is able to build independent relationships with stakeholders and the media. The Parliamentary Commissioner for the Environment in New Zealand is one such post; the Hungarian Ombudsman for Future Generations, established in 2008, is another. In Wales, the Future Generations Commissioner has a crosscutting role within Government, as illustrated by the “Art of the Possible” programme, which supports other public bodies to transform their work on a daily basis, and to meet the well-being goals set out by the Future Generations Act 2015.\(^9\)

The creation of new political roles or government ministries offers another way to raise the profile of well-being issues across government. In the United Arab Emirates, the Minister of State for Happiness and Well-Being (appointed in 2016) is attached to both the Ministry of Cabinet Affairs and the Future, and the Prime Minister’s Office, and leads the National Programme for Happiness and Productivity.\(^10\) In 2013, the Ecuadorian government created the “State Secretariat for Good Living” (“Secretaría Nacional para el Buen Vivir”). The institution lasted for just under four years, and was allocated a budget of approximately 12 million USD – but was disbanded after a change of government (see Durand, 2018).

The United Kingdom What Works Centre for Wellbeing offers a different model, where the capacity-building function is taken outside central government, and instead led by an external agency supported, on a time-limited basis, through research grants and contributions from government departments. The Centre provides a mechanism for bringing academic expertise and knowledge into decision-making, with a focus on both building the evidence base on well-being and how it is likely to be impacted by policies and programmes, as well as providing practical guidance and training courses for analysts within government and beyond.

One common feature of these new institutional structures is their crosscutting and integrating nature. Since the multidimensional well-being approaches adopted so far in countries tend to take a whole-of-government view, identifying a single departmental lead can be challenging (or perhaps even unhelpful). Cabinet Offices or Prime Ministerial Offices often have a coordinating role, particularly for top government priorities, but may lack the sustained analytical capability needed for some of the changes implied by a well-being approach. The Treasury or Ministry of Finance is another possible home, typically with strong analytical capability, and a whole-of-government perspective when it comes to budgetary considerations – though not necessarily when it comes to consideration of the wider impacts of policy decisions (beyond economic and fiscal impacts). An alternative, then, is to create a separate role or entity, responsible for providing leadership and guidance to all departments on well-being issues.

Much as new institutional structures give visibility to initiatives, this visibility comes with risks – since the corollary is that any new incoming government seeking to show change may subsequently choose to disband them. Another challenge is the extent to which, by creating a new structure, there is actually less pressure on the rest of government to consider a broader range of well-being outcomes in their work. This could lead to patchy uptake, rather than the transformational change sometimes sought. For example, Whitby et al. (2014) argue that to promote greener models of the economy, “creating new ‘green’ ministries – however well designed – can never be the whole solution” since this effectively silos off consideration for sustainability, rather than integrating it across all aspects of policy making.

### 2.5. Capacity building and guidance for public servants

There is often a sizeable gap to bridge between monitoring a set of well-being indicators, and identifying the policy levers that can improve performance on those indicators. Articulating and evidencing the intervention logic that can connect policy levers to outputs and subsequent outcomes is crucial in order to make the concept of well-being operational for policy. This role typically falls to civil servants, who may have little prior knowledge or training in well-being metrics and their application. As such, several of the well-being initiatives led by national governments have included a component of civil service capacity-building, for example through guidelines and training. This might include providing analysts with the practical advice on the difference well-being can make in the way their tasks are carried out, and critically, how it can improve the quality of their advice.
As one of the guardians of economic analysis within government, the job of explaining how well-being affects policy appraisal and evaluation has sometimes fallen to the Treasury, or the Ministry of Finance. In the United Kingdom, for example, Treasury guidance (the Green Book) has been further updated to enhance the pre-existing guidance on well-being analysis (HM Treasury, 2018). The Green Book highlights several steps for using well-being as a lens for policy-making: providing a rationale for intervention; listing options for reaching objectives in terms of delivery and funding; using economic appraisal techniques for narrowing down these options to a “short-list”; identifying the preferred option and finally monitoring and evaluating it before, during and after its implementation. The Green Book methodology also shows how, where monetary valuations are difficult to ascertain, direct measures of well-being can be used for cost-effectiveness analysis.

The United Arab Emirates’ Happiness Policy Manual (National Programme for Happiness and Wellbeing, UAE, 2017), commissioned by the Ministry of Cabinet Affairs and the Future, aims “to introduce the ‘science of happiness’ to the policy-making process, proposing innovative ways to incorporate it into current and future public policies and then evaluating their effect on the happiness and well-being of society”.

As a capacity building mechanism, it first sets out a vision to place national happiness at the centre of public policy whilst articulating the policy actions that might be needed to achieve it; and second it urges all departments across government to align their policies via a set of tools that can help to quantify and evaluate their impact on several different aspects of subjective well-being.

A well-being approach has implications for the way that policy options are developed, assessed and evaluated (see also Section 3). It also represents a culture change within the civil service that will likely take decades to embed. Ten years after the introduction of the first National Performance Framework for Scotland, officials are still grappling with how to make it a daily reality throughout public service design and delivery. In the New Zealand Treasury, the Living Standards Framework that has been developed since 2011 has taken a long time (and strong Ministerial impetus) to become a core feature of the 2019 Budget, and the Treasury is still in the relatively early stages of developing support for more widespread use of the framework in policy advice.

To fully engage with a well-being approach, and make the long-term resource investments necessary to make it a reality, civil service managers need to be convinced that well-being is more than a passing fad. Crucially, they also need to be able to see how well-being will help them to solve policy problems and produce better quality advice. Providing public servants with a vision, and a roadmap, is important, but the most effective tools will probably be those co-designed with civil service managers and analysts themselves. This is also more likely to lead to uptake across the service, alongside other outreach and training activities. Closer links with academic research, as afforded through mechanisms such as the UK What Works Centre for Wellbeing, also help take some of the evidence-gathering burden off the shoulders of government analysts. Meanwhile, the curricula offered at schools of government, and other civil service training programmes, could be enhanced to include methods for introducing a well-being lens in policy.

3. Bringing a well-being lens into specific tools of policy analysis

3.1. The policy analyst’s tool-kit: what difference does a well-being approach make?

One common reaction unearthed by Whitby et al. (2014) was that many experts felt a well-being approach offered nothing new – since policy making already incorporates a wide variety of different economic, social and environmental statistics. This makes it important to clarify how adding a well-being lens represents a shift from the status quo for those providing policy advice to governments. The first contribution is through fostering a more holistic and integrated approach, where policies right across government would be assessed for their multidimensional well-being impact - rather than parallel processes in which economic statistics are mostly used to assess economic policies, social statistics mostly for social policies, and environmental statistics mostly for environmental ones, etc. The ambition
here would be to use well-being as a structured organising framework, particularly for making explicit the trade-offs between different well-being dimensions, and over time. The second is in considering aspects of people’s lived experience – such as subjective well-being, work-life balance, leisure, job quality, social connections, trust and other forms of social capital - that have typically been missing from more traditional analyses. Finally, a strong emphasis on the distribution of current well-being outcomes, particularly at the individual and household level, also contrasts with standard practice that often only considers impacts in the aggregate (e.g. for the total economy, rather than for different groups of people) or only considers the distribution of income rather than of other well-being outcomes.

This section takes a deeper look at a selection of policy tools, applied to support government decision-making, and how a well-being approach could potentially reshape them. The tools reviewed are situational analysis and the development of an intervention logic; regulatory impact assessment and other policy screening tools; and cost-benefit analysis, which can be applied in both the ex-ante appraisal stage of policy, and the post-hoc evaluation stage. These represent only a selection of the possible mechanisms that could be adapted to include well-being metrics. Importantly, for example, well-being measures can also be used in policy monitoring and evaluation beyond cost-benefit analysis methods, to examine “what works” to deliver better well-being outcomes for people.

3.2. Identifying needs and setting the agenda: Situational analysis and developing an intervention logic

One advantage of multidimensional well-being indicators is in providing both a more holistic and a more granular picture of people’s lives. The wide-ranging dashboards of well-being indicators typically developed by National Statistical Offices (see Durand, 2018) can be particularly useful to provide a “situational analysis” (i.e. an assessment of strengths, weaknesses, trends, and inequalities across the full spectrum of well-being dimensions) in the more strategic phases of policy formulation. This includes steps such as identifying needs, and determining priorities for policy action (i.e. which issues and who to target, and with what intervention).

In contrast to some of the budget dashboard examples considered earlier, policy formulation is a time when a relatively large dashboard of indicators is likely to be needed, since the aim is to conduct fact-finding and identify areas of concern that may not be well known in advance. Nevertheless, as discussed, these will need to be carefully curated and, at times, heavily simplified if they are to have an impact with some types of decision makers.

At the highest and most abstract level, situational analysis can be used to support setting the government’s long-term agenda (e.g. in the context of a national development strategy, see 2.3 above). For national priority-setting, a situational analysis of well-being can be used to inform high level discussion aimed at identifying areas for government action, or bottlenecks for development (such as the approach adopted in the OECD’s Multi-dimensional Country Reviews, e.g. OECD 2018b). This discussion can take place in government (e.g. dedicated cabinet meetings), parliament (e.g. through committees or in parliamentary debates) as well as in the public domain through the media or workshops and roundtables for public-private-third sector exchanges, including with academic and other experts.

At the more concrete and policy-specific level, a well-being lens could be used to understand the various ways in which well-being disadvantages manifest themselves for vulnerable groups in society, which is important when designing policies to support them. The New Zealand government’s Child and Youth Wellbeing Strategy, a requirement under the Child Poverty Reduction Bill, is one such cross-departmental initiative, coordinated under a newly established Child Wellbeing Unit in the Department for the Prime Minister and Cabinet (DPMC).

Outcome-based well-being dashboards place the focus firmly on the ultimate objectives of government (i.e. improving the living conditions of people in a sustainable manner), which is valuable for strategic thinking. Nevertheless, an important challenge then becomes linking those outcomes to the levers actually available to policy makers. This will be a critical step if the dashboard is to become a practical tool for widespread engagement of policy professionals.
In the case of *Growing Victoria Together*, the State Government of Victoria in Australia developed an outcomes-focused well-being framework, partly motivated by a recognition that the existing performance management structure (which featured 150 outputs across departments, and over 1,800 measures of performance) was “neither designed for nor capable of being used as a whole-of-government strategic planning framework” (Adams and Wiseman, 2003). However, after developing a vision statement, a set of 11 “Important issues for Victorians”, and 32 progress measures, it was then necessary to align the *Growing Victoria Together* framework with the existing output and performance reporting systems of the government, thereby enabling government departments to incorporate them into corporate and business planning (Figure 1, above). Similarly, the purpose statement, values statement, and 11 high-level outcomes of the Scottish *National Performance Framework* have been mapped across to 81 National Indicators.

For a well-being dashboard to be operationally useful, then, policy-makers need to be able to draw a clear and well-evidenced line of sight between the inputs, outputs and systems that fall under their remit, and the indicators and outcomes specified as being the ultimate policy goals. In several cases, this may require a significant research agenda, drawing on evidence produced both inside and outside government - for example through harnessing the knowledge of networks (think tanks, academia, or interest groups) who are already active in championing evidence-informed policy. To limit the analytical burden and ensure take-up among policy analysts and decision-makers, an initial step might be to start on a case-by-case basis, for example according to the priority needs identified and the most situation-critical outcomes to be addressed. So if, for example, a situational analysis highlights that job quality is deteriorating, or is performing poorly by international standards, then priority is given to mapping policy levers to job quality outcomes.
3.3. Formulating and testing policy options: Regulatory impact assessment and other policy screening tools

When it comes to formulating and testing policy options, well-being frameworks can be used to prompt analysts to think broadly about interdependencies among outcomes – which is important when developing the intervention logic for a particular policy route, as well as in anticipating both positive and negative externalities. A well-being lens can also be applied to understand specific policy challenges from a multidimensional perspective. Examples include the OECD’s forthcoming work on well-being and digitalisation, which uses well-being as a way to understand the various threats and opportunities that digitalisation poses (OECD, forthcoming); and climate mitigation, where a well-being approach has been used to broaden the assessment of how climate mitigation actions could impact on people’s lives, beyond their expected effects on GDP (OECD, forthcoming). A well-being approach has also been used to examine the topic of migration policy in New Zealand (Fry and Wilson, 2018).

An important motivation for using a well-being framework in this way is to make the trade-offs inherent in any set of policy choices more open and transparent – with the winners and losers more clearly identified. A well-being framework cannot necessarily reconcile those trade-offs; this is still the task of policy-makers, and of the democratic process. But it does mean that, if adopted at the very early policy formulation stage, policy design can subsequently incorporate strategies to minimise negative externalities and maximise positive ones, or feature some form of additional support to compensate those most badly affected (i.e. those who lose out).

Consideration of policy spillovers has always been core to high-quality policy analysis, but using a well-being framework offers a highly structured and systematic approach, focused on how people’s lives are affected.

One policy tool that has obtained widespread use in the last 20 years is Regulatory Impact Assessment (RIA). RIA is now a formal requirement in almost all OECD countries for the development of both primary laws and subordinate regulations - although few of those countries require RIA for all regulations (reflecting a proportionate approach) (OECD, 2018c). RIA involves reviewing and assessing in a systematic way the potential impacts of proposed or existing regulations. It will often include a quantification of the costs and benefits of implementing a regulatory measure, assessing its likely effectiveness in achieving its goals, and examining alternative policy options.

RIA has sometimes been criticised for focusing on economic costs of regulation in particular, rather than on the social or environmental benefits that regulation might deliver. Yet this is a limitation in how the tool is implemented, often resulting from a paucity of quantifiable evidence of the effects of regulation in social and environmental domains, rather than an inherent design feature. A well-functioning RIA system could be used to make explicit the broader consequences of regulatory proposals, clearly illustrating the inherent trade-offs within regulatory proposals, and showing the distributional outcomes of regulation - as well as where reducing risks in one area may create risks in another (OECD, 2018c). Deighton-Smith, Erbacci and Kauffmann (2016) for example, describe how OECD countries report that they are progressively expanding the number of outcomes (and population groups) on which impacts are explicitly assessed, beyond economic concerns such as how regulations will affect the budget, public sector costs, competition, market openness, and trade. For example, while 29 OECD countries report that they integrate impacts on budget into RIA conducted on all primary laws, 23 report always considering impacts on the environment, and 14 say that they always consider impacts on income inequality (Figure 2).

Nevertheless, several aspects of people’s well-being, such as health and educational outcomes (and their distribution), are notably absent from Figure 2 - or subsumed in a general “social goals” category (Deighton-Smith et al., 2016). What is also not explicit in these findings is the extent to which these novel impact assessments are being applied in practice in a holistic, cross-sectoral way. In the United Kingdom, for example, powerful cross-government processes exist to reduce regulatory burdens on business, which particularly constrain environmental policy making (Whitby et al., 2014). This rather implies that there should be a cross-governmental quid-pro-quo to ensure that environmental
considerations are taken into account when all economic policy is formulated.

Whitby et al. (2014) also note the risks of creating separate impact assessments (e.g. for the environment, or for social impacts) which sit alongside economic analyses, rather than being fully integrated within them. In addition, there is often a gap between guideline requirements and actual practice on RIA in OECD countries (OECD, 2018c; Deighton-Smith et al., 2016). Some reviews suggest that even when environmental and social impacts are assessed, they are often not quantified, which may reduce their relative weight in the course of decision making (Bäcklund, 2009; Wilkinson et al., 2004).

Other policy screening methodologies have also been developed for use in policy formulation and testing, often going beyond the sphere of regulation. *Multiple Criteria Analysis* describes a family of techniques developed to recognise the “irreducible multi-dimensionality of decision-making, and to make the process of deciding how trade-offs are made an explicit and transparent part of the methodology” (Whitby et al., 2014). Several different formats exist, ranging from a simple performance matrix, where options are assessed against a set of criteria, to more complex structures in which scores are assigned to criteria and then weighted across them.

One example of Multiple Criteria Analysis is the government of Bhutan’s policy screening tool, which covers the nine domains seen as the key ingredients of Gross National Happiness: living standards, education, health, environment, community vitality, time use, psychological well-being, good governance, cultural resilience.

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**Figure 2. Different types of impacts integrated into RIA conducted on primary laws in OECD countries (2014)**

Note: Based on data from the 2014 OECD Regulatory Indicators Survey results, from 34 countries and the European Commission. Answers to the survey are self-assessments provided by public officials in centres of government.

and promotion (Karma Ura, 2018). When government ministries are developing new policy proposals, they submit a concept note to the Gross National Happiness Commission, which then gathers experts to apply the screening tool (Centre for Bhutan Studies & GNH, 2018). These assessors provide a qualitative judgement about whether the proposed policy is expected to have a negative (scored 1), uncertain (2), neutral (3) or positive (4) effect on the various GNH domains.

In a similar vein to the Bhutan screening tool, the Happiness Policy Manual developed for use by the United Arab Emirates government proposes a Happiness Impact Assessment Tool (National Program for Happiness and Wellbeing, 2017). This involves a qualitative assessment of a given proposal’s impact in six key policy domains: economy, health, education, culture and society, government services and governance, and environment and infrastructure. Policy proposals must pass the screening test before they can be presented to the Cabinet.

While the Bhutanese and United Arab Emirates examples cover a wide range of well-being impacts, other screening tools have targeted specific issues identified as key government priorities. For example, in 2014, the United Kingdom government introduced the Family Test, the objective of which was to “introduce an explicit family perspective to the policy making process, and ensure that potential impacts on family relationships and functioning are made explicit and recognised in the process of developing new policy” (Department of Work and Pensions, 2014). Government guidance indicates that policy analysts within all government departments should test new proposals for government policy or legislation against five family impact questions, prior to Ministerial agreement (Department of Work and Pensions, 2014). Moreover, the Ministry of Social Development in New Zealand have created a Child Impact Assessment Tool, which aims to help government and non-governmental organisations assess whether policy proposals improve the well-being of children and young people (New Zealand Ministry of Social Development, 2018).

One clear issue in the application of such Multiple Criteria Assessment methods is their often strong reliance on qualitative scoring methods, introducing an element of expert judgement and subjectivity that makes them unattractive to those who emphasise replicable, quantitative methods (Whitby et al., 2014). In reality, however, all policy making includes a degree of judgement, and these methods do have the benefit of making those judgements explicit. Another issue concerns the extent to which the findings of the various screening tools are published and open to public scrutiny, or able to inform the wider public debate. For example, concerns about transparency and the uneven implementation of the United Kingdom’s Family Test across departments have led to two Private Members Bills (proposed in 2015 and 2018)[13], seeking to put the test on a legislative footing, with the most recent proposing to require all departments to publish Family Impact Assessments. In 2015, the then Minister for Employment rejected the first Bill, arguing that requiring departments to publish their findings would reduce the Family Test to a “tick-box exercise” (Coleman, 2018). By contrast, other groups have argued that “without seeing the results of the Family Test it is impossible to know whether it is being applied in an appropriate way, or what influence it is having on policy” (Relate, 2015). Indeed, one way to strengthen Multiple Criteria Assessments would be to use them explicitly as a tool to foster dialogue among stakeholders, which could in turn also help to guard against some of the biases that may otherwise shape the subjective judgements often implicit within them (Whitby et al., 2014).

In applying RIA and other policy screening tools, a crucial area of tension emerges in terms of how many elements of well-being impact can and should be considered, and in which cases. Bhutan’s GNH Policy Screening Tool emphasises consideration for all GNH dimensions, to ensure a holistic approach. Yet one of the considerations emphasised by Deighton-Smith, et al. (2016) is the burden on the public service introduced by requiring additional analyses, which is a cost that must also be justified. Deighton-Smith et al therefore encourage applying the principles of proportionality and materiality - i.e., that the additional analysis be applied only where the impacts are of greatest significance. This is likely to be more acceptable to policy makers managing limited resources, but can be difficult to know a priori. This is especially the case when considering aspects of people’s well-being that
have typically been ignored in most forms of policy analysis (e.g. social connections, trust, etc.) - and where the significance of impacts is not likely to be known without conducting some analysis. As Whitby et al. (2014) note, civil servants are typically only encouraged to innovate “inside the box”.

Keeping the costs and burdens of the analysis manageable and proportionate to the benefits gained thus implies the need for some robust methodological guidance on how to select which well-being outcomes to include, without “cherry-picking” outcomes to tell a particular story. Whitby et al. (2014) call for the development of new heuristics and simplifying assumptions for well-being analysis – recognising that, through a strong focus on economic growth and efficiency, current policy practice already involves some very strong simplifying assumptions.

One useful first step might be to try and specify the **bare essentials** of what is needed to qualify as a “well-being” approach – i.e., to define a universal (and relatively loose) structure that could be tailored for use across all policy domains, so that within that structure there is flexibility for analysts to select the most salient indicators or outcomes. For example, McGregor (2018) has suggested that a universal framework should always include some consideration of material conditions, subjective well-being, and relational well-being – although to this, many would perhaps add inequalities and the environment. As an alternative heuristic, the six policy areas included in the United Arab Emirates’ Happiness Impact Assessment Tool were selected on the basis of research emphasising their role in driving subjective well-being outcomes.

The minimum set of outcomes required for conducting a well-being impact assessment is not simply a conceptual question, however; it is also an empirical one, in terms of where the greatest marginal gains are to be made from adding each layer of complexity. This is a critical area for further research – gradually building up a set of priority headline outcomes that can each be shown to add complementary information, “beyond GDP”, and ultimately lead to better policy decisions.

One final consideration is the development of the evidence base upon which these analyses can draw, and how this can be best stimulated, and then harnessed, by government. The United Kingdom’s network of What Works Centres (see section 2, above) present one model: a group of institutions set up for the purposes of gathering and disseminating evidence to policymakers, linking them to the wider academic research base. New Zealand’s Social Investment Agency, and the linked administrative and survey and data sets made available by Statistics New Zealand through the Integrated Data Infrastructure, are other examples. More generally, an obligation could be placed on very large public programmes to themselves produce the type of (well-being) evidence needed to assess their impacts, in the process creating a rich research resource that could also serve the wider public good.

### 3.4. Making decisions and evaluating their consequences: Cost-benefit and cost-effectiveness analysis

A commonly used tool for supporting decisions on the allocation of government resources is Cost-Benefit Analysis (CBA) – which often forms one part of a Regulatory Impact Assessment, but is by no means limited to examining regulatory policy proposals. CBA is used in order to quantify the costs and benefits associated with the outcomes of a policy intervention or a project. In its purest form, CBA relies on converting the impacts of the policy intervention into a single common currency (typically monetary units), so that the net positive and negative impacts can be summed into a single number, and then compared with the total expected cost. When conducted in a uniform way, the ratio of benefits to costs can then be compared across different policy options, to select those delivering the greatest returns on government investment.

The conversion of impacts into a common currency poses many challenges, particularly since many of the policy impacts that governments seek (such as better health, improved personal safety, or environmental goods) are not traded in markets and therefore have no prices that can be readily adopted in the analysis. Standard techniques for estimating non-market values include stated preference methods (i.e., asking people about their willingness to pay to receive a benefit, or avoid a cost) and revealed preference methods (i.e., observing people’s behaviour in
order to infer the value they place on a given good). However, both the stated preference and revealed preference methods have been challenged by behavioural economists on the grounds that people often have difficulty predicting what is likely to maximise their future well-being (e.g. Kahneman and Tversky, 2000; Sugden, 2005). In willingness-to-pay scenarios, people are often asked for their opinion about hypothetical scenarios of which they have no direct experience (Dolan, 2009). Furthermore, people's willingness to pay in order to evaluate the worth of a non-market good or services can be seriously impacted by people's different income levels, thus reflecting the relative worth, rather than total worth, of a given good.

To overcome some of these challenges, an alternative approach based on subjective well-being (typically, life evaluations) has been proposed (Fujiwara and Campbell, 2011; Dolan et al., 2011; Fujiwara and Dolan, 2016; Layard, 2016; Wright, Peasgood and MacLennan, 2017; Clark, Flèche, Layard, Powdthavee and Ward, 2018; OECD 2018d). Under this set of methods, survey data on subjective well-being are either used to estimate monetary values for non-market factors (based on equivalent income), or are used as the common currency itself, so that policy options are examined as the monetary cost per unit of improvement in subjective well-being.

A key advantage of these subjective well-being techniques is that they rely on people's lived experiences, rather than people's reactions to hypothetical future scenarios. So, for example, the subjective well-being impact of living with a particular health condition can be directly observed, on the basis of large population-representative samples, rather than asking a small subset of people to imagine how much they would pay (or what they would trade) to avoid living with that condition (see the chapter in this volume: Priority Setting in Healthcare Through the Lens of Happiness, by Peasgood, Foster and Dolan, 2019). The potential for strategic responding (i.e. intentionally over- or under-estimating the value of a good due to personal interests) is also reduced, since respondents are not directly asked how a good, service or condition impacts their well-being - rather, it is inferred through regression analysis. In addition, subjective well-being survey questions are generally cost- and time-effective to administer to large samples (Fujiwara and Campbell, 2011).

The United Kingdom Treasury's Green Book on Appraisal and Evaluation in Central Government (HM Treasury, 2018) offers a detailed overview of methods to assess and evaluate policy options. The guidance contains various options for assessing non-market values in CBA, and includes subjective well-being as one option, as well as revealed preference methods and willingness to pay. This is complemented by two recent publications by the What Works Centre for Wellbeing (Layard, 2016; and Wright, Peasgood and MacLennan, 2017).

Data availability, sensitivity, and assessing the duration of well-being impacts remain important challenges. Subjective well-being represents only one element of the multidimensional approach to well-being adopted by most OECD governments, and the more policy weight that is placed on a single metric, the more issues of measurement error and noise begin to matter. Analyses based on cross-sectional data can produce particularly misleading results, due to the challenges of correctly identifying complex causal pathways. When used in (ex-post) policy evaluation, it is possible to design pre- and post surveys that enable subjective well-being impacts of a given intervention to be observed, though the sensitivity of subjective well-being to small policy changes may be weak, requiring large samples for detection, and ongoing surveys over long time periods to assess the duration of impacts.

Due to the challenges of accurately estimating the relationship between income and subjective well-being (see OECD, 2013, 2018d), the monetary estimates obtained from the subjective well-being valuation method (when monetisation is used) are often implausibly large, and reducing the value of non-market goods to a list of prices can also damage public acceptability of the analysis (Corry, 2018). Cost-effectiveness analysis (describing costs incurred per unit improvement in subjective well-being) removes the need to use money as the common currency for describing impacts, while still focusing on how policy impacts people's happiness, and could be used alongside more traditional approaches to CBA valuation to broaden out the range of policy impacts that can be quantified.

3.5. Hybrid methods: Bringing the different
tools together

To harness the relative advantages of each method, a hybrid approach that combines situational analysis, CBA and Multi Criteria Analysis can be applied. In broad terms, this is the approach taken by the New Zealand Treasury to support the 2019 Wellbeing Budget (New Zealand Treasury, 2018a). As a first step, well-being evidence has been used to set Ministerial budget priorities, in consultation with both experts (e.g. Government Science Advisors) and the Cabinet. This has been supported by a Living Standards Framework dashboard of indicators (New Zealand Treasury 2018c). At the operational level, the budget guidance to individual departments then specifies twelve current well-being outcomes and four capitals (natural, human, physical/financial and social capital) against which all spending proposals should be systematically assessed. The benefits and costs of each proposal should be quantified (where possible) through the CBA template, and can include a monetised approach, where appropriate and useful (see Box 1).

4. Conclusions

National governments still face many challenges in moving from well-being measurement to policy application. A good share of the initiatives discussed in this chapter are essentially about bringing well-being monitoring efforts closer to policy-makers, by producing shorter and more communicative dashboards of indicators, timed to coincide with strategic decisions. This is without doubt an important first step – to raise

Box 1. CBAX: A New Zealand Treasury tool for improving the consistency of Cost Benefit Analysis

One barrier to the harmonised use of any type of CBA is that different teams of analysts may base their assessments on different sets of assumptions. To support analysts working across diverse government departments, the New Zealand Treasury has developed a spreadsheet tool called CBAX. A key goal of CBAX is to support consistency and transparency of methods: it requires users to spell out clearly their assumptions, such as those made about effect sizes, as well as the valuations applied to different goods and services, so that these can be compared across different analyses. Through adoption of a 50 year time horizon, it also aims to encourage long-term thinking. The use of CBAX is, however, strictly optional.

The CBAX tool can accommodate a variety of methods for generating monetized values, including values inputed by departments themselves. There are currently over 200 values provided by the Treasury in the CBAX Impacts Database. In 2017, the Treasury purchased a license to use around 60 values estimated using the subjective well-being method, as compiled by the Australian Social Value Bank, and adjusted using New Zealand income levels.

A recent evaluation (New Zealand Institute of Economic Research, 2018) found that agencies have made significant improvements in the quality of their analysis of budget initiatives since the CBAX tool was introduced. However, that evaluation also highlighted that the added complexity of CBAX may not pay off in all cases – thus, it is important to identify those instances where its added value is greatest. One particularly important advantage identified in the approach was in focusing analysts on being very clear about the intervention logic – something that can enhance CBA, whether or not the logic is presented in monetised or quantified form.

awareness, and shape the public policy dialogue. But it remains largely in the measurement domain, rather than representing a more fundamental shift towards integrating well-being evidence in policy decisions.

Perhaps it was in this measurement domain that it was most urgent to first address the need to go “beyond GDP”. While economic statistics have dominated discussions of countries’ progress, policy-making is a much more nuanced practice that has long taken a broader perspective – with significant priority given to supporting objectives such as health, education, poverty-reduction, personal safety and security. Nevertheless, there are important components of people’s well-being (e.g. social connections, subjective well-being, trust, natural capital, job quality) which have been poorly measured and therefore inadequately accounted in policy decisions, or marginalised as a result of making economic growth the primary objective that trumps all others. Putting people’s well-being at the centre of the analysis requires an improved evidence base, but also a change of culture and practice in how policy making is done.

To move beyond measurement, some of the most promising avenues are those which draw well-being indicators into the heart of policy analysis. For example, to help assess spending proposals as part of budget bids; to examine the wide-ranging impacts of global trends that require a coordinated policy response (from digitalisation and the future of work, to climate change); to help in the formulation and development of policy options; to use them in their appraisal, ex-ante; and to monitor and evaluate the impact of policies and programmes, ex-post.

Countries are still experimenting with their well-being approaches, so it is too early for sweeping conclusions about the correct path to take. Nonetheless, it is clear that putting well-being at the centre of policy analysis requires supporting conditions and the development of new infrastructure: a well-developed and accessible evidence base; civil servants with the training, tools and capability to conduct the analyses and interpret the findings; and perhaps most crucially leaders (both political and managerial) who demand greater use of well-being evidence in order to arrive at their decisions. These leaders will only make these demands if they can see that the quality of the advice, subsequent decision-making, and ultimately people’s lives improve as a result of adopting a well-being lens. This means honestly evaluating the methods being developed, and continuing to share knowledge and lessons among practitioners.

Most important, perhaps, is to identify the particular types of policy problem that a well-being approach can help to solve. In all likelihood, some of the assessments and decisions taken by government will not require an extensive well-being analysis – or will not be sufficiently changed by a well-being approach to make the added investment worthwhile. On the other hand, policy decisions that embody multiple trade-offs (or synergies), complex networks of stakeholders, and high risks of creating both winners and losers, are likely to benefit the most from being assessed through a well-being lens.

There are several open questions that those developing techniques for well-being policy analysis will need to address. Key issues that demand more urgent attention include how to integrate consideration for both current well-being and resources for future well-being, and the relationship between them – since there can be trade-offs between maximising current well-being today, and ensuring that sufficient investments are made in resources for the future. Another concerns support for policy analysts in developing their intervention logic around well-being. Dashboards of well-being indicators (rightly) tend to focus on high-level societal outcomes (such as life expectancy) but there are usually several intermediate steps that need to be mapped out to link these back to the policy levers available to central governments. And broad societal outcomes are nearly always affected by the work of multiple government departments. The OECD’s Inclusive Growth framework for policy action (OECD, 2018a) provides one example of this kind of mapping, identifying levers that governments could use to raise well-being on a more inclusive basis.

Another set of critical issues for well-being policy analysis concern parsimony and proportionality. The burden of evidence gathering and assessment is a cost to the public purse that should not outweigh its own
benefits. All of the well-being frameworks that have been introduced in national government contexts are multi-dimensional. It is this multidimensionality that perhaps offers greatest value to policy analysis, since it helps to cut across the traditional policy silos of government. But how many well-being outcomes do you need to consider, in order to be confident of capturing the most significant trade-offs, spillovers and synergies, without over-burdening the analysis? When is subjective well-being here-and-now a valuable summary measure that can capture a wide variety of the non-market factors of interest - and when does the analysis need to be broadened out to consider additional economic and environmental factors/ resources for future well-being that are not reflected in how people feel about their lives today? Or that could even be negatively related in the short-term, such as savings (Qasim and Grimes, 2018)? Flexibility needs to be built into monitoring, evaluation and analysis efforts to ensure that analysts can select the most relevant and pertinent outcomes for assessment – yet there needs to be some sort of backstop in place to avoid either accidental or wilful neglect of important spillovers. One solution might be to offer a flexible well-being framework (or template), accompanied by a mechanism for challenging analyses and for supporting capacity development (e.g. by Treasury, or an independent watchdog). Another might be that when a major new policy proposal is developed, a joint analysis across departments could be required – in which the Education Ministry advises on likely educational impacts, the Environment Ministry advises on likely environmental impacts, etc. Public consultation provides another backstop and accountability mechanism – particularly if evidence is widely sought from academic and research institutes. None of these are particularly new policy innovations, and none of them necessarily require invoking well-being. But well-being can offer a systematic framework against which to assess trade-offs and synergies.

Well-being metrics can support better policy making by providing feedback on whether long-term high-level policy objectives are being achieved. The widespread adoption of well-being measurement initiatives, often accompanied by large-scale public consultations, have raised expectations about the emphasis these measures will be given in policy. But metrics do not, in themselves, provide a complete policy intervention logic: knowing that exposure to air pollution is a problem does not tell you the most cost- and well-being efficient way to reduce that pollution. To know if policy choices will deliver better lives, then, they need to be assessed for their well-being impact. This means bringing well-being into the heart of decision-making, not just the heart of national statistics. Embedding this practice needs strong leadership and champions of the approach, action at the centre of government (for a holistic view), and further development of analytical tools and capacities.
Endnotes

1 Defined by ISTAT as the percentage of unemployed people aged 15-74, plus part of the potential labor force aged 15-74 (persons who are inactive not having looked for a job in the past 4 weeks but willing to work), divided by the total labor force aged 15-74, plus part of the potential labor force aged 15-74 (persons who are inactive not having looked for a job in the past 4 weeks but willing to work).

2 An exception is the New Zealand Treasury Living Standards Framework dashboard, which serves as a more complete diagnostic by including a larger variety of measures, as well as disaggregations across key population groups.

3 The Community Empowerment (Scotland) Act 2015 means the « outcomes » approach continues, regardless of the political party or parties in government: https://beta.gov.scot/policies/community-empowerment/

4 See http://archive.cynnalcymru.com/national-conversation-wales-we-want

5 These goals are as follows: a prosperous Wales, a resilient Wales, a more equal Wales, a Wales of cohesive communities, a Wales of vibrant culture and thriving Welsh Language and a globally responsible Wales (‘Welsh Government, 2015’).

6 In Slovenia, 30 indicators were selected to cover 6 strategic priorities, and in Scotland 81 indicators covering 11 strategic outcomes. See http://nationalperformance.gov.scot/ (Scotland) and http://www.vlada.si/en/projects/slovenian_development_strategy_2030/ (Slovenia)

7 Although designed for different purposes, there is a strong consistency across the 17 goals and the central elements of the OECD’s ‘How’s Life?’ well-being framework (OECD, 2017).


9 See https://futureregenerations.wales/get-inspired/


12 Idem. More specifically, the manual addresses four core aspects of subjective well-being: “Evaluative Happiness, Affective Happiness, Eudemonic Happiness, and happiness (satisfaction) related to public policy domains, including economy, education, health, society and culture, government services, and environment and infrastructure”

13 Private Members’ Bills are introduced by MPs and Lords who are not government ministers (and therefore not acting on behalf of the Executive Branch of the government). Only a minority of Private Members’ Bills become law but, by creating publicity around an issue, they may affect legislation indirectly.


15 For example, life satisfaction, based on a question such as: Overall, how satisfied are you with your life nowadays? Respondents are asked to reply on a scale of 0 to 10, where zero means you feel “not at all satisfied” and 10 means you feel “completely satisfied”.

References


