

# THE GLOBAL ANALYSIS OF WELLBEING REPORT 2018

*From Measurement to Policy and Practice*



An Oxford Foundation of Knowledge Exchange Report

Edited by Carol Graham, Flavio Comim, and Paul Anand (Eds.)

**With thanks to the following contributors:**

Paul Anand, Open University and London School of Economics

Romina Boarini, OECD

Jose Antonio Canaviri, UNICEF

Lham Dorji, National Statistics Bureau of Bhutan

Kathrin Gärtner, Statistics Austria

Thomas Helgeson, Statistics Sweden

John F. Helliwell, University of British Columbia

Guinevere Hunt, Australian Bureau of Statistics

Inna Konoshonok, National Statistical Committee of the Republic of Belarus

Lord Gus O' Donnell, House of Lords

Niels Ploug, Statistics Denmark

Larissa Pople, The Children's Society

Freya Pryce, Oxford Foundation for Knowledge Exchange

Katie Pyle, Janaagraha Centre for Citizenship and Democracy

Francis Stuart, Oxfam Scotland

Hanna Wheatley, New Economics Foundation

Sam Wren-Lewis, Happy City

Amit Yagur-Kroll, Israel Central Bureau of Statistics

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## TABLE OF CONTENTS

1	INTRODUCTION - FROM MEASUREMENT TO POLICY AND PRACTICE .....	04
2	COUNTRY CASE STUDIES - WELLBEING MEASUREMENT IN NINE COUNTRIES AND THE OECD .....	05
2.1	Australia .....	05
2.2	Austria .....	07
2.3	Belarus .....	08
2.4	Bhutan .....	09
2.5	Bolivia .....	11
2.6	Denmark .....	13
2.7	Israel .....	14
2.8	Sweden .....	16
2.9	United Kingdom .....	17
2.10	OECD .....	19
3	WELLBEING AND HAPPINESS IN CIVIL SOCIETY .....	21
3.1	Measuring Wellbeing in Cities .....	21
3.2	Wellbeing Assessments for Children .....	27
3.3	Communicating Wellbeing .....	29
3.4	Oxfam Scotland and Decent Work.....	31
4	PERSONAL PERSPECTIVES ON WELLBEING, MEASUREMENT AND USE IN POLICY .....	34
4.1	Lessons from the Science of Happiness - John Helliwell ...	34
4.2	Wellbeing and Government - Lord Gus O'Donnell.....	36
5	CONCLUSIONS AND RECOMMENDATIONS .....	38

**"Economic growth without investment in human development is unsustainable – and unethical"**

Amartya Sen

**"At the OECD we have been at the fore of efforts to change the way things are done. For over a decade, the OECD World Forums have led the drive to put well-being at the heart of policy-making. By underscoring the role of statistics in shaping action, we have driven a re-orientation of policies to look 'beyond GDP' to focus on the many aspects of well-being that matter in people's lives."**

Angel Gurria

## 1. INTRODUCTION - FROM MEASUREMENT TO POLICY AND PRACTICE

Over the past three decades, there has been an extraordinary amount of interest in the development and use of data that seeks to complement the measures of national income that have become so familiar over the last century. Early concerns centred on the environmental and social consequences of economic activity that was not well reflected by monetary measures and in recent years, economists have started to formulate their own specific responses to these issues. Two approaches have emerged as increasingly important in economic work. One, developed by Nobel Laureate, Amartya Sen, offers a universal grammar for thinking about the quality of life. Its formation, soon after the UN's Human Development Index was launched, was one of the first successful international efforts to go beyond GDP.

A second approach that has also attracted interest in recent years and been influential within research, as well as policy circles, is work that focuses on subjective assessments of wellbeing. There are a number of measures or variables that have been used, ranging from satisfaction with life overall to anxiety and these have also generated interesting insights which are potentially informative for policy or practice. One interpretation of humanity's prosperity sees these two major camps as being logically consistent with their combination providing a powerful set of tools and approaches for use in public policy and the design of national life-quality indicators.

In the Global Analysis of Wellbeing Report, we throw a spotlight on some of the key national projects and developments that are helping to transform the data available to measure wellbeing around the world. In addition, we combine this with insights into how policy-makers and practitioners in civil society and business can use these data to shape the activities that they undertake to improve wellbeing. Doubts have been expressed about the value and use of measuring wellbeing directly but we argue in this report that there governments are now putting in place a new and different information infrastructure that does not have to assume that changes in human wellbeing are always closely correlated with changes in national income.

As Lord Gus O'Donnell notes in his reflections on first hand experience in government, the development of new

and direct measures of health outcomes have added substantially to our thinking how resources can and should be allocated between treatment and prevention. Elsewhere work by Oxfam Scotland helps to remind us just how many different aspects of employment, beyond pay, contribute to making work decent and a basis for inclusive within society. Similar kinds of insights can be found across the age range. Research led by Martin Seligman in the US has found that a focus on student wellbeing can have dramatic impacts on learning outcomes while research commissioned by The Children's Society (discussed in section three) has found that the family relations are much more significant for child development than family structure and such thinking is beginning to impact thinking about life quality monitoring in cities around the world as contributions from charities in the UK and India demonstrate.

We know a lot about the science of wellbeing from research (see for instance Helliwell et al (2012)) but here we make points about practice and in particular about the potential to develop innovation policies for human wellbeing informed and shaping new and more direct approaches to the measure of human wellbeing outcomes. We hope this will encourage other countries to take up the challenges of wellbeing measurement provide practitioners an opportunity to reflect on some of the ways direct measurement can shape policies, services and discourse about directions that societies should take. By bringing measurement and practice together in one report, we hope that both parts of the overall project to go beyond GDP will benefit, whilst recognising that the report only scratches the surface of what some of the practical initiatives that are emerging.

Whilst the case-studies provided record the different histories of statistical developments in different parts of the world, it is clear that some themes and actions are beginning to emerge. In the first instance, there is a growing general agreement that the wellbeing of national populations needs to be measured in ways that go beyond financial measures such as income.[1]

How people feel about life, or assess public services, are of importance to politicians and citizens alike and, in some cases, the information can also be of relevance

to business. Beyond particular subjective states, there is recognition that *potential* issues are important, that is the opportunities people have to do the things they value and have reason to value. These are often reflected in multiple domains and it has been suggested that what we now need is a 'dashboard' of indicators to supplement national income figures. Finally, there is an increasing concern amongst voters and political actors about the distribution of wellbeing within and between countries around the world.

Many of these issues are reflected in the country case studies that follow which do provide an informed picture of developments in different countries around the world. None of the views expressed should be taken as official but they offer a snapshot of thinking about wellbeing measurement at the current time. There is perhaps evidence of some kind of convergence in the desire to cover most of the main domains of life, albeit at a high or summary level. The OECD has been keen to help member states in this regard and its own work provides an indication of what the 'common core' indicators internationally might look like.

That said, each country invariably has its own particular history and priorities so while there is scope for greater standardization of wellbeing measures internationally, there will always be a need for indicators and measures specific to regional opportunities and challenges. In this regard, the civil society case studies help to highlight particular initiatives relating to children, cities and work that are nonetheless important life quality issues in all countries around the world.

The rest of the report is as follows. Section 2 particularly, focusses on some of these developments and experiences in a selection of National Statistics Offices from around the world. After reflecting on the interactions between government officials and researchers as well as NGOs (for the latter see Section 3) and sharing insights for priority setting, practice improvement and policy evaluation, the report concludes with seven recommendations from the Foundation concerning the measurement of wellbeing which we hope will be of value to a variety of organisations and initiatives around the world.

## 2. COUNTRY CASE STUDIES – WELLBEING MEASUREMENT IN NINE COUNTRIES AND THE OECD

### 2.1 Australia

Australian social statistics have long been related to the idea of human wellbeing. Based on the OECD's 1976 proposal that wellbeing could be measured by defining goal areas, or areas of concern, that were of fundamental importance to wellbeing, Australian social statistics have been organised around a set of 'aspects of life' considered core to wellbeing. Each aspect was linked to a general social statistics theme: health, work, economic resources, education and learning, housing, crime and justice, family and community, and culture and leisure. Since 1911, The Census of Population and Housing has collected data on a range of social and economic attributes that contribute to wellbeing, such as employment, education and income levels. The Time Use Survey was first collected nationally in 1992 (although smaller surveys were conducted in 1972, in Melbourne and Albury, and in 1987, in Sydney).

The topic of measuring wellbeing in a more direct way was articulated clearly by the Australian Bureau of Statistics (ABS) in 2001, with the release of the statement that wellbeing "can be seen as a state of health or sufficiency in all aspects of life. Measuring wellbeing therefore involves mapping the whole of life, and considering each life event

or social context that has the potential to affect the quality of individual lives, or the cohesion of society. At the individual level, this can include the physical, emotional, psychological and spiritual aspects of life. At a broader level, the social, material and natural environments surrounding each individual, through interdependency, become part of the wellbeing equation".

In 2001, the ABS also published *Measuring Wellbeing: Frameworks for Australian Social Statistics*, which presented the broad framework that the ABS used to organise Australian social statistics, and detailed the conceptual models used for each theme. This publication included discussion on how the ABS defined the theme, its importance to individual/societal wellbeing, key social issues and the data sources available to address these issues.

By 2002, the ABS conducted their first General Social Survey that provided multi-topic social survey data for an analysis of the wellbeing of Australians. The indicators of life satisfaction had changed since the first GSS in 2002, with the 2014 survey replacing the Quality of Life measure (the 'delighted/terrible scale': where people were asked how they felt about a number of aspects of



their life on a ten-point scale of delighted to terrible) with a single life satisfaction question. Otherwise many indicators of wellbeing have not changed from survey to survey.

In June 2015, the ABS then published a revised set of frameworks for understanding, measuring and analysing the wellbeing of Australians: 4160.0.55.001 - Frameworks for Australian Social Statistics, Jun 2015. This publication notes that wellbeing:

"is a broad and abstract term which describes a general aspiration for 'a good life', 'good quality of life' or 'high satisfaction with life'. It can be thought of from many points of view: a person, a family, a community, a population group, or from a societal perspective. More than material living conditions (e.g. income, wealth, consumption, housing and possessions), the concept of wellbeing relates to: how people feel (i.e. how happy are you?), how people evaluate their lives (i.e. how satisfied are you with your life?), whether people feel their life is worthwhile (i.e. the so-called eudaimonic measure)."

The publication notes that wellbeing also encompasses the following elements: who we are, what we do, where we live our lives, our connections, the wellbeing of others, the risks we face and our opportunities and barriers.

In 2011-12, the ABS undertook a national consultation to better understand the aspirations and hopes of Australians for their, and the nation's, future. Based on this consultation, the ABS revised the framework to focus on the areas Australians said were most important to them. Each aspiration can be linked to one of the social statistics themes noted above (with the addition of Governance, Information and communication technology, and Built and natural environments).

Australia also produces the publication Measures of Australia's Progress (MAP). MAP is a conceptual framework for progress (rather than a comprehensive statistical framework). At the broad level it seeks to provide a view of societal progress in a range of aspects of wellbeing. It identifies those aspects Australians thought were the most important - essentially looking at the nation's aspirations for societal progress and indicators to measure how the country is tracking.

The suite of indicators for MAP were reviewed prior to the 2013 publication. Since MAP was first produced in 2002, there has been increasing global interest in measuring the social, economic and environmental dimensions of progress. More recently, there has been a growing interest in measuring progress in the area of governance.

The ABS collects a wide range of indicators that contribute to an overall societal picture of wellbeing, but those that contribute more specifically include: a Quality of Life question in the 2010 General Social Survey (GSS) and the 2007 Survey of Mental Health and Wellbeing (SMHWB), a Life Satisfaction question and a range of social inclusion questions in the 2014 GSS, the K10 Psychological Distress questions in the Australian Health Survey and the SMHWB (with a corresponding K5 set for the Aboriginal and Torres Strait Islander Health Survey), a work/life balance question in the 2007 Survey of Employment Arrangements, Retirement and Superannuation (SEARS) and a series of social inclusion, time stress and trust questions in the 2006 Time Use Survey (TUS).

Measuring what matters underpins the work of official statisticians. The ABS strives to produce statistics that provide insight into important aspects of our nation in a reliable and informative manner. Whether it be accurate information about the

character of our population, the development of our national economy, the state of our environment or the health of people, the ABS is committed to ensuring official statistics are the best possible and align with the statistical priorities of our nation.

The aim of producing statistics on wellbeing is to ensure that people are thinking about the current state of Australia's wellbeing from a wide range of perspectives. These include how and why it has changed over time, population groups of particular

concern, discussion in broad terms on what information is needed for the design and monitoring of better social policies and programs, associated research and for government and community discussion.

Summary results from ABS are freely available on the ABS website, and confidentialised survey data is also available through access to unit record files, TableBuilder products and customised data requests.



## 2.2 Austria

Statistics Austria uses the EU SILC (European Union Statistics on Income and Living Conditions) survey, including the general wellbeing question in the national part of SILC. Up until 2012, a six-point scale was used to measure general wellbeing. In 2013, there was a special module in SILC about wellbeing on an international level. Following this, the wellbeing question was changed – from a six-point scale to an eleven-point scale (1-10), following advice on the measurement of wellbeing from the OECD. This answer format was kept, in the years afterwards, for the national part.

SILC 2013 used the wellbeing concept of affective component, evaluative component and eudemonic component. i.e. General life satisfaction, Affect – negative/positive and Purpose in life – meaningful, worth. It measured life satisfaction in general as well as more specific satisfaction with, for example, job, income or main activities. Additionally, a project with the Ministry of Family and Youth in Austria used SILC data to measure wellbeing and satisfaction amongst the youth.

There is also a programme, led by Statistics Austria, called 'How is Austria?' – this is an indicator programme – a 'GDP and beyond' scheme – it involves other measures, such as environment,

quality of life and material living conditions. GDP is accompanied by 30 indicators from three different domains: material living conditions, quality of life and sustainability. Here, wellbeing is meant in the broad and general sense, as quality of life. The 'How is Austria?' book is published every year.[2]

### Link to 'How is Austria?' 2015:

The domain "quality of life" consists of ten sub domains (and therefore ten main indicators). The tenth dimension addresses wellbeing in general, for which the main indicator is the question in SILC. Statistics Austria thought that the data collected with regards to wellbeing would influence and inform government, so they included government ministries in the choosing of indicators, but as in most if not all countries, data use for policy is a matter for departments. National media are also interested in reporting on wellbeing measurements though they are often more interested in talking about one simple measure rather than the full collection.

In February 2016, there was a conference about wellbeing research in Austria at Statistics Austria. Researchers on wellbeing from different domains (such as psychology, philosophy and social

policy) discussed wellbeing and how it should be measured. They featured in a piece on 'Wellbeing Now' in the Momentum journal. They have decided to hold another wellbeing conference next year. Wellbeing has featured in academic research for at least 10-20 years, but it is a new field for the Austrian Office for Statistics, which raised questions about the accuracy and reliability of the questions asked about subjective wellbeing. These are not easy questions which can be glossed over so some caution is needed.

There are unlikely to be major changes in the measurement of wellbeing in Austria, but rather more research efforts will be made in how we understand the data on wellbeing. The research community is thinking about comparability between different countries, but wellbeing/happiness may not be directly translatable into different languages, so it is hard to find stable measures. Both the media and political representatives are keen to obtain comparisons.



## 2.3 Belarus

The National Statistical Committee of the Republic of Belarus views wellbeing as a complex multifaceted category, which gathers together all of the essential conditions for a person's life related to the satisfaction of his or her material and spiritual needs. In other words, wellbeing is defined as the degree of availability of essentials and livelihood to people. Components of material wellbeing include: indicators of income, consumption, employment and unemployment and poverty rates, as well as macroeconomic indicators such as GDP per capita and the consumer price index. In addition to these material components, wellbeing also comprises living conditions, personal and national security and a clean environment, as well as other conditions of human wellbeing (such as social comfort), which cannot be estimated using value indicators.

The key source of data, about the wellbeing of the Belarusian population, is a sample household living standards survey that has been conducted on an

annual basis since 1995, according to methodology that complies with international standards. The survey is conducted across the entire territory of the country and is based on the voluntary participation of households. This sample survey covers 6000 households, or 0.2% of the total households in the country. It is conducted using approved surveying forms (questionnaires), which contain questions about the income and expenditure of households, as well as questions about housing improvements, the provision of households with durable goods, the attitude of the population to physical education and sport and questions about various non-material aspects of the population's quality of life.

The survey programme is subject to ongoing improvement. For example, in order to obtain information on the use of ICT in households, from 1998 onwards, the survey included a question about the availability of personal computers in households and, from 2010, mobile phones. In 2007, questions

about access to the internet were added to the survey. In 2011, questions about the frequency of, and reasons for, using the internet were also added. Furthermore the investigation into households' use of ICT was expanded with the addition of questions about where people used the internet, as well asking about why some people/respondents did not use the internet.

The study of poverty based on deprivation began in 2012, when a list of material deprivations that were deemed to be signs of poverty in the Republic of Belarus was formed. Using this the National Statistical Committee calculated the level of material deprivation of the population. In 2014, the National Statistical Committee developed and adopted the methodology, compiling the statistical indicators of the population's living standards

(households), which regulate the calculation of absolute, relative and deprivation poverty.

This measurement of various indicators of wellbeing provides a comprehensive assessment of the population's quality of life over time and enables the implementation of state programmes of socio-economic development to be monitored. Information on the wellbeing of the population of the country is provided to the President and Government of the Republic of Belarus, in the form of analytical notes and statistical publications, so that findings about the citizens' quality of life can be used to adapt government policies. In future, The National Statistical Committee of Belarus plans to improve the system of indicators that characterise the population's wellbeing by expanding the range of indicators used.[3]

## 2.4 Bhutan

Ga-Kyid (semantically, Happiness and Wellbeing) has long been an integral part of Bhutanese society. The 1829's legal code of Bhutan (1829) states that the very existence of the governance system is to foster the enabling conditions for Happiness and Wellbeing for all its citizens including all species of beings. In 1972, the Fourth King of Bhutan proclaimed that for his country 'GNH is more important than GDP'. Since then, Gross National Happiness (GNH) became Bhutan's development philosophy and served as the fundamental principle of governance. In 1998, the Royal Government adopted 'Bhutan 2020: A Vision for Peace, Prosperity and Happiness'. To achieve the overarching goal of maximising citizens' happiness and well being, the Royal Government advocated and emphasised on four pillars of development: balanced socio-economic development; good governance; environmental conservation; and preservation of culture. The Constitution of the Kingdom of Bhutan (adopted in 2008) provides the legal framework to pursue GNH as the State's policy.

The first attempt to measure GNH systematically was made in 2008. The Centre for Bhutan Studies & GNH Research, a government Think Tank developed GNH Index and Indicators using data from three GNH surveys (2007 pilot, 2010 and 2015). The GNH survey is conducted every after three to four years to analyse the trends and compare the status of nine domains across the groups, communities and districts. The GNH measurement includes nine domains and 33 indicators. GNH indicators measure citizens' happiness and wellbeing and guide GNH-based development processes. Nine

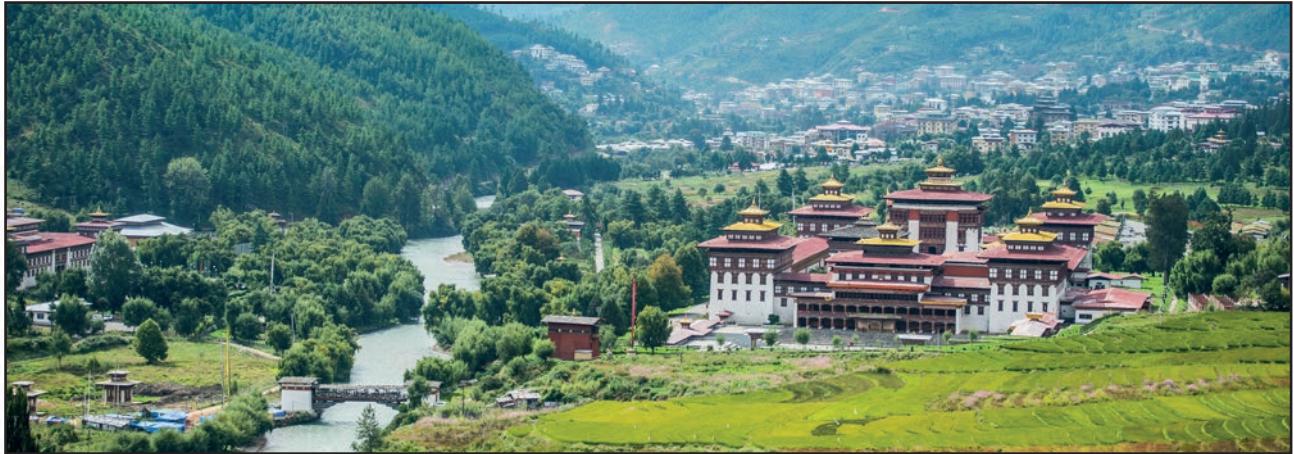
domains are psychological wellbeing (4 indicators), health (4 indicators), time use (2 indicators), education (4 indicators), cultural diversity and resilience (4 indicators), good governance (4 indicators), community vitality (4 indicators), ecological diversity and resilience (4 indicators), and living standard (3 indicators).

The GNH Policy and Project Screening Tool was developed alongside to ensure that the formulation, implementation, and assessment of public policies and projects are well balanced and holistic with minimal adverse effect on GNH development approach. The tool uses 22 GNH indicators representing nine domains.

The Gross National Happiness Commission (GNHC, erstwhile Planning Commission) is responsible for operationalising GNH concept and measurement. It uses GNH indicators as development target indicators, and consequently, to develop programmes and activities to improve the indicators over time and space. GNHC uses the GNH screening tool as its public policy protocol. Few examples of public policy that went through GNH screening processes are: National Employment Policy, National Health Policy, and Foreign Direct Investment Policy.

GNH Index is currently not used in the public Resource Allocation Formula (RAF) though motivation is there to develop a comprehensive GNH-adjusted public budget allocation formula in the near future.

National Statistics Bureau (NSB) produces the conventional GDP accounts. The Planning Commission made its first effort to estimate the



country's GDP in 1981. GDP is currently measured using both production and expenditure approaches in current and constant prices. Beside GDP, the other accounts reported by NSB are Gross National Income (GNI), Final Consumption and Expenditure (FCE), Gross Capital Formation and Savings (GCFS) and Net Exports.

NSB reports income/consumption poverty rate on regular basis. Prior to 2000, administrative data and estimates on social and economic indicators related to poverty were used for development planning and budgeting. It was in 2000 that the first poverty estimate was made using data from the pilot Household Income and Expenditure Survey (HEIS 2000). In 2003, the first Bhutan Living Standard Survey (BLSS) survey provided data for estimating the income poverty measure. Subsequently, BLSS 2007 and 2012 provided data to measure consumption poverty. Poverty rate is calculated using the World Bank's Cost of Basic Needs (CBN) approach.

The consumption poverty rate was used to determine the resource allocation to each of the 205 sub-districts (gewogs) in the 10th Five Year Plan (FYP, 2008-2013). The criteria used in RAF were poverty rate (75% weightage), population size (25%) and geographic location (5%). In 2012, NSB's Research Division in collaboration with the Oxford Poverty and Human Development Initiatives (OPHI) produced the first Multidimensional Poverty Index (MPI) using data from Bhutan Multiple Indicator Survey (BMIS), 2010. Bhutan was one of the pioneering countries to produce the national MPI. Three MPI dimensions were health, education and living standard. The estimates were made using the Alkire-Foster Methodology.

Bhutan's national MPI indicators were developed to complement the national consumption poverty measure. It was evident that the districts doing well in consumption poverty measure were not necessarily doing well in multidimensional poverty measure.

GNHC began to use MPI to support designing plans and programmes that target the poor in the 11th Five Year Plan (2013-2018) and for equitable development. The use of MPI allowed GNHC to compare districts, sub-districts and municipalities and helped the government and other stakeholders focus their policies and services in the areas where they were needed the most.

Importantly, MPI replaced conventional consumption poverty metric used previously as one criterion for the allocation of development budget. In the Resource Allocation Formula (RAF), MPI determined 45% of the total plan budget for each district/sub-district in the 11th FYP. The other criteria used in RAF were population size (35% weightage), geographic area (10%), and transportation cost index (10%).

Bhutan was also one of the first countries to develop Child Multidimensional Poverty Index (C-MPI) in collaboration with OPHI. The report has been released in 2016. It is available online at [www.nsb.gov.bt](http://www.nsb.gov.bt).

Human Development Index (HDI) for three time periods (1984 and 1998) was constructed from minimally available data (Planning Commission, 2000). In 2000, the Planning Commission produced the first Bhutan HDI titled 'Gross National Happiness and Human Development: Searching for Common Ground.' Bhutan's HDI is based on three dimensions of long and healthy life, knowledge, and decent standard of living similar to other countries' HDIs. Most of the country's developmental goals are found to be consistent with the SDGs.

Contributed by Lham Dorji

*Disclaimer: The article reflects the views of the contributor. It does not reflect the views of National Statistics Bureau (where he works) or the Royal Government of Bhutan.*

## 2.5 Bolivia

During Bolivian president, Evo Morales', administration, the Ministry of Development and Planning (2015) developed a National Social and Economic Development Plan [NDP] that focused on human development and wellbeing. The NDP was officially launched in 2015, and its main strategic guidelines were directed towards the transformation of Bolivia to 'well-being' concepts involving criteria such as life satisfaction and/or quality of life in a broad sense. Although the concept of the former became a strategic part of the public policy agenda of the Bolivian government in the first period of Morales' governance, no attempts were made to measure it. This case-study focuses on deprivation, particularly, using information gathered before (2000-2005) and during Morales' first period of governance (2006-2010). During this time, it was decided to construct a multidimensional index that calculated 'distances' (Distance P2), taking the worst values of a set of indicators as references, among municipalities (unit of analysis), and aggregating them across time (from 2000 to 2011) and dimensions (material, social and human).

The analysis included a comparison of municipalities and the changes in them, over time, based on their well-being values. In general the municipalities with the lowest values of well-being were concentrated in the Department of Oruro. Additionally, when time was taken into account, these municipalities remained at the lowest levels. This meant that, overall, Bolivian wellbeing decreased over the period 2000 to 2011.

There is no a formal agreement about which domains, even less indicators, should be incorporated when analyzing well-being. For instance, the core Human Development Index (HDI), UNDP (2013) uses three dimensions: health, education, and living standards. Stiglitz et al., (2009) suggested the following: material living standards (income, consumption and wealth); health; education; personal activities including work; political voice and governance; social connections and relationships; environment (present and future conditions); and insecurity. Somarriba and Pena (2009) measured the quality of life in Europe using: education, health, safety, satisfaction and happiness. Epley (2008), proposed a method of measuring quality of life at the local and state level uses as domains: crime, health, employment, education and recreation. Heshmati (2008), measured child

well-being using material well-being, health and safety, educational well-being, peer and family relationships, behaviors and risk and subjective well-being. Ocampo and Foronda (2007), measured the quality of life in Bolivia and used household characteristics (infrastructure, access to basic services) and surroundings (crime and security, health, environment, education infrastructure). Murias et al. (2006) constructed a well-being index for Spanish provinces using consumption capacity, wealth stocks, inequality and economic insecurity. White (2009) proposed three dimensions for well-being measurement, namely: the material (assets, welfare and standards of living); social (social relations, access to public goods, attitudes to life and personal relationships); and human (people's perception of their {material, social and human} positions, cultural values, ideologies and beliefs). The latter approach is used for this study.

Some considerations are important to bear in mind. Firstly, when selecting the indicators for the social dimension, the main criterion was to have a common infrastructure or place where people could interact with each other. In addition, for the material dimension the number of personnel in health centres, hospitals, schools, colleges and institutes was used to represent the availability of services in the municipalities. Secondly, the classification of the indicators was indicative, in the sense that another one may apply; however, given the lack of information at the municipal level in Bolivia, these dimensions and indicators were used for the analysis. Moreover, the indicators aggregated, according to the dimensions, did not affect the validity of the results and the estimation of well-being. In other words, the focus and relevance was centered on a set of indicators beyond the classification per se. A similar approach was applied in Pena (1977), Somarriba (2008), Somarriba and Pena (2009), and Zarzosa and Somarriba (2013).

### Data

The database contains variables at subnational level (327 municipalities) from 1992 to 2011[1], classified by the Millennium Development Goals (MDG) as elaborated by the UDAPE of the Bolivian Ministry of Planning. The UDAPE uses this information to track the progress of MDG in Bolivia. In addition, there are few variables used in the analysis that are estimated by UNICEF Bolivia.



### From evidence to policy design

The results of this exercise will provide inputs for public policy guidelines in order to identify which dimensions (e.g. material, social, human) and/or sectors (e.g. health, education) need more attention, in terms of improving well-being as, currently, there is no information available about Bolivians' well-being. Given the fact that subnational information in Bolivia is limited, results will allow government decision-makers to consider well-being issues from an objective and quantitative point of view, focusing on low well-being areas (cities and municipalities).

Currently, UNICEF in Bolivia is using this evidence to design their new strategic approach for 2018 – 2022. Even though there is insufficient information about well-being at present, it is considered important to consider such measures in the near future, since global measurements such as Sustainable Development Goals include multidimensional approaches (e.g. children living in multidimensional poverty) but also in terms of well-being (e.g. the percentage of children under five years of age who are developmentally on track in health, learning and psychosocial well-being). In

addition, there is a clear path to follow, in Bolivia, in the sense that human development and well-being have both been given prominence in the NDP for the run-up to 2025.

Arguably, there is a need for processes of designing sectorial and subnational development plans to be aligned to the guidelines of NDP, although there are several challenges in Bolivia. Firstly, there is no data on a number of topics that are important for human development and well-being. For instance, there is no data about violence in schools or households, early childhood development, well-being per se, child labour, efficacy and efficiency in the use of social investment and formal measurements for multidimensional poverty, among others. Secondly, the disaggregation is not sufficient. Data by income quintile, place of living, level of schooling and sex are scarce. Such breakdowns are even harder to find at regional level. Moreover, there are issues of data quality and it would be beneficial to have longitudinal data relating to the evaluation of child development issues. There is a national law which allows for data generation at sub-national level but analytical capacity remains a constraint.



## 2.6 Denmark

Statistics Denmark was inspired by the Stiglitz Commission, Eurostat and the OECD, to create quality of life indicators for the nation. The Commission on the Measurement of Economic Performance and Social Progress[4] highlighted the necessity of shifting emphasis from GDP to measuring wellbeing. Furthermore, it advised national statistical agencies to measure both subjective and objective wellbeing using dimensions such as health, education and social relationships.

In Denmark, there is a focus on measuring wellbeing at the local level of municipalities. Denmark is divided into 98 municipalities, whose governmental responsibilities include health care, social services, employment, integration and environmental planning. Due to this devolution of power over policy areas that have direct impacts upon wellbeing, it is pertinent to Danish policy makers that the wellbeing of municipalities is measured, so that direct and relevant comparisons may be made. During preparatory dialogues, Statistics Denmark found that it is at the municipality level that politicians and other organisations are most interested in knowing about the wellbeing of the population. This will provide more information on how policy differences between municipalities affect wellbeing amongst different sectors of the population, and assist in identifying issues that should be prioritised for improvement in particular municipalities, as well

as revealing which municipal policy approaches are best at promoting wellbeing.

The first wellbeing measurement study of this kind is now underway in Denmark, with results and analysis due to be published on 15th September 2016. The survey, which covered aspects of subjective wellbeing such as satisfaction, sense of meaning, emotional states, perceived economic situation, self-assessed health and feelings of safety, was conducted by Statistics Denmark in late 2015/early 2016. This survey had over 40,000 respondents.

Denmark has the advantage of being able to cover objective measures through registers, and to get more detailed analysis from these. This current project is taking advantage of data that has already been registered from the entire Danish population. This includes data on income, education, health, longevity and the labour market, which can be taken as relating to objective wellbeing. Statistics Denmark then supplements this data by surveying 38,000 people about their subjective wellbeing. The statisticians are able to begin with the objective measures they already have data for, such as whether someone has a university degree, and then expand on this with subjective questions, such as "To what extent do you think this will help you achieve your goals in life?". There are currently 18 objective indicators, and 39 subjective ones.

The Region of Southern Denmark (RSD) has already measured quality of life in its own 22 municipalities in cooperation with the OECD, therefore Statistics Denmark has been able to partner with this region to include all RSD municipalities in the new project.

Currently 38 of the 98 Danish municipalities are being studied in this project, and it is hoped that in the future, with greater funding, all will be included. It would be expensive to survey all 98 municipalities with enough statistical certainty to enable comparisons across subgroups.

#### Funding for the project comes from three different sources:

- Statistics Denmark finances the majority of the surveys
- A grant from TrygFonden, a private Danish foundation
- and other funding comes from arrangements with one of the regional administration units in Denmark (of which there are five). One of the administration units approached Statistics Denmark about this, as they wanted all of the municipalities in their region to be covered.

Statistics Denmark is trying to make a good economic deal with the municipalities, so that they will have enough funding to regularly cover all 98 in the future, with each municipality paying for its own data collection.

Statistics Denmark has appointed a national advisory board to involve different stakeholders in the project. This board includes social scientists from Danish universities and research centres, representatives from NGOs, a mayor, TrygFonden's research director and a chief analyst from the Region of Southern Denmark. These board members have extensive knowledge about quality of life research and insight into different user's interests. Advisory board meetings have influenced the design of the survey questionnaire and the selection of objective indicators, and have discussed how to communicate results in a way that is useful to users and how to use the data in the future. The board members have become ambassadors for the project.

The results of the first survey were ready for dissemination in late 2016. Diverse platforms were used for dissemination to broad audiences: an interactive infographic targeted at the general public, StatBank Denmark (a section of Statistics

Denmark's website where people can customize tables), analytical research papers, information about methodology and results documented online, micro level data made available for researchers and local dissemination events in each region.

Statistics Denmark is now in close dialogue with the Tryg Foundation on a possible follow up that covers all 98 municipalities. They will submit an application in September. If there is a positive answer in December they will be able to publish subjective data for all municipalities in late 2018.

## 2.7 Israel

Israel has been a pioneering state in developing national wellbeing, sustainability and resilience indicators. In 2012, the Israeli government made a resolution to develop a set of wellbeing indicators. Since then, there has been a thorough process of consultation with government ministries, diverse sectors of the public and the relevant agencies on what these indicators should be. Nearly all government ministries are involved. There has been a process of public deliberation about the importance of different themes, and to acquire suggestions for further indicators.

The process of public deliberation about themes and indicators was led by the National Council of Economics in the Prime Minister's Office. Two main questions were put to the nation: 'Does this seem right to you?' and 'What would you add?' There were two key forms of public deliberation. Firstly, there was an online questionnaire that was open to all Israelis. Questions addressed each proposed domain and its subthemes, for example, in the section on health there were questions about the importance of healthy lifestyles, subjective measures of health and physical disease. 2136 people answered this questionnaire over a period of 56 days (March-May 2014). 64% of respondents were aged 25-44, 81% had a university education and 46% were female. In addition to the online questionnaire there were face to-face workshops with people who had limited access to the internet, for example: Bedouin in the south of Israel, elderly people, ultra-Orthodox women, youth at risk, and single parents. Discussions were also held between representatives from local authorities. There were 23 workshops for a total of 420 participants (with around 18 participants in each group).

This process of making decisions about the domains took around 2.5 years. It initially resulted



in the selection of nine domains, each comprising of eight indicators. These domains were: Material standard of living, Civic engagement and governance, Quality of employment, Education and skills, Environment, Health, Personal and social wellbeing, Personal security, and Infrastructure and housing. Following public deliberation and government recommendations, a second resolution was made. This resolution added two extra domains to the initial nine: 'Leisure, culture and community' and 'Information technologies'.

The National Council for Economics has built teams to address each domain of the wellbeing indicators. Each of these teams includes representatives from appropriate organisations, who discuss the relevance of different indicators to the nation, and identify knowledge gaps that must be closed.

The process of publishing the first paper on the indicators was then initiated. The Central Bureau of Statistics was able to collect and publish data that was already available for 42 indicators (of the total 72) from nine domains. Using this, the first publication was released in March 2016. This initial publication differs to what is planned for future publications, in that it contains additional chapters on the process of how the indicators were selected and the theory behind this wellbeing measurement. There is also a chapter on the data itself (of the 42 available indicators). Similarly to the OECD, Israel is focusing on outcome indicators.

Overall, three realms of indicators are being developed; these will complement each other and the wellbeing indicators are the first of these. In addition, there will be sustainability indicators and resilience indicators. The sustainability indicators are currently being developed and are intended to be based on the capital approach (of the four different types of capital: environmental, human, physical and social). The Central Bureau of Statistics would also like to develop resilience indicators. These would explore how prepared the nation and society is for states of crisis such as an earthquake, a war or an economic crash.

The Central Bureau of Statistics now has to publish these indicators annually. They recognise that other activities are needed to measure the 72 indicators. For instance, new surveys, including time use surveys (Israel's last time use survey took place in 1992). They also need to adopt more methodologies to represent them accurately and in detail, for example a healthy life expectancy. For some indicators, they are able to define what they want, but still need to develop methodologies. They hope to be measuring the full set of 72 indicators by 2019/2020.

This process of developing wellbeing indicators has been a great example of cooperation between government ministries, the government and other agencies in Israel. Israel's Central Bureau of Statistics has drawn up several recommendations, from these proceedings, for other nations wishing

to develop wellbeing indicators. Firstly, going through the process of deliberation is necessary if the statistics are to be relevant, representative, legitimate and useable. Getting many people and diverse sectors of society involved in selecting indicators leads to the indicators being representative of wellbeing as well as relevant to what is important in people's lives. The subsequent

link with policy-making is also crucial. The National Council of Economics looks into different types of actions that will put these indicators into the yearly work-plans of government ministries; ministries therefore have to examine how their plans relate to the wellbeing indicators. This process should lead to the measurement of wellbeing having real impacts on the improvement of wellbeing in Israel.



## 2.8 Sweden

In Sweden, the National Living Conditions Survey has been conducted annually since the 1970s. It asks people about areas of their lives such as health and education. Wellbeing has therefore been measured in a broader sense and as a complement to GDP for around 45 years. It is only very recently that Sweden has begun to measure subjective wellbeing in a more direct sense, when self-reported happiness was included in the 2013 European SILC Survey (Statistics on Income and Living Conditions). Statistics Sweden plans to use selected questions from the EU-SILC Survey in future National Living Conditions surveys.

Many of the questions within the National Living Conditions survey have changed since the 1970s. Some less-interesting questions may now be taken out to make space for around three questions on subjective wellbeing in future versions. The surveys are conducted via telephone, interviewing around 10,000 Swedes aged 16 and over (consisting of a 50-60% response rate from the 20,000 randomly-selected samples). Previously, the interviews lasted around 60 minutes, but have now been reduced to an average of 25 minutes. Sweden also conducts a Living Conditions Survey of Children, of children aged 10-18 years old. As the children interviewed

have a parent who has been interviewed for the Living Conditions Survey, their answers can be linked to information gained from the adults in their household. This enables an analysis of children's wellbeing in relation to their parents' occupation, education and living conditions, for example.

Sweden also uses international measures of subjective wellbeing. For example, the European Social Survey (ESS) that reports to Eurostat – this is not run by national statistical institutions, but by the European Commission. Statistics Sweden takes its inspiration for questions about wellbeing from both the SILC survey and the Eurostat website.

Until recently, subjective wellbeing was a topic that statisticians in Statistics Sweden were generally reluctant to address, as happiness is perceived in so many different ways that it can be an elusive concept to measure reliably. However, incoming generations to the statistics office are keen to tackle the issue of researching the nation's happiness and wellbeing. In these efforts, they have found that it is easier to explain questions relating to the satisfaction of life, as this kind of question is in all commercial customer satisfaction surveys.

The measurement of wellbeing is a politicised issue in Sweden. Although Statistics Sweden and its publications are supposed to be politically neutral, different indicators are picked up by different newspapers and political factions, and

used to support political points. The extent to which wellbeing, beyond GDP, is measured is also a political issue. During the governance by the Social Democrats, with support from the Green Party, the government was keen to measure things other than GDP. The subsequent Conservative government however did not prioritise this. Currently there is Green Party support for the ruling party, and therefore more initiative to measure wellbeing using a diversity of indicators, rather than merely focussing on the economic.

The government budget which was presented on 13th April 2016, included a page discussing the development of indicators other than GDP. The government has pledged to pay the national statistical office to develop other indicators. The next part of this project will be to define which indicators are presented in the National Budget – linking to areas of the Budget such as social sustainability and environmental sustainability.

One challenge faced by Statistics Sweden, in persevering with the expansion of indicators used for national wellbeing, is that many people still focus on, and prioritise, financial indicators, but whether these represent wellbeing is questionable. However, more people are now realising that we must measure more than just GDP per capita to gain insight into people's lives and wellbeing, as well as the national situation.

## 2.9 United Kingdom

Since 2010, the Office for National Statistics (ONS) in the UK has been debating what 'national well-being' means and how it can be measured. In 2010 Prime Minister David Cameron spoke "about the importance of government policy supporting people to feel in control and make choices, and having a sense of purpose and belonging". The ONS now runs a Measuring National Wellbeing Programme. This programme aims to produce "accepted and trusted measures of the wellbeing of the nation – how the UK as a whole is doing". It is about looking at 'GDP and beyond' and includes:

- greater analysis of the national economic accounts, especially to understand household income, expenditure and wealth
- further accounts linked to the national accounts, including the UK Environmental Accounts and valuing household production and 'human capital'

- quality of life measures; looking at different areas of national well-being such as health, relationships, job satisfaction, economic security, education environmental conditions
- working with others to include the measurement of the well-being of children and young people as part of national well-being
- measures of 'personal well-being' - individuals' assessment of their own well-being
- headline indicators to summarise national well-being and the progress we are making as a society

The ONS began measuring personal well-being in April 2011, with the aim of generating a set of objective and subjective measures that could

monitor the well-being of the nation. Since then, the Annual Population Survey (APS) has included four additional questions which are used to monitor personal well-being in the UK:

1. Overall, how satisfied are you with your life nowadays?
2. Overall, to what extent do you feel the things you do in your life are worthwhile?
3. Overall, how happy did you feel yesterday?
4. Overall, how anxious did you feel yesterday?

People are asked to give their answers on a scale of zero to ten, where zero is "not at all" and ten is "completely". These questions allow people to make an assessment of their life overall, as well as providing an indication of their day-to-day emotions. Although "yesterday" may not be a typical day for an individual, the large sample means that these differences "average out" and provide a reliable assessment of the self-reported anxiety and happiness of the adult population in the UK over the year. Since the introduction of these four questions they have been used in over 20 other surveys across government and numerous surveys in the academic, private and third sector.

Differences in the personal well-being estimates, over time, are described only where they are statistically significant. That is where the change

is not likely to be just because of variations in sampling, but because of a real change over time. A five percent standard is used, which means that there is no more than a five percent chance that a difference will be classified as significant, when in fact there is no underlying change. The country and regional estimates for the financial year ending 2015 are compared to the equivalent estimates for the UK and discussed only where a statistically significant difference is found.

A communication and engagement work stream provides links with the Cabinet Office and policy departments, international developments, the public and other stakeholders. The programme is working closely with the Department for Environment, Food and Rural Affairs on the measurement of 'sustainable development' to provide a complete picture of national well-being, progress and sustainable development.

Practical applications of this data are being made at the national level. For example, an independent 'What Works Centre for Well-being', which explores policies that promote people's well-being, has recently been established. As understanding of, and confidence in, subjective well-being measures grows, national and local governments are increasingly making use of research into the well-being of their populations to guide policy development and service provision.



## 2.10 OECD

### Mainstreaming Well-being in Economic Policy Analysis: the case of the OECD Romina Boarini



Multidimensional well-being has been a key focus of the OECD's work since the early 70s. Measurement efforts accelerated on the occasion of the OECD's 50th Anniversary in 2011, when the organisation launched its Better Life Initiative, that comprises the analytical report *How's Life?* and the interactive web-tool Better Life Index. Four years after the launch of the Better Life Initiative, "redefining the growth narrative to put the well-being of people at the centre" has become one of the eight overarching goals of the new OECD's strategic vision. This piece provides a few examples of how well-being statistics have been recently mainstreamed into various OECD policy processes and works, supporting this vision and inspiring new action for the future.

#### OECD Economic Surveys:

Since 2013, all OECD Economic Surveys included a well-being assessment to frame the main economic and social challenges that the country is facing, and to put the in-depth analysis of specific economic issues (e.g. productivity, competition, etc.) into the broader perspective of enhancing the country's well-being. In addition, some economic surveys contained special chapters on selected well-being dimensions, for instance the 2013 and 2015 Economic Surveys of Austria, the 2014 and the 2016 Economic Survey of the United States, the 2015 Economic Survey of Mexico and the 2016 Economic Survey of Korea. Those chapters provided the opportunity to frame a number of policy recommendations through a well-being lens (for instance, emphasis on inequalities and lack of opportunities, gender issues, jobs quality, social inclusiveness, etc.).

#### OECD Multidimensional Country Reviews:

This new tool, developed by the OECD Development Centre performs, a horizontal diagnostic of low-income countries and identifies the largest bottlenecks to a holistic development. The well-being analysis is an important part of this diagnostic, aiming at understanding how underachievement in some of the individual and collective well-being capacities (i.e. weak social and institutional capital) undermines development alongside more traditional economic factors. Against this background, the Multidimensional Country Reviews suggest a policy roadmap for development that puts the notion of sustainable and equitable well-being at its heart.

#### OECD New Approaches to Economic Challenges:

The New Approaches to Economic Challenges (NAEC) initiative was launched in 2012, as an organisation-wide reflection process on the roots of and lessons learnt from the economic crisis, as well as long-term, global trends and as part of a broader effort to build an inclusive and sustainable agenda for growth and well-being. NAEC also stresses that policy choices should be informed by an assessment of their impact on different dimensions of well-being, as well as their distributional consequences. This will enhance understanding of the unintended consequences of policies and lead to a balanced analysis of the trade-offs and complementarities between different policy options.



### **OECD Inclusive Growth Initiative:**

In recognition of mounting income inequalities and pervasive well-being inequalities in many other well-being dimensions, the OECD has developed a new growth framework that includes non-monetary dimensions of well-being and calls for an economy that generates well-being opportunities for all. This framework introduces the concept of multidimensional living standards as a way to assess the quality and the inclusiveness of economic growth and builds extensively on the OECD Better Life Initiative. In the context of its Inclusive Growth initiative, the OECD published the reports "All on Board" and "Productivity-Inclusiveness Nexus". The former identified win-win policies for stronger growth and greater inclusiveness in areas such as: macroeconomic policies, labour market policies, education and skills, infrastructure and public services and development and urban policies. The latter recommends expanding the productive assets of an economy by investing in the skills of its people and providing an environment where

all firms have a fair chance to succeed, including in lagging regions. As a next step, the OECD is building a new model for assessing the impact of policies from a multidimensional well-being perspective.

### **OECD Going for Growth:**

For years the traditional focus of this OECD's flagship was on economic policies and structural reforms that boosted economic growth. More recently, the analytical framework of the publication has been revised with a view of including well-being considerations, notably in relation to income inequalities, economic insecurity and environmental concerns. In particular this has translated into a new analysis of the policy drivers of shared economic prosperity and well-being, leading to a new menu of policy recommendations that are also country-specific.

**// "REDEFINING THE GROWTH NARRATIVE TO PUT THE WELL-BEING OF PEOPLE AT THE CENTRE" HAS BECOME ONE OF THE EIGHT OVERARCHING GOALS OF THE NEW OECD STRATEGIC VISION.**

### 3. Wellbeing and Happiness in Civil Society

#### 3.1 Measuring and Valuing Wellbeing in Cities

##### Happy City: From Wellbeing Theory to Local Solutions

Happy City is a UK-based charity and CIC with an ambitious aim: to shift the overarching goal of cities away from consumption and GDP towards the wellbeing of people, place and planet. For the past five years, we have developed and piloted practical tools for measuring and valuing wellbeing on a city scale. This chapter is a brief outline of the theory behind the development of these tools and the impact they can make together on local policy.

###### The Benefits of Wellbeing Policy

From years of consultation with local policymakers and communities, as well as key findings from the academic wellbeing literature, we have learned that wellbeing policy has the potential to solve three problems on a city scale:

1. **We are currently missing some things out.**  
Many valuable properties of individuals, communities and cities as a whole are not being accounted for by our current measures of progress. For example, the social capital that binds communities is not captured by the narrow economic measures of income or unemployment. Measures of wellbeing take these seemingly intangible factors into account. We can use wellbeing measures to understand what really matters - the impact that a range of city conditions have on people's life experiences.
2. **Wellbeing causes beneficial outcomes.**  
We intuitively know that happier individuals and communities tend to fare better than

unhappy ones.

However, we are only just beginning to understand how important subjective wellbeing is for bringing about many of the outcomes policymakers care about. Wellbeing research shows that improvements in wellbeing tend to cause long-term improvements in a number of policy areas: health, productivity, security, social behaviours and education (the list is growing). This shows that wellbeing policy is not a luxury, but a necessity.

3. **Wellbeing as a common currency.** We also know that certain policies and interventions have far-reaching effects across specific policy areas. However, due to the siloed nature of policy, these effects are often very difficult to account for. Due to the impact that wellbeing has on a number of policy areas, we can value the effectiveness of policies and interventions - across policy silos - on the basis of their impacts on people's wellbeing. Policies that effectively improve people's wellbeing are likely to have lasting impacts on health, productivity, security and education. These impacts can be quantified with monetary values. This provides a unified basis from which we can assess the cost-effectiveness of a range of different policies.



“ IN THE PAST FIVE YEARS, WE HAVE DEVELOPED AND PILOTED PRACTICAL TOOLS FOR MEASURING AND VALUING WELLBEING ON A CITY SCALE. ”

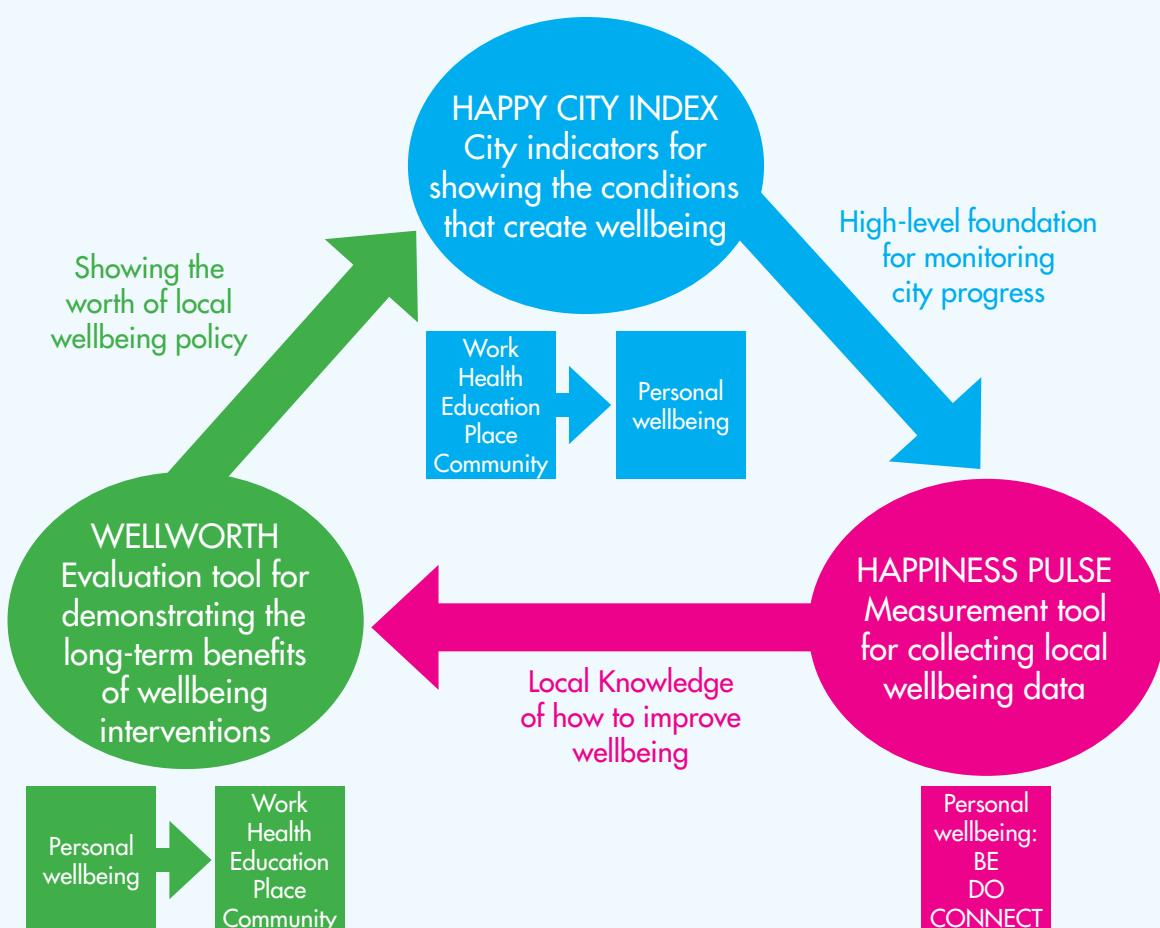
## Happy City Measurement & Policy Tools

If wellbeing policy has the potential to be beneficial in the ways outlined, then why is it not an established part of local policy making? Happy City has been promoting wellbeing policy in the UK for the past five years and has encountered two main barriers:

1. **We don't have the data.** The development and assessment of policies requires rigorous measurement. Although measures of wellbeing are now an established part of national accounting in the UK (due to the Office of National Statistics National Wellbeing Programme) we have yet to see similar initiatives on a more local level. Local authorities need to collect data in a rigorous way and on a limited budget. This makes it hard to establish new datasets, even with the political will to do so.
2. **We have more important things to care about.** Wellbeing policy is typically viewed as a luxury in comparison to other policy areas, such as employment, education and health. Although policymakers often intuitively know that improvements in wellbeing can lead to

long-term improvements in these areas, they lack the empirical basis to justify investing in wellbeing policy rather than policies that directly impact each area.

In response to these two major barriers, we developed a suite of Wellbeing Measurement & Policy tools. The Happy City Index and the Happiness Pulse were designed to overcome the first barrier, namely the need for local wellbeing data, which can be collected in a rigorous and affordable way. The WellWorth policy toolkit was designed to overcome the second barrier, namely demonstrating the long-term policy and financial impacts of wellbeing interventions. These tools, implemented together on a city-wide scale, have the potential to promote local wellbeing policy in the following integrated way.



The **Happy City Index** (HCI) provides cities with high-level data on the conditions that create fair and sustainable levels of personal wellbeing. It consists in local authority level data on 65 indicators for each of the England Core Cities (including London). These indicators are indexed to produce an overall Happy City Index score for each city. Each city's HCI score is calculated from a range of city conditions (grouped into five domains: Health, Work, Education, Place and Community) and its level of Equality, Sustainability and Personal Wellbeing. This data helps cities compare how well they are doing in comparison with other cities across the UK and to prioritise specific policy areas for improvement.

The **Happiness Pulse** (HP) is an innovative wellbeing measurement tool, designed in collaboration with the New Economics Foundation (NEF) and validated by the University of Bristol. It is made up of 20 internationally-recognised wellbeing questions grouped into three intuitive domains: Be, Do and Connect. Its online survey process enables users to better understand their wellbeing and how they can improve it. In addition to the items that make up the Be, Do and Connect domains, the online survey also includes key demographic questions and the potential for specific sectors to include their own questions module (e.g. City Pulse, Neighbourhood Pulse, University Pulse etc.) Due to its digital and online nature, the Happiness Pulse enables cities and large organisations to collect wellbeing data in both an affordable and engaging way.

The **WellWorth** policy toolkit (WW) converts wellbeing data into predicted long-term outcomes in a number of policy areas: health, productivity, security, social behaviours and education. The model was developed with the University of Exeter and is based on an extensive body of literature on the benefits of wellbeing. In addition, the tool

quantifies these policy benefits with monetary values. This provides cities with the 'business case' for wellbeing interventions, showing how successful wellbeing policy is a necessity rather than a luxury. WellWorth also has the potential to create a unified basis from which policymakers can assess the cost-effectiveness of a range of different policies, many of which lie across policy silos.

In summary, these three wellbeing measurement and policy tools have the potential to work together as follows: the Happy City Index provides local policymakers with an overall picture of how well the city is doing and highlights areas for improvement; the Happiness Pulse takes this a level further, providing a wellbeing measurement tool that policymakers can use to determine what matters for people's wellbeing across the city; the WellWorth policy tool then demonstrates the value of turning this understanding into successful wellbeing interventions; the implementation of successful wellbeing policy is likely to improve a city's overall Happy City Index score, thus creating a virtuous measurement and policy cycle.

#### Coming up...

In 2016, we piloted these tools at both a local authority level (Bristol, UK), university level (University of Bristol) and within large and small organisations. Over the next few years, we aim to roll-out our measurement and policy tools across cities, universities and organisations in the UK and beyond. We envisage a future where wellbeing is the primary goal in each of these settings; where our theoretical understanding of how to improve wellbeing filters down into practical interventions and policies that have a positive impact on people's everyday lives.

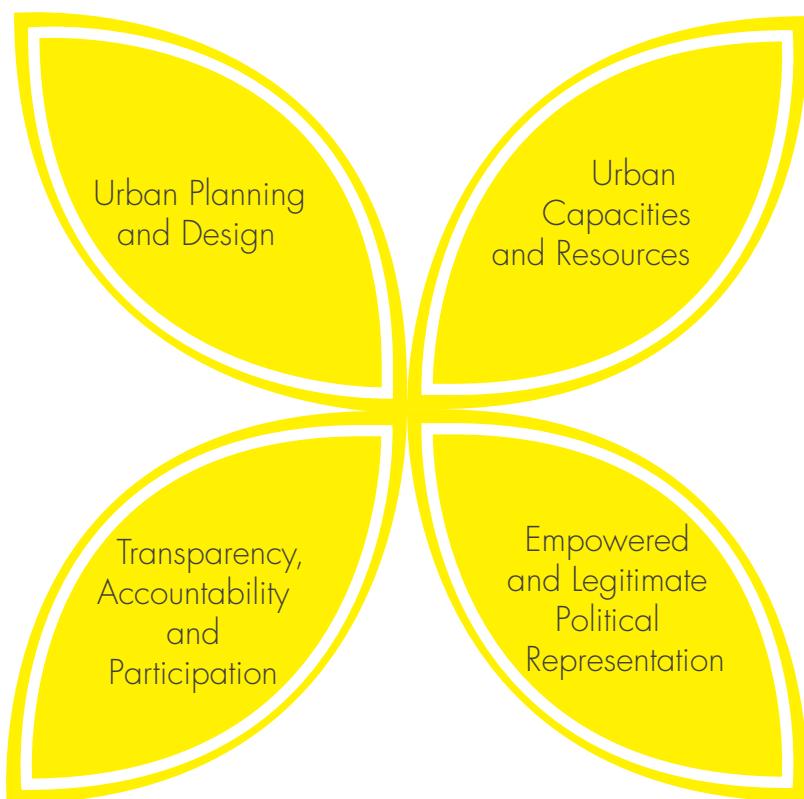
**“OVER THE NEXT FEW YEARS, WE AIM TO ROLL-OUT OUR MEASUREMENT AND POLICY TOOLS ACROSS CITIES, UNIVERSITIES AND ORGANISATIONS IN THE UK AND BEYOND.”**

## About Janaagraha

The Janaagraha Centre for Citizenship and Democracy (Janaagraha) is a non-profit organisation based in Bengaluru, India. We aim to transform the quality of life in urban India, through systemic change. Janaagraha sees 'quality of life' as comprising two distinct, but inter-related aspects – 'quality of urban infrastructure and services' (the quality of urban amenities such as roads, drains, traffic, transport and water supply etc.) and 'quality of citizenship' (the role that urban citizens play by participating in their local communities). We work with citizens, to catalyse civic participation from the

grassroots up, and governments to institute reforms to city-systems, also referred to as urban governance.

Janaagraha believes that while spot-fixes, akin to treating symptoms, are important, the focus should be on treating the root causes or systemic shortfalls that lead to such symptoms. At Janaagraha, we believe that cities should be viewed through a structural construct that we refer to as the City-Systems framework. The City-Systems framework defines four aspects crucial to the running of world-class cities and is depicted as a metamorphosing butterfly with four wings:



1. **Urban Planning & Design** (Spatial Planning, Urban design standards)
2. **Urban Capacities & Resources** (Municipal Finance, Municipal staffing, Performance Management and Process efficiencies)
3. **Empowered & Legitimate Political Representation** (Powers, functions and legitimacy of city council and elected leaders)
4. **Transparency, Accountability & Participation** (public disclosure of civic data, accountability for service levels and citizen services and citizen participation in neighbourhood decisions)

Janaagraha believes that fixing India's City-Systems is crucial to fixing our cities and consequently improving the quality of life for our citizens. Janaagraha currently runs a series of programs under the different aspects of urban transformation and advocates for reform in these areas.

Janaagraha has also created a key diagnostic tool for measuring the quality of governance in our cities, known as the Annual Survey of India's City-Systems (ASICS) which has been undertaken every year since 2013. ASICS essentially measures 'Quality of Life' from the supply side, in terms of the quality and robustness of the laws and policies that govern the city. Furthermore, Janaagraha has also worked in partnership with Brown University to measure citizenship and its relationship to access to basic services and infrastructure; looking at rights-based governance and quality of life. In essence, the Jana-Brown Citizenship Index (JB-CI) measures 'Quality of life' from the citizenship angle and access to services and infrastructure. Both of these measurements have been outlined in further detail below.

## Measuring the health of India's City Systems using ASICS

ASICS seeks to provide an objective basis to evaluate the quality of governance in our cities. It measures the health of India's City-Systems. Janaagraha believes that the quality of life experienced by the citizen on the street is a derivative of the quality and robustness of the laws and policies that govern the city, as well as their implementation. ASICS uses the City-Systems Framework as its basis. Each of the four components of the framework has been broken down into a few critical questions that we believe every city must ask itself:

### Urban Planning and Design

1. Does your city have a centralized system of spatial development planning?
2. How successfully has your city implemented its spatial development planning?
3. Does your city have effective mechanisms to deter plan violations?
4. Does your city encourage participatory planning?

### Urban Capacities and Resources

5. Does your city have an adequate number of skilled human resources?
6. Does your city invest adequate funds in public infrastructure and services?

7. Does your city make optimum use of information technology?

### Empowered and Legitimate Political Representation

8. Do your city leaders have adequate power?
9. Is your city truly democratic?

### Transparency, Accountability and Participation

10. Does your city put out adequate information and facilitate citizen participation?
11. How well does your city address citizen complaints?

ASICS has now been running for three years. Each of the major Indian cities has been evaluated and scored on these questions. Findings can be found here: <http://www.janaagraha.org/asics/>

## Measuring citizenship and its relationship to quality of life

As is evident from its city-systems framework, Janaagraha strongly believes policies to improve citizen engagement in India's cities (thus strengthening democracy at the grassroots) will help to bring citizens in as partners in the journey to better quality of life. The shift in the policy world, to understanding development in terms of quality of life and equity rather than in solely economic terms (for example, the United Nations Human Development Index), has also drawn attention to rights-based governance. However, despite steps being taken towards improving equity and quality of life (e.g. the Right to Food Act, and the Right to Education Act), levels of discrimination and inequality in urban India remain high. The government needs to take more tangible action to ensure citizens living in cities can exercise the rights they are legally entitled to.

It is in this spirit that the Jana-Brown Citizenship Index (JB-CI) project was conceived in 2012 with the hope that the Citizenship Index (CI) would act as a powerful tool to infuse debates about citizenship, civic engagement and constitutional rights in urban India and provide policymakers with information they can use to improve the quality of citizenship in India's cities.

The aim of the project is two-fold:

1. To construct an index to measure citizenship (defined by knowledge of civic and political issues, as well as participation in civic and political life) so that its quality can be assessed across individuals in a city



and we can see how it is distributed across the various categories of class, caste and religion.

2. To assess what factors determine the levels of access that citizens have to basic services in urban areas, through the creation of a Basic Service Delivery and Infrastructure Index (BSDII) which measures quality of access to water, sanitation, electricity and roads.

The BSDII is then analysed in relation to the CI to understand the influence of citizenship on access to goods and services.

The first project, executed with a representative sample of over 4000 citizens in Bangalore, has been completed. The findings, including a practitioner's view on the findings, can be found here:

<http://www.janaagraha.org/publications/> under '2014'.

The project is now expanding to measure citizenship and access to basic services in 14 further cities in India in the coming years. This will enable comparisons across cities. A national survey is also planned to enable the creation of a nationally representative picture of citizenship across India, as well as to look at state-wise effects and differences in citizenship between rural and urban areas.

## 3.2 Wellbeing Assessments for Children

### The Children's Society

The Children's Society is a national charity in the UK that runs local projects to help vulnerable children and young people, and campaigns for improvements to laws affecting children and young people.

The Children's Society, in collaboration with the University of York, are undertaking ongoing research in children's subjective wellbeing, which they say is "the most extensive programme of national research on children's subjective wellbeing globally". This was initiated in 2005, to address "the fact that the debate about children's wellbeing in the UK and internationally was not adequately representing children's views and experiences. Children's well-being was being discussed primarily in relation to adult concerns, which focused on negative behaviours (e.g. drinking and drug use) and on their future well-being – or 'well-becoming' – as productive members of society (e.g. educational attainment)."

The Children's Society ran a national consultation of over 8,000 people aged 14-15, exploring what they thought were the most important factors for them to have a good life, and what prevented these. By 2007, these survey responses were being used to pilot an initial children's wellbeing survey. In addition,

existing international work on children's wellbeing was reviewed. The first wellbeing survey was carried out in 2008, with a representative sample of over 7,000 school children aged 10-15 in England. Further consultations with younger children (aged 8-9) were then carried out, and additional questions on topics, not covered in the 2008 survey, were tested. The second wellbeing survey took place in 2010. This consisted of a representative sample of almost 6,000 children aged 8-15 in England's mainstream schools. Regular Good Childhood Index surveys, which sample 2,000 children aged 8-17, also began in 2010. In 2011, supplementary surveys of children in pupil referral units were carried out, so that the views of children not included in mainstream school surveys were also represented. The Children's Society participated in piloting the international Children's Worlds survey in 2012. This included qualitative work with children and a survey of over 1,100 children aged 12-13 in England. The third schools-based wellbeing survey was undertaken in 2013-14, with over 4,000 children in school Years 4, 6, 8 and 10. The three younger age groups were also included in the Children's Worlds survey. By 2017, the 16th wave of the online Good Childhood Index survey had been undertaken. These surveys



have now included over 30,000 children and young people aged 8-17. In total, around 60,000 children in the UK have participated in this research programme, bringing together data which will be as representative of young people's wellbeing as possible.

The programme has, through these activities, "systematically addressed a series of critical and under-explored questions in relation to children's subjective well-being:

1. What does subjective wellbeing mean from children's perspectives?
2. Can we measure children's subjective well-being and, if so, how?

And based on the answers to the above questions from the initial stages of the programme:

3. What are the levels of children's subjective well-being in England (overall and within different sub-groups)?
4. Are there trends in children's subjective well-being in England over time?
5. Why does children's subjective well-being vary and how might it be improved?"

"The Children's Society has been working with local authorities to explore children's wellbeing at a local level and this has yielded valuable, and sometimes unexpected, insights into the issues that children in a particular area, or school, may be facing. This knowledge enriches what is already known about a local population and can guide priorities and planning."

The Children's Society notes that during the course of the decade that they have been exploring children's subjective wellbeing, they have seen greater acceptance of the importance of this issue, exemplified by the fact that there is now a national measure of children's subjective wellbeing in the UK.

Key topics, issues and themes from initial consultation with children aged 14 and 15 in 2005:

Reproduced from The Children's Society (2006)

"Based on themes identified from the initial qualitative work described above, we searched for suitable questions, and sets of questions, that were tested and validated for use with children. Primarily the questions we identified had been developed in other countries (particularly the US and Australia) and there were some gaps where we were not able to identify any previously-used questions at all. We developed new questions to fill these gaps." This research by The Children's Society has revealed insights into the drivers of children's wellbeing, which are of concern to parents, professionals and children themselves. For example, the finding that "the quality of family relationships are several times more important for wellbeing than family structure". That said, children not living with their family have substantially lower wellbeing than other children. Other insights include that personality goes some way to explaining differences in children's wellbeing, however, most of the variation remains unexplained after personality is taken into account. Life events such as experiences of being bullied are also important for wellbeing, as are children's direct experiences of material deprivation. Most recently, The Children's Society has found that multiple experiences of disadvantage have an incremental relationship with wellbeing: the greater the number of disadvantages that children face, the lower their wellbeing.

The Children's Society state that "there is a growing case for subjective wellbeing to play an important role in debates about how we are faring as a society and in public policy. It is vital that these debates consider the subjective wellbeing of children as well as adults."

The Children's Society's research in the UK, since 2005, has "accumulated evidence of significant links between children's subjective well-being and a range of socio-economic factors, contextual factors, life events, activities and behaviours."

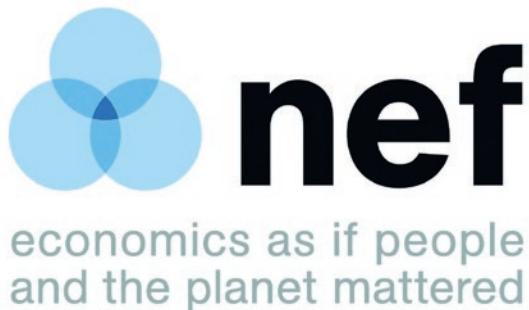
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<http://www.childrenssociety.org.uk/about-us/our-organisation>

### 3.3 Communicating Wellbeing

New Economics Foundation

Hanna Wheatley, New Economics Foundation



#### Measuring what matters: a headline indicators approach

Every quarter, the UK's Office for National Statistics (ONS) releases their estimates of how Gross Domestic Product (GDP) has performed in the last three months. And every quarter, politicians and journalists eagerly await the results. Although GDP is merely a measure of how much has been bought and sold in our economy; this single, narrow indicator has come to be treated as shorthand for overall success.

This has created a strong incentive for policy makers to pursue short-term economic growth over and above all other goals. It seems as if the rationale for growth in the first place – to improve people's lives – has been forgotten.

But as this report evidences, the movement for a broader vision of success is gaining momentum among governments, statistical offices, civil society organisations and businesses.

There has been a wealth of activity across the country on promoting new headline indicators. The UK government launched its own national wellbeing measurement programme in 2010, with Prime Minister David Cameron announcing "there's more to life than money and it's time we focused not just on GDP but on GWB – general wellbeing."

Civil society has also been active with initiatives by Oxfam, the Carnegie UK Trust, Action for Happiness, the Fabian Society, the Legatum Institute, the Green Economy Coalition, the Young Foundation and the Institute of Chartered Accountants in England and Wales. At the same time, businesses such as Aviva have led by example, convening a Corporate Sustainability Reporting Coalition of large financial companies, which highlights the importance of

measuring and reporting on non-financial outcomes if they are to be prioritised by businesses.

However, although the UK is a trailblazer when it comes to developing and measuring real indicators of national success, they have so far not gained significant policy traction. Such indicators are still seen as supplements to GDP, and when it comes to the crunch of policy making, GDP still reigns supreme.

#### What makes headline indicators stick?

The New Economics Foundation has been researching wellbeing and alternative indicators for over a decade. Our work seeks to understand, measure and positively influence wellbeing, develop ways of integrating it into policy and promote it as an alternative measure of progress.

GDP is just one number. While its calculation might be complicated, the concept is strikingly simple – is our economy growing, or is it shrinking? Either way, it makes for an easy headline. A key question in our work, in recent years, has been how many, and which, alternative indicators could effectively replace it? Should we champion composite indicators, single indicators or a dashboard approach?

In 2008 President Sarkozy set up the Commission on the Measurement of Economic Performance and Social Progress (the 'Stiglitz Commission'), and in 2009 this body recommended shifting the emphasis of measurement from economic output to wellbeing, and developing a dashboard of sustainability indicators, of which monetary indicators should be only one element.[1] The Commission argued that wellbeing and sustainability are distinct concepts and that attempts to combine them into a single indicator risk causing confusion.

Our own research in the Bringing Alternative Indicators into Policy (BRAINPOoL) project, set out to ask what it would take for Beyond GDP metrics, of the kind recommended by the Stiglitz Commission, to be used in policymaking. Our research and interviews with policy makers and politicians across Europe suggested that while managing the complexity of alternative indicators could be easier were there a single numeraire or unit of value for assessing outcomes, there is no clear consensus on a single indicator that is broad enough to encompass the multi-dimensional nature of progress.[2]

Our research also suggested that any alternative indicators needed to firmly reflect citizens' own priorities, and connect with things that have real impact on people's lives.

With these findings in mind, last year, we produced Five Headline Indicators of National Success [3] - a set of headline indicators to re-align government policies with what evidence has shown that the UK public want our economy to deliver. The set had to be memorable, and able to resonate with everyday concerns, in order to capture public, media and political attention at headline level. But more than anything it had to be succinct. We restricted ourselves to five indicators, because evidence shows that people are only able to hold between three and five meaningful pieces of information in their heads at once.

Starting with the evidence from UK public consultations, carried out by the UK's Office for National Statistics, the OECD and Oxfam Scotland, we applied a set of evidence-based criteria for selecting broad indicator topics and the indicators themselves. The resulting headline indicators – Good Jobs, Wellbeing, Environment, Fairness and Health – reflect clear priorities from the UK public.

### Towards better headline measurement

Our headline indicators have been backed by 25 businesses, charities, community organisations and trade unions and since their launch have attracted approving attention from influential commentators, been cited by Andy Haldane, Chief Economist of the Bank of England, generated a parliamentary discussion on dethroning GDP growth as the primary policy target and, most recently, influenced the Welsh Government's decision to adopt a national indicator similar to our Good Jobs indicator.

But we're not there yet. If we are to achieve the social and environmental outcomes that we so badly need, the dethroning of GDP is essential. This will require the right time, and the right story, but we also need the right indicators – indicators which are succinct, simple and compelling. Our set of indicators is a starting point for that conversation.

[1] Stiglitz, J., Sen, A., Fitoussi, J.-P. (2009) Report by the Commission on the Measurement of Economic Performance and Social Progress. Paris. Retrieved from:  
<http://www.stiglitz-sen-fitoussi.fr/en/index.htm>

[2] Whitby, A. and contributors (2014) 'BRAINPOoL Project Final Report: Beyond GDP- From Measurement to Politics and Policy' BRAINPOoL deliverable 5.2, A collaborative programme funded by the European Union's Seventh Programme for research, technological development and demonstration under grant agreement No. 283024. World Future Council. Retrieved from:  
<https://www.worldfuturecouncil.org/brainpool-project/>

[3] Jeffrey, K. and Michaelson, J. (2015). Five Headline Indicators of National Success, NEF: London. Retrieved from:  
<http://www.neweconomics.org/publications/entry/five-headline-indicators-of-national-success>

### 3.4 Oxfam Scotland and Decent Work *Francis Stuart, Research and Policy Adviser, Oxfam Scotland*

When we think about the health of our labour market we tend to think about headline employment and unemployment rates. On that measure Scotland and the UK has a fairly positive story to tell.

Employment since the 2008 financial crisis is at record highs, unemployment is low and, besides a wobble in Scotland due to declining North Sea oil production, the trends are going in the right direction.

At the same time there is another story, not uncommon across the developed world. One of stagnating wages, underemployment, zero-hour contracts, low-paid self-employment and increasingly insecure, low-paid and precarious work.

Both these competing narratives are true, but while the latter is increasingly recognised, it is still the former that seems to hold sway in senior policy making circles.

It is for that reason that Oxfam Scotland, in partnership with the University of West of Scotland (through the UWS-Oxfam Partnership), and with the support of the Warwick Institute for Employment Research set out to develop a better understanding of what low-paid workers think is most important for 'decent work'. We wanted to comprehend what low-

paid workers prioritise and then attempt to measure the real health of the labour market against those priorities.

The research was unique as it employed a mixed method approach specifically targeted at the low-paid and with an emphasis on participation – it was not research about low-paid workers but research with low-paid workers.

The project involved more than 1500 people who gave their views about what 'decent work' means to them. Views were elicited through focus groups, individual interviews, street stalls and an opinion poll. The research focused, in particular, on people with experience in low-wage sectors or with low earnings and intentionally included demographic groups facing additional disadvantages in the workplace, such as disabled people and members of ethnic minority groups.

Participants were asked to prioritise a total of 26 factors that make for decent work. While there are some important differences between groups, including gender and age, the findings suggest a significant degree of consistency as to what matters most to low-paid workers.[1]

#### Priorities for decent work identified by focus group participants

RANK	DESCRIPTION
1	<b>Decent hourly rate:</b> An hourly rate or salary that is enough to cover basic needs such as food, housing and things most people take for granted without getting into debt.
2	<b>Job Security</b>
3	<b>Paid Leave:</b> Paid holidays and paid sick leave
4	<b>Safe Environment:</b> A safe working environment, free from physical and mental risk or harm
5	<b>Supportive manager:</b> A supportive line manager
6	<b>Fair pay to similar jobs:</b> Being paid fairly compared to other similar jobs
7	<b>No discrimination:</b> A job in which there is no discrimination because of who I am
8	<b>Purpose and meaning:</b> Work that provides a sense of purpose and meaning
9	<b>Regular hours:</b> Regular and predictable working hours
10	<b>Support after absence:</b> Appropriate support to return to work following absence due to injury or ill health
11	<b>Opportunities for progression:</b> Opportunities for promotion and career progression
12	<b>No unpaid overtime:</b> An employer that does not expect me to arrive before or leave after my allocated hours or undertake unpaid overtime.
13	<b>Supportive colleagues</b>
14	<b>Enough time for tasks:</b> Enough time to do all the tasks required
15	<b>Workplace representation:</b> Available and effective representation to raise my voice within the workplace

RANK	DESCRIPTION
16	<b>Additional benefits:</b> Access to financial benefits beyond pay such as help with childcare or signposting to additional support such as tax credits
17	<b>Develop and use skills:</b> Ability to develop and use skills in current role
18	<b>Predictable pay:</b> Predictable take-home pay
19	<b>Training opportunities:</b> Access to suitable and convenient training opportunities
20	<b>Accessible location:</b> A job that is easy to get to from where I live
21	<b>Flexible hours:</b> Flexibility in choosing my working hours
22	<b>No excessive hours:</b> Work that does not involve excessive working hours
23	<b>Fair pay vs senior staff:</b> Being paid fairly compared to senior staff
24	<b>Socially worthwhile:</b> Work that I believe is socially worthwhile
25	<b>Varied work</b>
26	<b>Control:</b> Control and flexibility over how I deliver my work

### Priorities for decent work identified by focus group participants

While all of the decent work factors listed are important to varying degrees, the top five are fairly basic conditions which workers should be able to expect. In contrast to factors such as 'control over delivering work' and 'varied work' which appear at the bottom of the list of priorities, the top five factors are also areas within which businesses and policymakers are likely to find it easier to make a real difference.

Troublingly, when we looked at today's labour market, we found that Scotland is failing to deliver on these priorities for too many people. This confirmed the many stories we heard from research participants which we detail in the report.

### Looking at the top five priorities and using the latest data available, our research shows:

1. A decent hourly rate – 444,000 workers in Scotland, a fifth of all employees (of which two thirds are women), are paid less than the living wage as defined by the Living Wage Foundation.

"It's just not enough, how can I pay all my bills and rents and... buy a bus pass... it's just not evening out... It means you can't participate in basic things... My cousin's fortieth birthday's coming up... and that's a real issue for me 'cause I'm thinking 'How am I gonnae manage this financially?'"

*Social care worker, female*

2. Job security – 138,000 workers in Scotland, 6% of all employees, are on temporary

contracts – 45,000 (2%) of whom are seeking permanent employment.

"I lost my job today, because... well I didn't lose it, I just haven't got hours if that makes sense... and I've had no notice on that because I'm agency... and that's just been told today, 'Don't come back until the end of January'."

*Agency worker, hospitality sector, male*

3. Paid leave - 118,000 workers in Scotland, 5% of all employees, do not receive the statutory minimum entitlement to paid holidays.

"Everything is such an issue just to get time off. It really is difficult 'cause you give a lot of stuff up 'cause it's not worth the hassle... And then five years down the line you realise... that's all you do, is go to work"

*Social care worker, female*

4. A safe working environment – 88,000 workers in Scotland, 3% of the workforce, reported illness caused or made worse by work in the previous 12 months, while 33,000 reported stress, depression or anxiety caused or made worse by work.

"I have been assaulted at work. And I had told my company they'd let me down, and they said 'No, we haven't let you down'... I just feel like I wasn't respected at all. I was just an inconvenience."

*Social care worker, female*

5. A supportive line manager: 324,000 workers, 13% of the Scottish workforce, feel their line manager does not support them.

"They humiliate you in front o' people, questioning why you were in the bathroom for too long. Some

people, they're older women in my work, and they're about seventy, eighty and they get questioned because they take three minutes going tae the toilet."

*Call centre worker, female*

The research shows that while money is clearly important, 'decent work' extends to issues around security, safety and support. It seems low-paid workers prioritise fairly basic conditions - none of the top five factors are unreasonable or extravagant. Yet for too many people in Scotland these conditions are not being met.

In relation to wider measures of wellbeing, the research highlights the importance of focussing on inequalities. A priority list for high-income individuals would probably look very different. For example, one might expect issues around job control and autonomy to feature more heavily. There is a strong case to say that the role of Government should be to prioritise basic social foundations for those who are most disadvantaged.[2]

It must be emphasised that while we have used the best available and most recent data, labour market data for Scotland is neither fully comprehensive nor sufficiently timely and this means that there are clear gaps in our assessment. In particular, for certain

indicators we have had to use data from as far back as 2010. We have also had to use UK data where Scottish data is not available. While we have disaggregated data by gender where possible, however, some data does not allow for this. There is clearly a need to invest in good quality survey data if we are to measure progress and make meaningful interventions. In fairness to the Scottish Government, which has embraced a fair work agenda, they seem to recognise this. Their recently published labour market strategy talks about developing new work quality indicators.[3]

Yet there are dangers the come from focussing down on data to the extent that we go down niche, technocratic paths which lead to interesting but somewhat elite and abstract discussions. That is why we need to ensure we keep asking people – particularly those who are losing out from the current economic and political settlement – what they value, before responding meaningfully.

By working across Government, employers, trade unions and the third sector, we should be able to make major progress towards decent work for all – but only if we ensure it is defined by those who need it most.

[1] Full report available online. Stuart, F, Pautz, H and Wright, S (2016) 'Decent work for Scotland's low paid workers: a job to be done:

<http://policy-practice.oxfam.org.uk/publications/decent-work-for-scotlands-low-paid-workers-a-job-to-be-done-619740>

[2] Oxfam Scotland's work on the concept of the Scottish Doughnut (2014):

<http://policy-practice.oxfam.org.uk/publications/the-scottish-doughnut-a-safe-and-just-operating-space-for-scotland-323371> and the Humankind Index: [www.oxfam.org.uk/humankindindex](http://www.oxfam.org.uk/humankindindex)

[3] Scottish Government (2016) 'Scotland's Labour Market Strategy':

<http://www.gov.scot/Publications/2016/08/2505>

## 4. Personal Perspectives on Wellbeing, Measurement, and Use in Policy

### 4.1 Lessons from the Science of Happiness

The World Happiness Reports of the United Nations are the most important publications in the field. Pioneer Prof. John F. Helliwell is one of the writers and driving forces of these reports. As an economist he has spent a lifetime on well-being research. Which lessons does he draw from the recent science of happiness?

It has now become possible to obtain comparable measures of happiness in communities and countries around the world. This in turn has made it possible to learn more about what the measures mean, to raise public and policy interest in using the science of happiness to support the creation of better lives and to experiment with different ways to improve happiness, as measured by people's own evaluations of their lives.

#### What do the measures mean?

Modern research is confirming earlier evidence from Ed Diener and colleagues that there are three main ways of measuring subjective well-being, each of which needs separate consideration. These include life evaluations (e.g. How happy are you with your life as a whole? How satisfied are you with your life? How would you rank your life on a ladder with ten as the best possible life for you?), positive emotions (positive affect, usually represented by the presence now or recently of a range of positive emotions including happiness) and negative emotions (negative affect, as measured by a range of negative emotions including anger, anxiety, fear and depression). Of these measures, life evaluations provide the best overarching measure of subjective well-being, as they vary more among countries, and in explicable ways, than do either positive or negative emotions.

John F. Helliwell, Canada

Recent research reviewed in the World Happiness Reports has also shown that all three life evaluation questions, in common use, provide consistent explanations of what makes for a better life. Second, when the two sets of emotional measures are considered, in addition to the six structural factors described below, as variables explaining life evaluations, positive emotions contribute significantly, while the presence or absence of negative emotions does not.

#### What determines happiness?

The World Happiness Reports find that six factors, taken together, can account for about three-quarters of the differences in average annual life evaluations in more than 150 countries surveyed annually by the Gallup World Poll 2005-2015. These include per capita income, healthy life expectancy, having someone to count on, generosity, freedom to make life decisions and absence of corruption in business and government. There is a seventh variable – feeling that one's life has a purpose - that is not in the Gallup data but has been argued since Aristotle, and shown in recent UK data, to be a strong support for life evaluations. Two of these – social support and generosity – deserve special attention as they are often ignored as sources of well-being, despite being shown to be big contributors to happiness in national surveys and experiments where they are studied in greater detail.

The more important, and the least studied, of these is generosity, or pro-social behaviour. In the past century, especially in the teachings of economics and business, humans have often been treated as being self-interested creatures best motivated by material rewards. But experiments in the lab and in

“ GREATER HAPPINESS IS BEING FOUND AMONG GIVERS THAN AMONG RECEIVERS ”

the community are showing that, on the contrary, pro-social instincts and behaviour are already clear in the behaviour of infants, and show up thereafter in much more cooperative behaviour than can be explained by self-interest, and by greater happiness being found among givers than among receivers.

### How can happiness be increased?

Study of immigrants to Canada, from 100 different countries, shows that their life satisfaction quickly converges to average Canadian levels, indicating that life circumstances dominate psychological set points as determinants of life satisfaction. What can be done to increase the average level of happiness within a community or country? Experiments are starting to show that pro-social attitudes and behaviour contribute to the giver's happiness, as well as that of their communities, and that it is relatively easy to improve the social context in ways that make a significant difference.

Two examples may help to illustrate the possibilities. Firstly, recent research by F. Kosse and others at the University of Bonn in Germany (The formation of pro-sociality: Causal evidence on the role of social environment) has shown, firstly, that youth with disadvantaged backgrounds showed significantly fewer aspects of pro-social behaviour than did children raised in more stable environments, but

that this gap was entirely eliminated over the course of a year, requiring only weekly time spent with a volunteer mentor. These significant improvements in altruism, trust and other-regarding behaviour were still in evidence two-years after the treatment period.

Secondly, a simple program designed to facilitate social connections and pro-social behaviour among residents in elder care facilities ([www.JavaGP.com](http://www.JavaGP.com)) showed striking improvements in physical health and happiness, even for patients with severe physical and mental deficits.

### The keys:

1. There are three main ways of measuring subjective well-being. Life evaluations provide the best over-arching measure.
2. Six factors can account for about three-quarters of the differences in average annual life evaluations. Feeling that one's life has a purpose, might be added.
3. Experiments are starting to show that pro-social attitudes and behaviour contribute to the giver's happiness, as well as that of their communities, and that it is relatively easy to improve the social context in ways that make a significant difference.



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## 4.2 Wellbeing and Government

Lord Gus O'Donnell

The first question any government should ask itself is what are we trying to achieve? In the UK, Prime Minister John Major stated that his objective was to "build a better quality of life for all its citizens". That was over two decades ago and there was no agreed definition of quality of life so many simply used Gross Domestic Product (GDP) or GDP per head as the success measure. This practice continues even though serious economists realise GDP is a very flawed measure of quality of life—indeed even Simon Kuznets, the architect of GDP, regarded it as a measure of economic capacity not societal success.

In 2010 David Cameron became the UK Prime Minister and said: "We will start measuring our progress as a country 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"

The Office of National Statistics (ONS) began collecting nationwide data on subjective wellbeing following extensive consultations with the public on what constituted a "good life" for them. They settled on four questions, two were about evaluating your life: is it worthwhile, are you satisfied with it?, and two were directed at establishing how people were feeling at a given time, both positively— in terms of happiness— and negatively— in terms of anxiety. More broadly, the OECD has developed a wider range of measures and these are now being routinely collected in numerous countries. In addition, the Gallup World Poll has been collecting data on subjective life evaluations since 2005 in 149 countries.

Data collection is absolutely vital and the UN and OECD together with national statistics agencies, have worked hard to make the data

as comparable as possible across countries and time. There are obvious cultural and linguistic issues that need to be carefully handled when doing this research but the series of World Happiness reports showed how much insight can be obtained using this data.

In the UK, wellbeing is being used increasingly to evaluate the success of individual government policies. (Many of the technical problems associated with such work are analysed, with suggested solutions, in *Wellbeing and Policy*, Legatum Institute, 2014[1].) In areas such as education, social policy and of course health, it is becoming regarded as the gold standard to compare levels of wellbeing pre and post interventions to assess the effectiveness of different policies. A good example was the introduction of the National Citizens Service, which brings together children from different backgrounds to do voluntary work and other activities in the summer. The programme's success is measured by changes to the answers of the 4 ONS questions after the experience and there is a long term follow up to see if the effects are long lasting.

The biggest challenge is to overcome the standard practice of measuring everything in GDP terms. Changing the metric from what is deemed to be an objective measure to a subjective one is not easy. Politicians and the public are used to speaking about impacts on incomes rather than on life satisfaction, even though they may not be aware how the income changes will affect overall wellbeing.

In areas such as health, it is very clear that the allocation of money between, say, preventative care and ex post treatment, is not well captured by income measures. Health has pioneered the use of

“ IN THE UK, WELLBEING IS BEING USED INCREASINGLY TO EVALUATE THE SUCCESS OF INDIVIDUAL GOVERNMENT POLICIES. ”

QALYs, quality adjusted life years, and has shown how such measures can be used to drive policy e.g. whether a particular drug is worth buying.

But it is not all about governments. Giving individuals information about the impact of wellbeing on various decisions can help them make better choices, for example on what career to follow. Indeed, one expanding area of research is the area of behaviour change. Governments are realising that changing behaviours which are anti-social or directly harm individuals e.g. smoking, not saving enough for retirement, excessive eating, can be tackled by understanding why people make these decisions. Behavioural insights - often called nudges - are being used across a wide range of policy areas and in many countries. However, when evaluating such policies, it is crucial to assess their impact on the wellbeing of the individuals and not just in the short term. Nudges which apply temporary constraints on choice which, when lifted, result in a return to the previous, damaging behaviour will not sustainably raise wellbeing.

Perhaps the two most important policy changes needed to raise wellbeing in the UK are; (1) The reprioritisation of health funds to preventing and treating mental health problems; and (2) switching from the heavy emphasis on measuring the success of schools and children by their exam results to measuring their wellbeing. The latter could have an enormous impact as we are learning that building character and resilience which enhance wellbeing, leads to more fulfilled lives but also saves government resources along the way by reducing the need for social services and cutting crime. The use of wellbeing analysis to drive the allocation of government funds would be a very clear success measure for this research programme. That is many years away but there is a growing understanding amongst the public that concentrating on enhancing wellbeing is just common sense.



[1] Wellbeing and Policy, 2014, Legatum Institute: <http://li.com/docs/default-source/commission-on-wellbeing-and-policy/commission-on-wellbeing-and-policy-report---march-2014-pdf.pdf>

## 5. Conclusions and Recommendations

The evidence from all these cases studies helps to show both that wellbeing measures are being developed and are helping to shape policy and practice in areas ranging from cities, through children, to the world of work. National statistical offices in different countries have life quality measurement systems that are developing apace and a number of NGOs are pursuing the benefits for practice and advocacy. Beyond this, there is a considerable degree of convergence on the overarching areas and aspects of life quality that governments are beginning to monitor. The OECD work, which covers over 30 higher income countries helps to make this point nicely. Home, work, physical environments and social communities are all important aspects of human wellbeing. Some country experiences, for example Israel, the UK and Australia also serve to highlight the importance of public consultation both reasons of ownership and legitimacy but also to highlight local concerns which can be important drivers of national and local politics. National income is not always a good indicator of how things are going in particular areas of life or particularly groups within society and these developments documented in the MAPWELL group of national statistical offices are at helping to initiate an international approach to the monitoring of human life that will provide an invaluable complement to data based on income.

In this first edition of the Global Wellbeing Report, we have also shown how issues of measurement concretely can be used to shed light on light on specific areas and determinants of life quality. More than half of the world's population now live in cities and as two case studies show, it is possible for cities to take a much more explicit approach to human flourishing from data collection through to planning, urban design and public legitimacy. These initiatives help to clarify the kinds of data that national statistical offices might develop and where and how such data can be used. As such initiatives develop, city comparisons in terms of life quality may become more widespread and routine and help to inform individuals and companies when choosing where to locate. A case study on children shows also how human flourishing can usefully be monitored at specific times in life and how this can generate

insights about children's wellbeing that were not always expected by parents or teachers. We have also seen, in a case-study on decent work, that although productivity is a key concern for economies, there are many aspects of work and jobs that impact on life satisfaction and will therefore impact on business performance.

Together, these examples show how national and more focused efforts at understanding human flourishing are developing but also how they might inform each other. In future, more specific initiatives might well provide starting points for national measures which help to make comparisons between different geographical areas or parts of the sub-population. Alternatively, national comparisons of organisations or localities may help them to focus on important life quality issues that have not been the focus of policy measurement as have traditional economic concerns been.

It has been suggested that human flourishing is not having a major impact on policy and practice but the evidence suggests otherwise. At an international level, all the major economics organisations have some significant activity in this area and the OECD is particularly notable for the ways in which it is exploring the mainstreaming of wellbeing insights into policy analysis. The OECD already convenes a regular congress on 'Measuring Well-being and Progress' and now might be a good opportunity to bring the key players together to standardise the measures being developed and used. In any case, the trend to measure wellbeing is well underway and applications and insights are being developed across the range of human experience.

Following on from these case-studies, as well as a large body of research[i], the report closes with seven recommendations for organisations that are interested in developing data to create the analysis that will help them go beyond GDP in practice. All these 'recommendations' are evidence-based in the following sense. In the first place, there are many different things that make life go well and otherwise. Even when these are related to income, the relationship depends on the issue(s) involved.

# Seven Recommendations for Measuring Wellbeing

## 1. Measure Life Quality in Multiple Domains

Quality of life depends on work, family and home, community and physical environment and the achievements on all these dimensions can and should be monitored.

## 2. Involve A Range of Stakeholders in the Development of Such Data

It is important, if not vital, to involve people in their roles as citizens or service consumers in the development of data both for relevance and use.

## 3. Standardise Measures

At national and international level, there is a need for countries to standardise on some key questions to facilitate international comparisons.

## 4. Measure Across the Life-Course

Life quality indicators should be developed that are relevant to all age groups and in the relevant major settings, home, education, work and care.

## 5. Use Panel Data where Possible

Many of these life quality indicators should be embedded within panel surveys (e.g. household) so that high quality analyses can be performed which in turn will contribute to policy use.

## 6. Use and Develop Data on Opportunities, Abilities and Constraints

Measures of opportunities and constraints are forward looking and offer a particularly policy relevant way forward for reflecting the multi-dimensionality of life quality and concepts such as autonomy and empowerment.

## 7. Use (some) Subjective Measures

Subjective wellbeing can be measured reliably and its use in good quality models sheds light on the drivers of happiness as people experience it.



## About this Report

The report was produced with funding from the Oxford Foundation for Knowledge Exchange (OXFOKE), a charity registered in England and Wales, and established in 2012, to facilitate interactions between policy and practice on the one hand, and research and education on other. It derives from interactions between researchers and a group of National Statistical Offices, the related activities of which are reflected here.

## About the Underlying Research

The MAPWELL group of National Statistical Offices was developed on the basis of economic and statistical research designed to help identify new ways of measuring wellbeing as well as analyses. This research has focused on the development of new data to operationalise Sen's approach to welfare economics. Much of this work has been represented at over a 100 conferences and workshops around the world including two international conferences co-organised with the OECD in Paris, France and has benefitted from research grants from the Arts and Humanities Research Board and Leverhulme Trust as well as conference funding from the Economic and Social Research Council.

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[1] See for instance Anand P (2016) Happiness Explained, Oxford, Oxford University Press

[2] [http://www.statistik.at/web\\_en/statistics/-----/hows\\_austria/index.html#1\\_0](http://www.statistik.at/web_en/statistics/-----/hows_austria/index.html#1_0)

[3] Online resources for additional information about the measurement of wellbeing in Belarus:

1. Statistical book «Social conditions and standard of living in the Republic of Belarus» [http://www.belstat.gov.by/en/ofitsialnaya-statistika/publications/statistical-publications-data-books-bulletins/public\\_compilation/index\\_221/](http://www.belstat.gov.by/en/ofitsialnaya-statistika/publications/statistical-publications-data-books-bulletins/public_compilation/index_221/)
2. Work Session on Gender statistics (19-21 March 2014): [http://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/ge.30/2014/mtg\\_1/21\\_Belarus\\_eng.pdf](http://www.unece.org/fileadmin/DAM/stats/documents/ece/ces/ge.30/2014/mtg_1/21_Belarus_eng.pdf)

[4] Stiglitz, Sen and Fitoussi (2009) and OECD (2011).

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