

# Chapter 2 – Key common principles of well-being measurement frameworks

[Note: Several figures and summary statistics refer to OECD countries – the next update of this chapter will extend this - where possible - to UNECE membership, though the main messages are not expected to change considerably.]

There is increasing momentum around providing a more holistic picture of societal progress, with many national statistical offices, government departments and international organizations having launched frameworks for monitoring “well-being” over the past decade. This chapter highlights the international consensus which is forming around these initiatives: measuring well-being refers to an outcome-focused assessment of whether life is getting better for people across multiple dimensions, ranging from material conditions, quality of life and community relationships, and of whether progress has been inclusive and sustainable within planetary and social boundaries.

Section 2.1 of this chapter recalls the recommendations of several influential international reports that have called for metrics of societal progress “beyond GDP” since the 1987 Brundtland Report. As a result, there has been a proliferation of well-being initiatives, many focusing on monitoring and reporting, while others have been designed to also inform policy practice. The growth of such initiatives and the key principles they have in common is outlined in Section 2.2, making the case for why the time is ripe to speak about harmonization of well-being approaches.

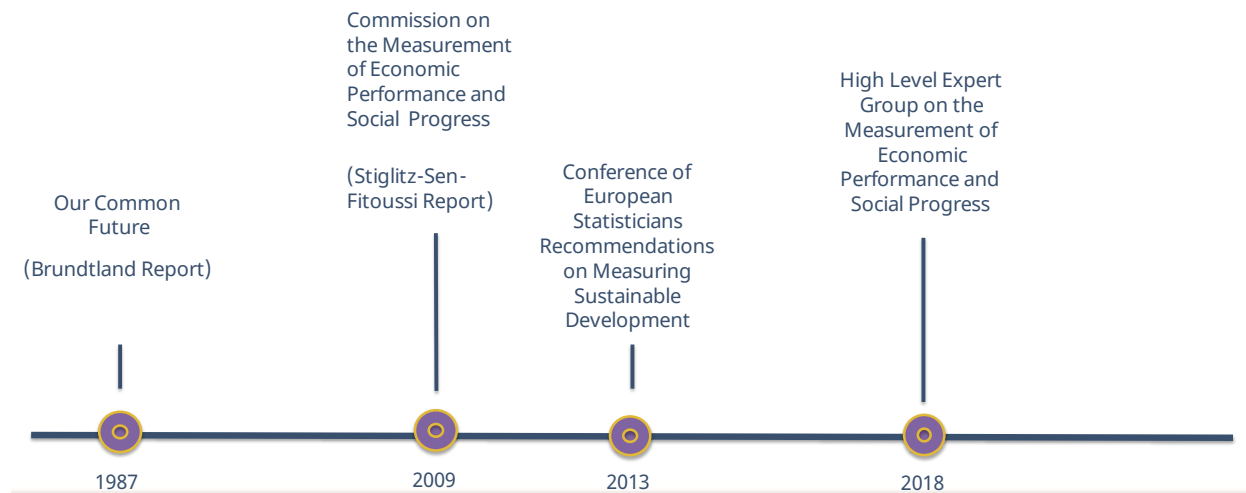
## 2.1 An overview of the main international reports on measuring societal progress

1. A range of international publications has given impetus to the “beyond GDP” agenda over the past decades (Figure 2.1). This section briefly presents the main recommendations and conceptual contributions of particularly influential reports that focused on the measurement of inclusive and sustainable well-being.<sup>1</sup>

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<sup>1</sup> For an in-depth overview of the history of the “beyond GDP” agenda, including other theoretical underpinnings (e.g. the capability approach, behavioural economics, welfare economics) see (UNECE, 2014; Jansen et al, 2023; Hoekstra, 2019).

**Figure 2.1 Influential international reports calling for more holistic measures of societal progress**



### ***Our Common Future, United Nations, 1987***

2. *Our Common Future*, also known as the “Brundtland Report” in recognition of Gro Harlem Brundtland, former Norwegian Prime Minister and Chair of the World Commission on Environment and Development, was released in 1987 by the United Nations. It highlighted the interconnectedness between development (particularly of emerging economies) and environmental sustainability, and coined the concept of sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). In this sense, it was one of the first times social equity was clearly referred to as existing both within and between generations, introducing an intertemporal component to progress. The Brundtland Report shaped the international agenda for sustainable development for years to come (Jansen et al, 2023).

### ***Commission on the Measurement of Economic Performance and Social Progress, 2009***

3. The 2008 global financial crisis accelerated thinking that a sole focus on economic growth was setting the wrong incentives for countries’ development strategies, which tended to be overly focused on the economic system and not the well-being of the people which make up that system. Nicholas Sarkozy, then President of France, called upon Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi to identify the limits of GDP as an indicator of economic performance and social progress, to consider what additional information might be required for the production of more relevant indicators of social progress, to assess the feasibility of alternative measurement tools, and to discuss how to present the statistical information in an appropriate way.

4. The landmark 2009 report of this Commission, also referred to as “Stiglitz-Sen-Fitoussi Report” had an important impact on practices within national statistical offices and beyond, and inspired many of the international and national well-being initiatives presented in Section 2.2. It stressed the shortcomings of GDP in failing to account for income inequality, environmental sustainability, and the distribution of economic benefits. Instead, it called for the “development of a statistical system that complements measures of market activity by measures centred on people’s well-being and by measures that capture sustainability. Such a system must, of necessity, be plural – because no single measure can summarize something as complex as the well-being of the members of society, our system of measurement must

encompass a range of different measures” (Stiglitz, Sen and Fitoussi, 2009). Hence, the report’s key recommendations were to

- define “well-being” as multidimensional, since a range of dimensions, many of them missed by conventional income measures, shape people’s lives (e.g. material living standards, health, education, work-life balance, civic engagement, social connectedness, the environment). The report further recommend to present these via a dashboard of indicators, rather than a single index.
- distinguish between an assessment of current well-being and its sustainability. Current well-being is people-centric and has to do with both economic resources and non-economic aspects of their life. Whether these levels of well-being can be sustained over time depends on whether stocks of capital that matter for people’s lives (natural, physical, human, social) are passed on to future generations. This recommendation advances the Brundtland Report’s definition of sustainability (in that it encompasses an intertemporal dimension) by emphasising that both domains of well-being should be examined and reported separately, to clarify that there can be trade-offs. A useful analogy motivating the choice for separate assessments is that “when driving a car, a meter that added up in one single number the current speed of the vehicle and the remaining level of gasoline would not be of any help to the driver. Both pieces of information are critical and need to be displayed in distinct, clearly visible areas of the dashboard” (Stiglitz, Sen and Fitoussi, 2009).
- comprehensively assess and report inequalities in people’s well-being (e.g. across people, socio-economic groups, gender and generations) across all relevant dimensions
- include both objective life circumstances and subjective measures of well-being (i.e. people’s experiences and perceptions across different dimensions of their lives), to derive a more comprehensive appreciation of people’s well-being. The report also highlights the need to further develop and improve statistical capacity in areas where available indicators remained deficient at the time (e.g. social connectedness, political voice, subjective well-being, indicators drawing on time use surveys).

### ***Recommendations on Measuring Sustainable Development, Conference of European Statisticians, 2013***

5. In 2009, the Conference of European Statisticians set up a joint UNECE/Eurostat/OECD Task Force to develop recommendations to harmonise the different ways in which many countries had adopted sustainable development indicator sets. The resulting 2013 recommendations emphasized that human well-being is “a broad concept which is not confined to the utility derived from the consumption of goods and services, but is also related to people’s functioning and capabilities (i.e. the freedom and possibilities they have to satisfy their needs)” (UNECE, 2013), and stressed that sustainable development is a matter of distributional justice across time and space. They suggested, like the Stiglitz-Sen-Fitoussi Report, a conceptual distinction between well-being of the present generation in one particular country (referred to as “here and now”) and the well-being of future generations (“later”). In addition, a third domain capturing the well-being of people living in other countries (“elsewhere”) was introduced. This was done to reflect the possible transboundary impacts of development in an increasingly globalized world, by highlighting how a country in the pursuit of the well-being of its citizens may affect the well-being of citizens of other countries (UNECE, 2013).

## ***High Level Expert Group on the Measurement of Economic Performance and Social Progress, 2018***

6. In 2018, nearly a decade since the publication of the 2009 Commission on the Measurement of Economic Performance and Social Progress report, an OECD-hosted High Level Expert Group on the Measurement of Economic Performance and Social Progress, set out future steps for the field of multidimensional well-being measurement. Their recommendations further strengthened several of the earlier advice provided in the Stiglitz-Sen-Fitoussi Report, for instance around prioritising a dashboard of well-being indicators spanning people’s material conditions and the quality of their lives, systematic consideration of inequalities thereof (including equality of opportunity), and sustainability. The High Level Expert Group also called for sufficient resources to be provided to national statistical offices, for the development of better quality metrics in areas such as trust, social norms and economic inequality related to income and wealth (including within the System of National Accounts), and for well-being metrics to be used to inform decisions at all stages of the policy process (Stiglitz, Fitoussi and Durand, 2018).

### ***Recent developments***

7. The United Nations, beyond this present document at the UNECE level, have also stimulated a renewed focus on well-being with a Beyond-GDP initiative launched 2021 and the activities of the UN Network of Economic Statisticians (UNNES). These initiatives are described in more detail in Chapter 3.

8. It should furthermore be noted that, particularly from the academic side, notions of well-being and sustainability have in recent years been extended to explicitly include socio- and planetary boundaries. Drawing on the concepts of sufficientarianism (i.e. every individual should achieve a basic minimum threshold of well-being) and limitarianism (i.e. ecological and social constraints or upper limits of resource use and consumption), a resulting “sufficiency target space” would lie between these dual thresholds, though how this would be reflected in well-being indicators is still in early stages of development (Raworth, 2017; Rockström et al., 2023; Gough, 2023).

## **2.2 How have international and national well-being frameworks reflected these recommendations?**

### ***Growth of well-being measurement practice***

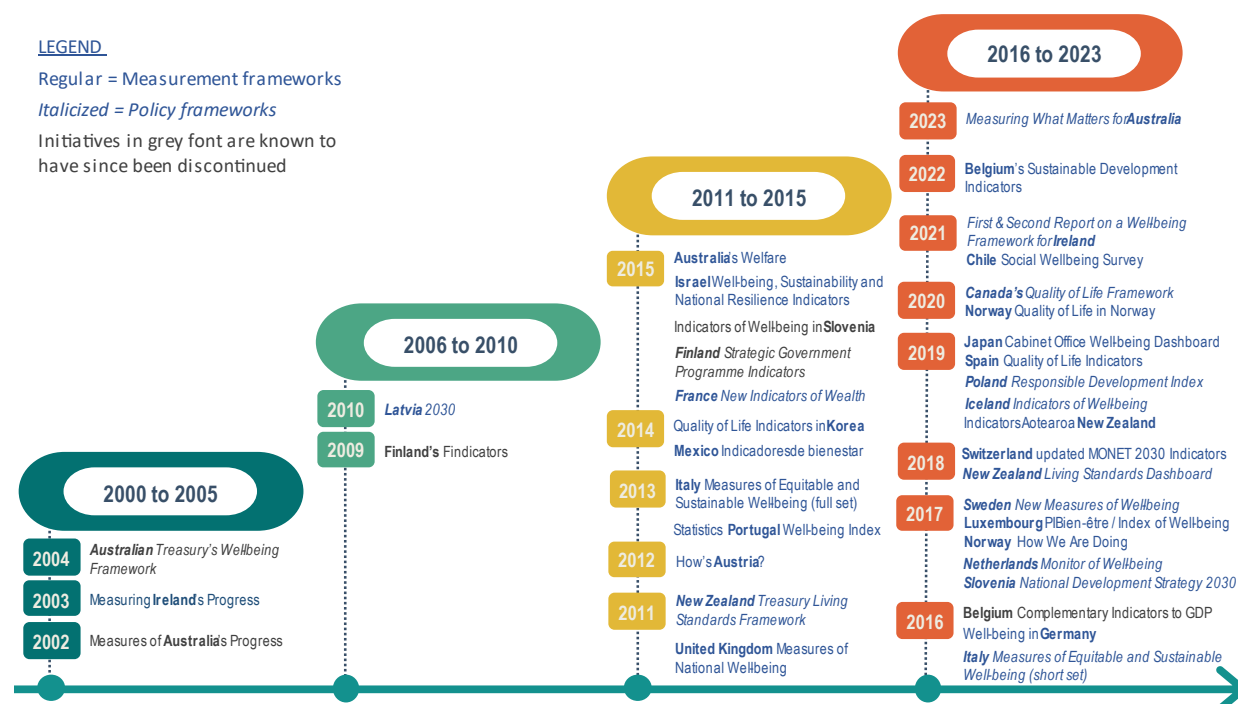
9. In response to the influential reports outlined in the previous section, particularly the Stiglitz-Sen-Fitoussi Report in 2009, multiple international efforts to produce more holistic measures of societal progress were launched. These include the United Nation’s Human Development Index and the subsequent Sustainable Development Goals (SDGs) targets and indicators, the OECD Framework for Measuring Well-being and associated dashboard, as part of its broader Better Life Initiative, and Eurostat’s Quality of Life Initiative (Eurostat, 2015; OECD, 2023; United Nations Department of Economic and Social Affairs Statistics Division, 2017; United Nations Development Programme, 2023).<sup>2</sup> (For a discussion on the communalities and differences between well-being and other approaches to measuring progress, such as the SDGs, see Chapter 3). Similarly, at the national level, many statistical offices and government departments have started to explicitly group a variety of social, environmental and economic data which they had been collecting for many years under the banner of measuring well-being or going “beyond GDP”.

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<sup>2</sup> Examples of other relevant international initiatives include the World Happiness Report (focusing on subjective well-being as primary outcome of interest), the UN’s Inclusive Wealth Report (focusing on sustainability), and the Social Progress Imperative’s Social Progress Index and Scorecard (OECD, 2023).

Today, more than two-thirds of OECD governments have developed national frameworks, development plans or surveys with a multidimensional well-being focus, with this activity having accelerated in recent years (OECD, 2023) (Figure 2.2).

**Figure 2.2 More than 70% of OECD countries have developed national frameworks, development plans or surveys with a well-being focus**



Source: OECD, 2023

10. Many of the national initiatives shown in Figure 2.2 focus on well-being measurement, monitoring and reporting (often, but not exclusively, led by national statistical offices), whereas others have been developed to support more direct policy applications (often led by Ministries of Finance or other policy ministries) (Exton and Shinwell, 2018) (Box 2.1). The large majority of national initiatives follow the recommendations of the Commission on the Stiglitz-Sen-Fitoussi Report in opting for a dashboard approach, rather than aggregating across dimensions to create a single composite indicator, although countries such as Luxembourg, Poland and Portugal have opted for a well-being index (OECD, 2023). The indicator dashboards take different shapes and sizes, depending on their use. Frameworks focused on monitoring and reporting typically involve building an evidence base on the state of a country's well-being (i.e. a comprehensive indicator set, sometimes including 100+ individual indicators) and making this information publicly available for different stakeholders. Conversely, well-being frameworks that have been developed for specific policy applications (e.g. for informing budgetary discussions) often have far fewer distinct indicators, sometimes as little as five (OECD, 2019). In some cases, such as Italy, both a larger dashboard for well-being monitoring and shorter indicator subset for policy application have been developed (Exton and Shinwell, 2018).

### Box 2.1 Wellbeing policy practice in selected OECD countries

OECD countries are increasingly employing different strategic, operational and technical methods to support the use of well-being frameworks and principles for shaping national policy processes.

### Principles

Well-being frameworks simultaneously emphasize broad, granular, and long-term analysis of policy priorities and options that respond directly to people's needs across a range of life areas. They typically also support ways of working that transcend policy silos through increased collaboration, coordination, iteration, and transparency. Different countries set out the principles or motivating factors of a well-being approach in different ways (for example Department of Finance Canada, 2021; New Zealand Treasury, 2019; National Assembly of Wales, 2015), but common themes include (1) taking a **whole of government approach** (2) attending to **intergenerational outcomes and inequalities** between population groups, and (3) moving towards **multidimensional measures of success**.

### Applications

Well-being policy approaches encompass a broad range of applications, including (1) **well-being evidence in budgetary decision-making processes** (e.g. in Italy, New Zealand, Canada, Ireland, France, Sweden, Iceland, the Netherlands and Australia); (2) a well-being approach to high-level **strategic coordination and priority-setting exercises** (e.g. performance frameworks in Iceland and Scotland, inclusive growth strategies such as the United Kingdom's Levelling Up strategy, and national development plans in Colombia and Slovenia); (3) **well-being policy analysis, appraisal and evaluation** methods (e.g. the development of well-being valuation methods to integrate in cost-benefit analysis in the United Kingdom and New Zealand, forecasting techniques to more accurately predict the potential impact of policies on societal outcomes in Italy and well-being impact assessment and evaluation methods in Canada).

### Embedding mechanisms

Finally, countries are employing different techniques to embed the use and understanding of well-being policy frameworks and principles across government and electoral cycles. These include **legislation** (e.g. Wales, New Zealand), **civil service capacity-building** and support (e.g. the United Kingdom, New Zealand), and **cross-departmental coordinating bodies** (e.g. New Zealand).

Source: (OECD, 2023)

## ***Key common principles across approaches to measuring well-being in practice***

11. While many national well-being approaches draw from well-established international models, including the OECD Framework for Measuring Well-being, the United Nations Sustainable Development Goals, targets and indicators and Eurostat's Quality of Life framework, they can usually draw on richer data and almost always include some adaptation to the national context (further described below, and in Chapter 8 on national implementation of well-being frameworks).

12. Regardless, an encouraging takeaway from reviewing well-being measurement practice is that there is much common understanding of its conceptual underpinnings. There are key shared principles across all approaches that largely mirror the recommendations set out in Section 2.1: first, they take into account the domains of well-being today, inclusion, and sustainability. Second, they understand well-being as a multidimensional construct that covers people's experiences across diverse areas. Third, the dashboards used to operationalize the frameworks focus wherever possible on well-being outcomes (as opposed to drivers) and include both objective and subjective indicators of well-being.

13. In the following, each of these common principles is presented alongside case studies of relevant well-being initiatives. The chosen examples are not meant to be representative of all existing initiatives, but rather serve to illustrate how the respective principles have been operationalized in practice.

*Principle 1 Distinction between current well-being, inclusion and sustainability*

14. In line with the recommendations of the Commission on the Measurement of Economic Performance and Social Progress and the Conference of European Statisticians, many well-being initiatives are built around different conceptual domains: on the one hand, current well-being, which refers to outcomes (achievements) at the individual, household and community level that matter to people's quality and experience of life "here and now". Most initiatives also place a particular emphasis on inclusion and the need for more granular data, to understand the distribution of these current well-being outcomes across the population (OECD, 2023). On the other hand, sustainability is reflected by the resources needed to sustain well-being over time, often captured at the system-wide level (e.g. characteristics of the economy, ecosystems, or institutions, often referred to as different types of capital stocks).

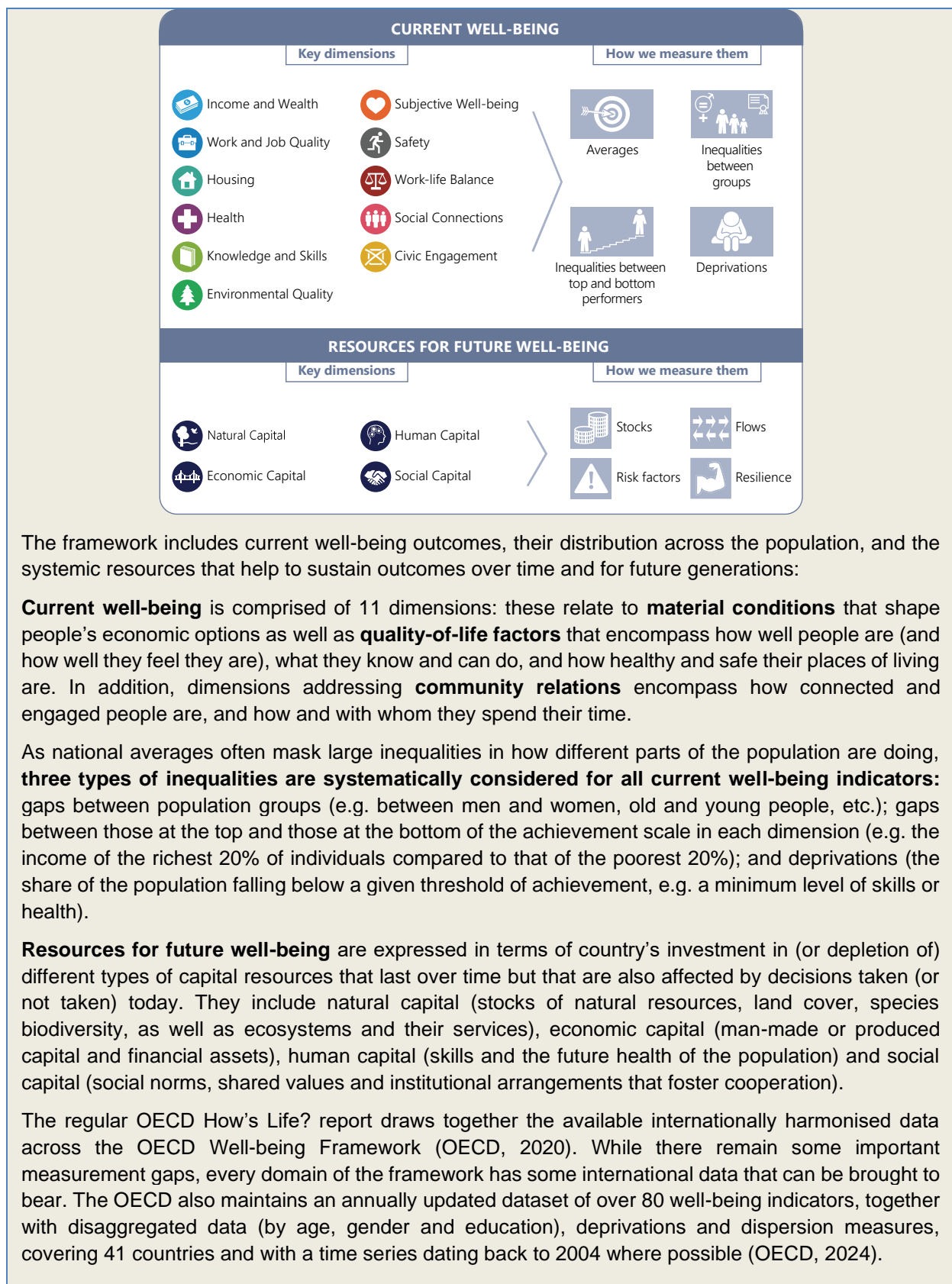
15. There are different ways well-being initiatives articulate these three domains. One way, as done in the OECD Well-being Framework (Box 2.2), Belgium's Complementary Indicators to GDP, Treasury New Zealand's Living Standards Framework, Stats NZ's Indicators Aotearoa New Zealand, and the Netherland's Well-being Monitor (Box 2.3) is to make an explicit conceptual distinction between dashboards for current well-being and resources for future well-being. The Netherland's Well-being Monitor (Box 2.3) and Stats NZ's Indicators Aotearoa New Zealand) also recognize transboundary effects – i.e. the impact that countries have on well-being in other countries, as per the 2013 recommendations of the Conference of European Statisticians. Another way is to emphasize sustainability explicitly as a cross-cutting lens (such as in Canada's Quality of Life Framework, (Box 2.4)), or, as a large share of frameworks do, by including elements of human, social, economic and natural capital within their well-being indicator sets, without specific reference to sustainability as distinct domain (Exton and Fleischer, 2019) (Figure 2.4). Well-being inequalities are also typically captured in a transversal way across frameworks, rather than as a separate dimension (OECD, 2023) (Boxes 2.2-2.4).

### **Box 2.2 Case study - the OECD Well-being Framework**

The OECD Well-being Framework (Figure 2.3), first launched in 2011, is an outcome-focused tool to measure human and societal conditions and assess whether life as a whole is getting better for people.

The OECD Framework was developed under the guidance of the OECD Committee on Statistics and Statistical Policy, on which the national statisticians of all OECD countries are represented. As well as a rich academic literature on welfare measurement, the OECD Framework reflects emerging consensus from existing country practices on multidimensional GDP and beyond approaches (Figure 2.2). It was comprehensively reviewed and adapted in 2019 to ensure its alignment with developments since it was first launched in 2011 (OECD, 2020).

### **Figure 2.3 The OECD Well-being Framework**





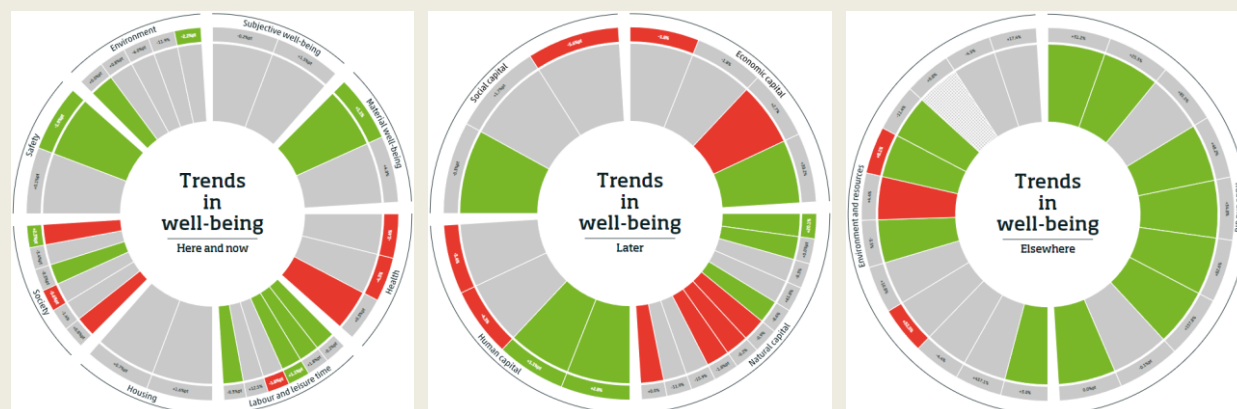
Source: (OECD, 2020)

### Box 2.3 Case study – the Netherland’s Monitor of Well-being

The Dutch term for sustainable and inclusive well-being – “brede welvaart” – has become a core concept in policy making, emerging in response to a call by Parliament for metrics supporting a broader evaluation of policy “beyond GDP”. Statistics Netherlands has been publishing the Monitor of Well-being and the Sustainable Development Goals annually since 2018 at the request of the House of Representatives to provide an overview of the state and development of sustainable and inclusive well-being on Accountability Day in May (when the government reports to the House of Representatives on its annual goals and achievements).

The core of the Monitor consists of statistical information on well-being “here and now”, “later”, and “elsewhere”, in accordance with the Conference of European Statisticians Recommendations on Measuring Sustainable Development (Figure 2.4) (UNECE, 2013). Information on these three domains of well-being is systematically linked to more detailed information on the distribution among population groups, the Sustainable Development Goals, and the resilience of well-being.

**Figure 2.4 The three domains of the Netherland’s Monitor of Well-being and the Sustainable Development Goals**



**Well-being “here and now”** (current well-being) consist of eight dimensions: subjective well-being, material well-being, health, labour and leisure time, housing, society, safety and environment. Insofar as possible, each dimensions includes a subjective indicator (e.g. satisfaction with housing, feeling unsafe in the neighbourhood). The Monitor also analyses the distribution of current well-being among population groups by gender, age, education, and country of birth/origin. In addition, it considers the accumulation of multiple outcomes at the individual level for a representative sample of around 7000 respondents.

**Well-being “later”** refers to the resources future generations will need to achieve their current well-being. The Monitor considers these via measures of economic, human, social and natural capital.

**Well-being “elsewhere”** assesses the impact of Dutch policies on well-being in other countries (classified by low, lower-middle, upper-middle, and high income group) via the two themes of trade and aid; and

environment and resources. Examples of indicators include biomass, metal and fossil fuel imports from lower income countries, official development assistance and remittances.

Since 2019 the **Sustainable Development Goals** have been integrated in the Monitor, based on a framework to select indicators that measure how well-being in a particular SDG is achieved in a Dutch context, considering a combination of Sen’s capability approach and the intervention logic of policy making. Since 2020, the Monitor also includes a separate dashboard on the **resilience of well-being** (i.e. its ability to absorb a shock and recover from it). The resilience dashboard contains six themes linked to the three domains of well-being: livelihood of households, prevalence of vulnerable groups (well-being “here and now”); robustness of the biosphere, society, and economy, critical systems, government leverage (well-being “later”) and cross-border dependencies (well-being “elsewhere”). Since 2020, the national Monitor is also complemented by a **regional Monitor** that assesses outcomes for provinces, regions and municipalities.

Source: (CBS, 2024)

#### Box 2.4 Case study – Canada’s Quality of Life Framework

#### Figure 2.5

#### *Principle 2 Well-being is understood as multidimensional*

16. All initiatives consider well-being as multidimensional, and take into account multiple dimensions that matter to people’s lives – including their material conditions (e.g. income, jobs, housing), their quality of life (e.g. health, education and skills, safety, subjective well-being, the environment), their relationships with others and the institutions that serve them (e.g. social connectedness civic engagement), as well as different types of economic, social and environmental sustainability (see Boxes 2.5 and 2.6 for the examples of Ireland and Italy in selecting their multiple well-being dimensions).

17. Indeed, an illustrative mapping of selected national and international well-being initiatives<sup>3</sup> against the dimensions of well-being, inclusion and sustainability in the OECD Well-being Framework show a high level of agreement (Figure 2.6). For a detailed discussion of which exact dimensions of current well-being should be included following a range of quality criteria, refer to Chapter 4.

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<sup>3</sup> Different initiatives are structured in a variety of different ways, therefore their own domain or dimension names -- or organisational framework -- may not follow the same naming convention or structure as that of the OECD.

**Figure 2.6 Many well-being initiatives share a common conceptual core in terms of dimensions included**

OECD Well-being Framework Dimensions		G7 Countries						Selected OECD Countries					International Efforts				
		CAN	DEU	FRA	GBR	ITA	JPN	IRL	ISL	ISR	KOR	NLD	NZL	EStat	HDI	SDGs	WHR
Current well-being	Income and wealth																
	Work and job quality																
	Housing																
	Health																
	Knowledge and skills																
	Environmental quality																
	Subjective well-being																
	Safety																
	Work-life balance																
	Social connections																
	Civic engagement																
	Future well-being	Natural capital															
Human capital																	
Economic capital																	
Social capital																	

Note: This figure shows overlaps in concepts included in the OECD's Well-being Framework and national programs for all G7 countries with well-being initiatives, as well as select other countries, and international initiatives. Shaded cells indicate the initiative contains indicators that overlap with indicators contained in the relevant OECD Well-being Framework dimension. Initiatives considered include: Canada (CAN), Quality of Life Framework, 2022; Germany (DEU), Wellbeing in Germany – What matters to us, 2020; France, New Indicators of Wealth, 2022; the United Kingdom (GBR), Measures of National Well-being, 2022; Italy (ITA), Measures of Equitable and Sustainable Well-being, 2022; Japan (JPN), Well-being dashboard, 2022; Ireland (IRL), Understanding life in Ireland: A well-being framework, 2022; Iceland, Indicators for Measuring Well-being, 2023; Israel (ISR), Well-being, Sustainability and National Resilience Indicators, 2023; Korea (KOR), National Quality of Life Indicators, 2023; the Netherlands (NLD), Monitor of Well-being and the SDG's, 2022; New Zealand (NZL), Living Standards Framework Dashboard, 2022; Eurostat (EStat), Quality of Life, 2023; HDI, Human Development Index, 2023; SDGs, Sustainable Development Goals, 2023; WHR, World Happiness Report, 2022

Source: OECD, 2023

18. It is worth noting here already that beyond the conceptual commonalities across the various well-being measurement initiatives, most already include a share of indicators that are internationally harmonized. While there is no complete standardisation of the underlying measurement framework used at the national level, akin to the System of National Accounts (SNA) (Hoekstra, 2019), some degree of standardization is already possible through common international definitions of, for example, life expectancy, household income and debt, and a wide variety of labour market outcomes. In areas where there have traditionally been fewer international standards, considerable effort has been made to develop measurement guidelines, including on the distribution of household income, consumption and wealth; subjective well-being; trust; the quality of the working environment; digital platform employment; and population mental health (OECD, 2023). Regardless, gaps remain in other areas, such as social connectedness (OECD, forthcoming). In parallel, further efforts within the SNA<sup>4</sup> will eventually help fill other

<sup>4</sup> The 2025 SNA will provide greater visibility for the digital economy and free digital services, as well as including data as a new and separate product category in the core accounts. It will encourage countries to produce complementary estimates of GDP and gross household disposable income (GHDI) that include unpaid household activities, and to produce household sector distributions of income, consumption and

important international gaps. These combined efforts mean that overall, even at the level of individual indicators, there are considerable similarities in the data that countries use to measure well-being (see Exton and Fleischer, 2019 for a detailed description of indicator-level overlaps).

19. Despite the commonalities, most national well-being initiatives also take into account country-specific and contextual factors, which can be filled with richer national data sources. Examples of additional dimensions or topics that were found across national frameworks include themes such as identity and language, diversity and discrimination, culture, and sports, accessibility and quality of services, domestic violence, disaster preparedness and resilience, collective family and community well-being (which can also include the well-being of nature seen as intrinsically valuable rather than an asset to be utilized, a view of often particularly expressed in Indigenous-led frameworks), and transboundary impacts (OECD, 2023). For more information on how to consider country-specific indicators, including of culture, see Chapter 8.

20. A significant driver of national variations has been the need for strong stakeholder buy-in and ownership, which means that many national well-being initiatives have been co-designed with inputs from a large variety of sources. Public consultation has been a key component of framework development in almost all OECD countries, as has expert consultation, the involvement of multiple government ministries, and cross-party political engagement (OECD, 2023) (Boxes 2.5 and 2.6). Indeed, one of the success factors often cited for ensuring an enduring approach is this broad-based consultative activity from the outset (Wellbeing Economy Alliance, 2021), so even if many national initiatives share a common core, the terminology and overall structure of the framework needs to reflect the issues, language and framing that emerge through these bottom-up and consultative processes, to ensure it has legitimacy with the communities of people who will later use or be impacted by it.

### Box 2.5 Case study – Ireland’s Well-being Framework

The Irish Well-being Framework was launched by the Government of Ireland in July 2021. It seeks to move beyond using just economic measures in gauging progress as a country, by looking at economic, environmental, and social issues together, rather than separately or in isolation. It focuses on quality of life, with a particular emphasis on equality and sustainability. The Irish Well-being Framework is currently being integrated across the Irish Government, including across the Budgetary cycle, performance framework and in policy development and analysis.

**A collaborative and wide-ranging approach in the development of the framework** was pursued with the lead Departments (Department of the Taoiseach, and Departments of Finance and Public Expenditure and Reform), a wider Inter-departmental Working Group, the CSO and National Economic and Social Council (NESC) working closely together. Consultations were conducted with stakeholders, experts and the wider public.

The Irish Well-being Framework informs a multidimensional assessment of the country’s performance across 11 dimensions and 35 indicators of well-being (Figure 2.7). In addition, sustainability and equality are considered in a cross-cutting manner, by tagging indicators that are particularly important for

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wealth. Finally, in the 2025 SNA, depletion of natural capital will be included in net measures of production and income. This will provide an indication of whether current economic activity is occurring at the expense of natural capital stocks, which might affect future economic performance and welfare.

economic, social and environmental sustainability and by identifying differences between population groups.

As other countries have done, Ireland's Framework has been designed so that it is reflective of the OECD Well-being Framework to allow for meaningful international comparison, but adjusted to the Irish context and perspective. Together the dimensions of the Framework capture a holistic picture of the key elements that make up well-being for Ireland, across person, place, and society.

**Figure 2.7 The Irish Well-being Framework**



Source: (CSO, 2023)

### Box 2.6 Case study – Italy's Equitable and Sustainable Well-being (Bes) Indicators

Italy's Equitable and Sustainable Well-being indicators, referred to as the 'Bes' indicators for the Italian acronym (Benessere Equo e Sostenibile), are managed by the Italian national statistical office, Istat. The indicators have been presented in an annual report since 2013, and a shorter set of headline indicators has been featured in parliamentary reporting and budgetary analysis since 2017.

The current Bes indicator set features 152 indicators across 12 dimensions of well-being: health; education and training; work-life balance; economic well-being; social relationships; politics and institutions; security; subjective well-being; landscape and cultural heritage; environment; innovation, research and creativity; and quality of services.

**Widespread consultation** with trade unions, trade associations, third sector agencies and ecological and women's associations representatives helped inform the development of the Framework and selection of indicators: a steering group was established on the "Measurement of Progress in Italian Society", including 33 representatives of entrepreneurs, professional associations, trade unions, environmental groups, Italian cultural heritage groups, women groups, consumer protection groups and

civil society networks. A Scientific Commission with 80 researchers and experts from ISTAT (Italian Statistical Office), universities and other institutions was also established to consult on this process. Moreover, a representative survey of the Italian population was conducted (about 45 000 people interviewed), inquiring which dimensions are important for well-being. This was further supported by a dedicated website, a blog and an online survey to consult with the public on the committee's decisions (approximately 2 500 respondents). And, after the presentation of the first report, the initiative was presented in a series of meeting in different regions of Italy.

In 2016, a reform to government accounting required the Ministry of Economy and Finance to report to Parliament twice a year on the evolution of headline Bes indicators and the actual or projected impact of different budget scenarios (through a monitoring report every February, as well as an Annex to the Economic and Financial Planning document – the Italian government's main financial and economic planning instrument – every April). Twelve headline indicators were selected by an Expert Committee in 2017 to underpin these reports: adjusted gross disposable income per capita; disposable income inequality; absolute poverty rate; healthy life expectancy at birth; overweight or obesity rates; early leavers from education and training; non-participation rate; ratio of employment rate for women aged 25-49 with at least one child aged 0-5 to the employment rate of women 25-49 years without children; predatory crime index; length of civil proceedings; emissions of CO<sub>2</sub> and other greenhouse gases; and the illegal building rate. The 2017 Economic and Finance Document (DEF) included four of these indicators, and all 12 were included in the 2018 DEF for the first time. Since then, cross-departmental efforts (led by the Ministry of Economy and Finance) have continued to refine the budgetary reporting on the 12 indicators.

Source: (ISTAT, 2018; Italian Ministry of Economy and Finance, 2023)

*Principle 3 Indicators populating well-being dashboards are wherever possible outcome focused, and include both objective and subjective assessments of people's circumstances*

21. The third common principle across well-being initiatives relates to the focus and coverage of their indicator sets. The dashboards often concentrate, where possible, on measuring well-being outcomes (aspects of life that are directly and intrinsically important to people), rather than the inputs and outputs that might be used to deliver those outcomes (for example, skills and competencies achieved vs the money spent on schools or the number of teachers trained) (OECD, 2017). This is because outcomes may be imperfectly correlated with inputs (e.g. health expenditure may be a poor predictor of health status if the health care system is inefficient) or outputs (e.g. the number of surgical interventions performed may say little about people's health conditions).

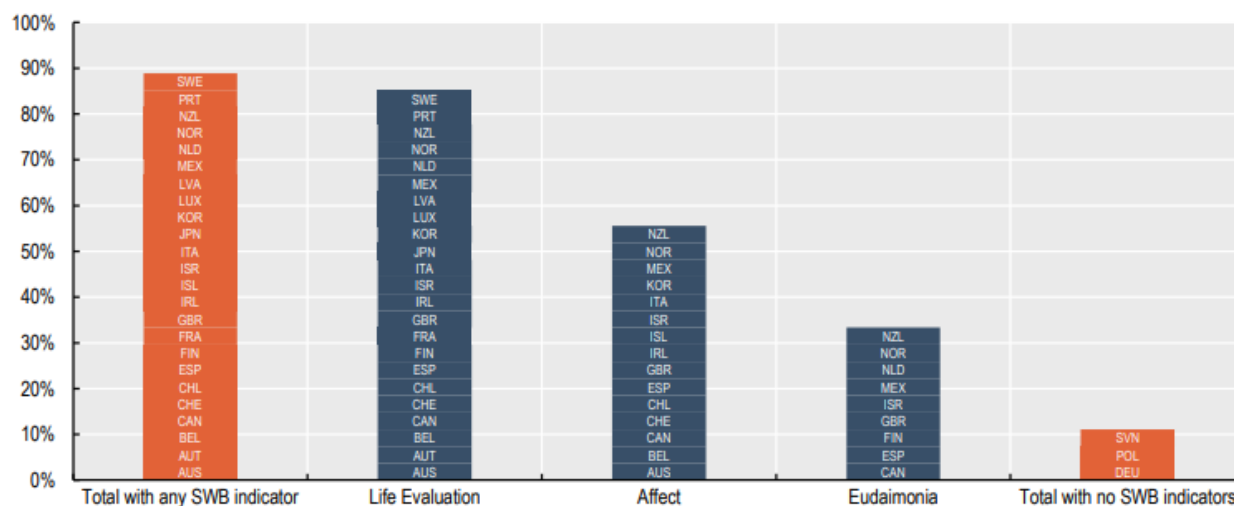
22. In addition, following the Stiglitz-Sen-Fitoussi Report's recommendation to provide information on how people experience their lives, many dashboards complement objective (i.e. observable by a third party) data on living conditions and quality of life with at least some indicators capturing a person's own evaluation and feelings about her or his circumstances. Such subjective indicators include both aspects of "subjective well-being" (defined as "good mental states, including all of the various evaluations, positive and negative, that people make of their lives and the affective reactions of people to their experiences" (OECD, 2013)) and broader perception-based and self-reported indicators (e.g. how safe people feel, how easy or difficult they perceive it to get by financially, how much they trust their government, or, how socially connected they report to be).

23. Indeed, a 2023 review of measurement of current well-being conducted by the Bureau of the Conference of European Statisticians (CES) found that CES members are using both objective and subjective well-being (UNECE, 2023). Similarly, a recent mapping of national well-being frameworks

across OECD countries shows that almost all include a measure of subjective well-being (Figure 2.8), and many feature questions asking respondents how satisfied they are with different aspects of their lives, such as housing, their job, or their health (Figure 2.9). Or, moving beyond the dimension of subjective well-being, half of national well-being initiatives in OECD countries include an indicator of how socially supported people feel, and a third feature a measure of loneliness (Fleischer and Mahoney, forthcoming). Box 2.7 illustrates how Israel’s well-being dashboard has incorporated both objective and subjective indicators.

**Figure 2.8 The majority of national well-being initiatives include some form of subjective well-being indicator in their dashboards, the most common of which is a life evaluation question**

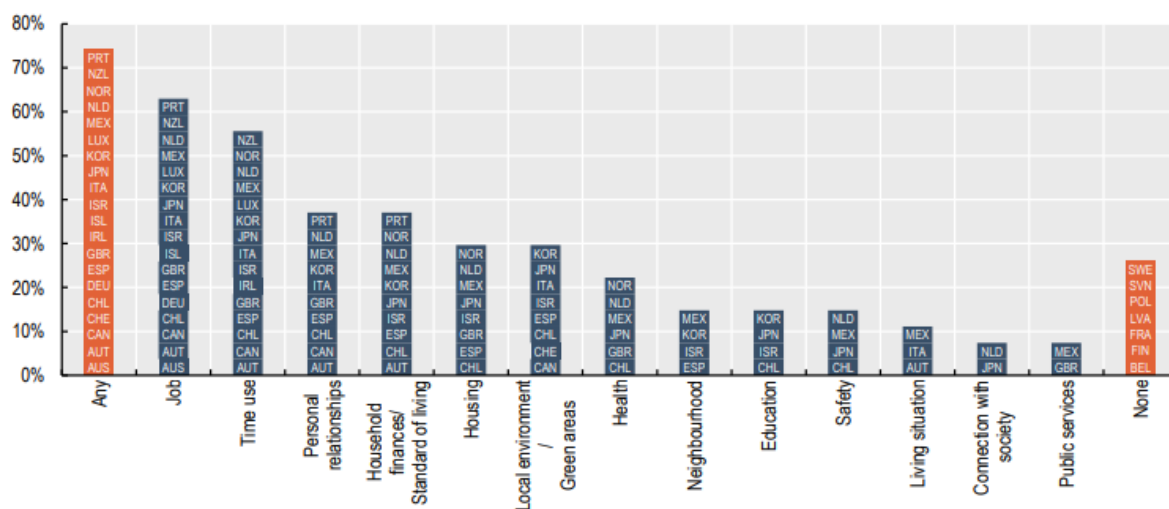
Of the OECD countries that have developed a national well-being approach, the share that include subjective well-being indicators (and if so, by type), and the share that do not



Source: Mahoney, 2023

**Figure 2.9 In national well-being dashboards, job and time use satisfaction are the most commonly included indicators that capture satisfaction with specific areas of life**

Of the OECD countries that have developed a national well-being approach, the share that include domain satisfaction indicators (and if so, by domain type), and the share that do not



Source: Mahoney, 2023

### Box 2.7 Case study – Israel's Well-being, Sustainability, and National Resilience Indicators

Pursuant to the resolution adopted by the government of Israel in April 2015 (Resolution No. 2494), the Israeli Central Bureau of Statistics (CBS) is responsible for developing, reporting and updating indicators of well-being to complement data on economic growth and provide a more comprehensive and multi-dimensional assessment of well-being and quality of life among the population. The development of the well-being dashboard had already at the end of 2012 - it was led by the Prime Minister's Office, the National Economic Council and the Ministry of Environmental Protection, and involved discussions between different government ministries, academia, NGOs and the private sector, as well as (online) public consultations and focus groups.

Israel's well-being indicators span 11 dimensions (quality of employment, personal security, health, housing and infrastructure, education and skills, civic engagement and governance, environment, personal and social well-being, material standard of living, leisure culture and community, information and communication technology) and are drawn from both administrative and survey data. They provide a basis for examining changes in well-being in Israel (since the beginning of the 21<sup>st</sup> century), comparing well-being of different population groups and undertaking international comparisons.

The work on developing well-being indicators in Israel was largely based on the recommendations of Stiglitz report (2009) and the OECD Well-being Framework. Building on the recommendations of the Stiglitz-Sen-Fitoussi Report and the approach the OECD had taken in its Well-being Framework, Israel used a range of criteria for indicator selection:

- The individual perspective - indicators that focus on the needs of individuals and households



- Emphasis on outcomes – outcome indicators reflect the current situation of an individual and help guide society and decision makers where change and improvement is needed
- Distributional indicators – where possible the indicators should indicate differences and gaps in outcomes between different groups
- Clear direction of progress – outcome indicators that have a clear agreed desired direction of progress
- **Combining objective and subjective indicators** – a balanced use of objective and subjective indicators for a more comprehensive picture of well-being outcomes (see example in Figure 2.10)
- Policy-relevant – outcomes that can be changed and improved by policy

**Figure 2.10 Objective and subjective indicators in the quality of employment dimension**

Indicator	Desired direction	Objective/Subjective
Employment rate	↑	objective
Involuntarily part-time employment rate	↓	objective
Median gross income from work	↑	objective
Satisfaction with work	↑	subjective
Satisfaction with income	↑	subjective
Satisfaction with promotion opportunities	↑	subjective
Field of work related to education	↑	subjective
Rate of persons injured in work accidents	↓	objective
Rate of long-term unemployment	↓	objective

Source: (CBS, 2016)

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