

OCDE work on measuring well-being: experience so far and challenges ahead

Romina Boarini ¹

Head of the Measuring Well-Being and Progress team

Marco Mira d'Ercole ²

Head of the Household Statistics and Progress Measurement Division

Statistics Directorate

Organization for Economic Cooperation and Development

¹ romina.boarini@oecd.org

² marco.mira@oecd.org



Introduction³

The past few years have witnessed much discussion on how to move “beyond GDP”, and a growing consensus that measuring the well-being of individuals requires looking at a broad range of dimensions (monetary and non-monetary) of people’s achievements, freedoms, and opportunities. Measuring well-being of communities also requires looking at the distribution of this large set of dimensions among people with different characteristics, while assessing the sustainability of well-being requires looking at how today’s policies and behaviours are impacting on those critical resources that need to be sustained for well-being to last into the future.

The discussion and research on well-being measures has evolved considerably in the last few years, finding expression in some major initiatives, such as the report of the Commission on the Measurement of Economic Performance and Social Progress (the so-called Stiglitz-Sen-Fitoussi Commission, (Stiglitz, Sen, & Fitoussi, 2009)), the EU Communication (and follow-up actions) on ‘GDP and Beyond’ in the same year, and the OECD Better Life Initiative, launched in 2011 as part of the 50th Anniversary celebration of the OECD. These international initiatives have gone hand in hand with a large number of national initiatives, in the form of national consultations (in Australia and the United Kingdom), parliamentary commissions (in Germany and Norway), national roundtables (in Italy, Spain, Slovenia) and in a variety of other forms (e.g. in Japan, China, Korea, etc.). All in all, the initiatives on “Going Beyond GDP” are more and more numerous, and are reaching well beyond analysts and statisticians.

The paper starts by presenting the OECD approach to measuring well-being, highlighting its intellectual foundations and how its conceptual framework is mapped to specific indicators for OECD countries. The paper then discusses how the OECD well-being framework has been tailored to countries at various stages of development. Finally, the paper elaborates on the major challenges faced in building well-being indicators and takes stock of the main lessons learned.

The OECD framework for measuring well-being

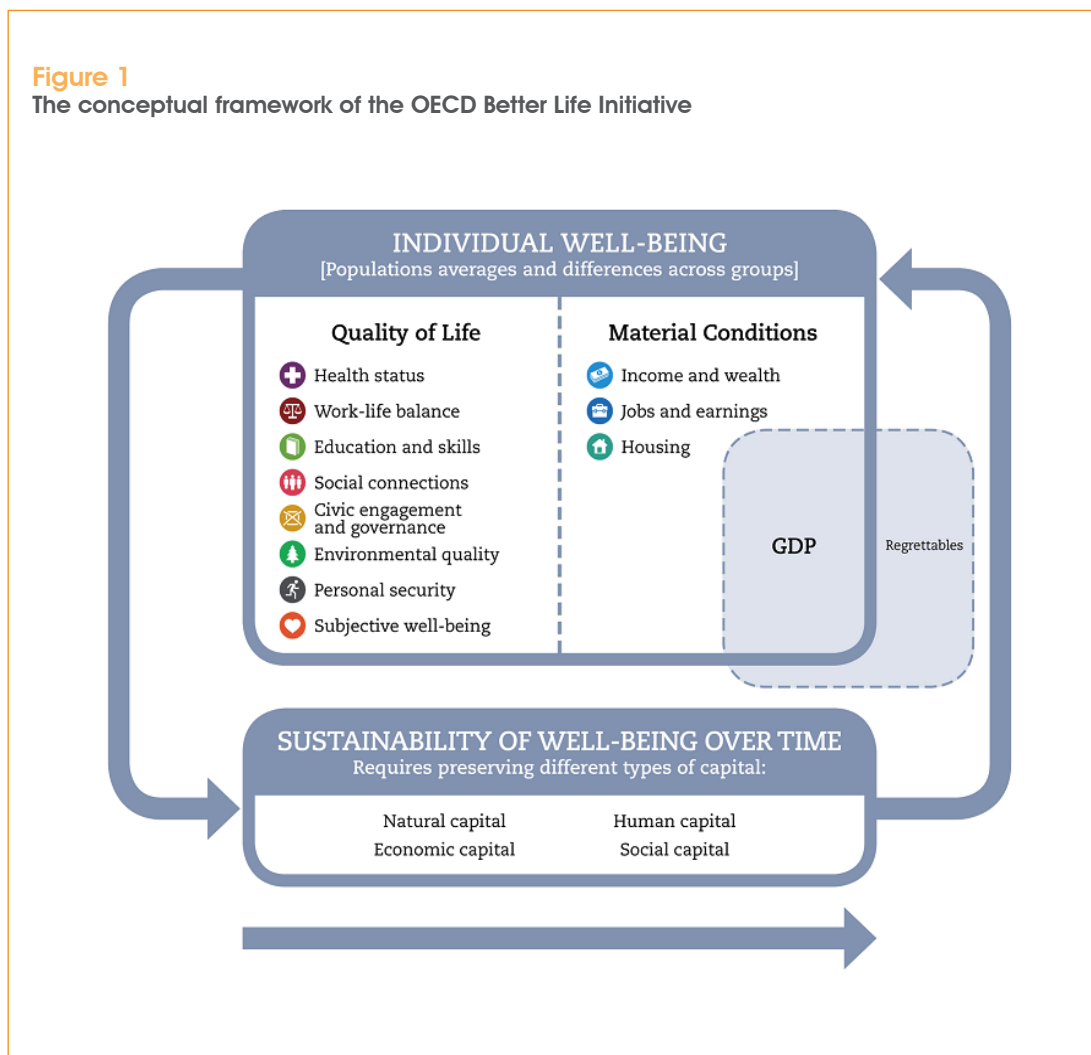
A first challenge to be faced when measuring well-being is to agree of the concept. Definitions, unfortunately, abound and there is no single definition beyond the simple intuition that well-being refers to ‘what matters to people’. This vagueness is not, however, a weakness but a feature of what is being studied. Allin and Hand (2014) distinguish between ‘representational’ and ‘pragmatic’ aspects of measurement: the first relates to providing a numerical representation of an object or attribute of the object being measured (e.g. its height or weight), while the second is about deciding what characteristics are relevant and how they should be captured. In the case of well-being, the pragmatic aspect is the most salient, implying that the notion of well-being can only be defined by looking at its constituent elements. While different researchers may well have different view of what element is most relevant or important, what is remarkable in the field of well-being measurement is the extent to which different methodological perspectives – ranging from psychology, sociology, epidemiology, natural science – have converged in selecting a similar list of ingredients for what is needed to achieve a good life. These ingredients are those featuring in the OECD well-being framework.

Figure 1 presents the conceptual framework used by the OECD to define and measure human well-being. This framework has four distinctive features: i) it focuses on people (i.e. individuals and households), their attributes, and how people relate to others in the community where they live and work; ii) it looks beyond the purely economic aspects of well-being (i.e. people’s command over commodities), understanding well-being as a truly multidimensional concept; iii) it considers the distribution of well-being in the population alongside average achievements of each country; and iv) it considers both current and future well-being, assessing the latter in terms of a number of key resources (observable today) that have the potential to generate well-being over time.

From a normative perspective, this framework builds on the capabilities approach (Sen, 1985, Alkire & Sarwar, 2009; Anand, Durand, & Heckman, 2011; Anand, Graham, Carter, Dowding, Guala, & Van Hees, 2009); it relies on a multidimensional

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Figure 1
The conceptual framework of the OECD Better Life Initiative



Source: OECD (2013a)

definition of well-being where both people's functionings ("flourishing of selected human normal functions", or the various things that a person may value doing and being, such as having a good job, being in good health, expressing their own political voice, etc.) and people's capabilities (i.e. the alternative combinations of functionings that a person could achieve, and which allow a person to choose the functionings that one really values, Crocker, 1992) matter. The capabilities approach differs from welfarist approaches, which focus solely on a narrow set of outcomes (i.e. consumption goods), irrespective of the conditions under which outcomes are achieved (i.e. the set of opportunities given to each person to achieve those outcomes) and of the capacities

of people with different characteristics to transform these goods into desirable states. The OECD framework stresses that functionings and capabilities matter to the same degree, recognising the importance of individual agency and freedom in choosing the life one wants to live. Based on this perspective, increasing well-being implies expanding the opportunities that people have to live their life according to their goals and values. The OECD framework is an attempt to operationalise the capabilities approach and to make it measurable through indicators that could be used by policy-makers and statistical offices to monitor well-being conditions in the population and their evolution over time. Operationalising the framework requires first, selecting the functionings

and capabilities that should be considered and, second, identifying indicators to measure them in a valid way.

Concerning the first aspect, and based on an extensive consultation with its member countries, the OECD has defined well-being in terms of two main domains: material living conditions and quality of life. This distinction is consistent with a large body of literature and research (e.g. Stiglitz et al.; 2009 for a review; Sen, 1998; Nussbaum, 2011). These two main domains are further broken down into eleven dimensions, namely: i) income and wealth; ii) jobs and earnings; iii) housing; iv) health status; v) work and life balance; vi) education and skills; vii) social connections; viii) civic engagement; ix) environmental conditions; x) personal security; and xi) subjective well-being.

In total, 24 headline indicators have been selected by the OECD for measuring these various dimensions. A considerable effort has been put into choosing indicators that are conceptually sound (i.e. they focus on summary outcomes and provide a good proxy of these outcomes) as well as being relevant from the perspective of informing policy. Besides relevance of indicators, a strong emphasis was put on choosing indicators that are produced by National Statistical Offices, are comparable across countries, are compiled frequently and timely, and can be disaggregated by subgroups of the population. The latter feature responds to the need of measuring well-being across the population rather than just focusing on country-averages. The OECD well-being indicators meet these statistical criteria to a large extent. However, many challenges remain in terms of both data quality (e.g. some of the indicators come from non-official surveys, as comparable measures are not available in official statistics) and relevance (e.g. some indicators are imperfect proxies of the concepts that one would like to measure). The set of OECD well-being indicators is intended to be evolutionary and will be improved as new statistics and indicators become available.

Ideally, all indicators should come from a single harmonised survey at international level that measures well-being outcomes in the eleven dimensions at the level of each person (or household). This would allow building well-being indicators that take into account the joint distribution of outcomes, i.e. the fact that certain people cumulate several disadvantages at the same time. Measuring the joint distribution of outcomes is key to understanding the

causal pathways between well-being dimensions (e.g. to what extent better working conditions lead to higher well-being at work etc.). In practice, no such survey currently exists (in fact, even at the level of individual countries, it is rare to find surveys that span over the all eleven dimensions). Because of this constraint, the OECD well-being indicators come from several surveys (e.g. labour force surveys, health-interview surveys, income and wealth surveys, general social surveys) or other harmonised statistical sources (e.g. national accounts, population censuses, etc.).

Indicators are calculated for the average person or household in each country (e.g., for the 'income and wealth' dimension, the relevant headline indicators are national account based measures of net adjusted household disposable income per capita and net financial household wealth per capita; estimates of the average value of both market and non-market household consumption per capita, and survey-measures of the number of people reporting having difficulties to make ends meet) and for population groups with different gender, age and socio-economic background. Inequalities of well-being are measured by both univariate measures of the variable of interest (e.g. income inequalities are measured through the standard Gini coefficient) and by bivariate indicators (e.g. inequalities in students' achievements are measured by comparing students' learning outcomes by gender or by the socio-economic status of their parents).

The OECD well-being indicators are published in various forms and inform a number of processes within the OECD. The OECD report "How's Life? Measuring Well-Being" is the main vehicle used for monitoring and for analysing well-being across countries and over time. The report presents evidence on the 11 dimensions of well-being illustrated in Figure 1, allows to benchmark country's performance on well-being relative to other countries, as well as to assess well-being changes over time. Figure 2 shows an example of well-being analysis for the average Chilean household compared with an average household from other (OECD and non-OECD) countries with the same level of GDP per capita. It shows that Chile's well-being performance is relatively good in the dimensions of jobs and earnings, health status and subjective well-being, but poorer in terms of civic engagement, education and skills. This analysis may inform national policies by identifying the most critical areas for improvement.

Figura 2**Tailoring the OECD well-being framework to countries at various stages of development**

- Chile
- Average middle-income countries (OECD and partners)



Source: OECD Better Life Index database, 2015.

Tailoring the OECD well-being framework to countries at various stages of development

More recently, the OECD has carried out work to tailor the well-being framework described in the previous section to countries at various stages of development (Boarini, Kolev, & McGregor, 2014). This exercise has been informed by a review of the wide and growing literature on well-being in developing countries, as well as by consultations

held during a series of regional conferences on measuring well-being and the OECD World Forum on Statistics, Knowledge and Policy carried out between 2010 and 2012.⁴ Both the literature review and the regional consultations have highlighted that the experience of human well-being, even in the poorest countries, encompasses not only material living conditions but also many other non-material dimensions that shape the quality of people's life. In addition, while conceptual and practical approaches to measuring well-being in developing countries are quite diverse, most of these – e.g. Nussbaum's 10 'central capabilities', Finniss' 7 'basic reasons for actions', the 8 compo-

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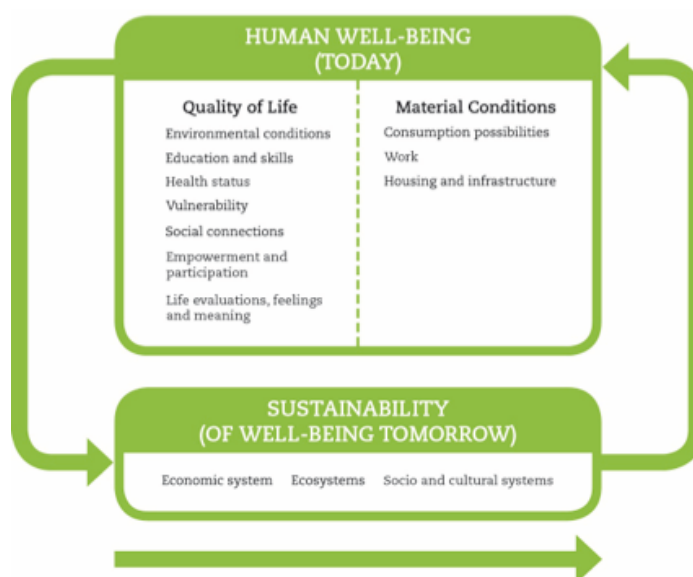
nents identified by the World Bank study on “Voices of the Poor”, Doyal and Gough’s 11 ‘intermediate needs’, Max-Neef’s 10 entries in his ‘matrix of human needs’ – lead to lists of life domains and dimensions that are closely aligned to those identified by authors whose work has mainly focused on developed countries (e.g. Skydelski’s 7 ‘basic goods’, Cummins’ 7 quality of life categories). In some cases, however, the dimensions listed in Figure 1 (and which are used in the context of the How’s Life? report) could be reframed in ways that better resonate with the actors engaged with discussions on development. These ‘revised’ dimensions are those featuring in the conceptual framework for measuring well-being in developing and emerging countries that is shown in Figure 3.

The ten dimensions of current well-being included in Figure 3 are:

Consumption possibilities. These refer to people’s ability to consume adequate nutritious food and other necessities of life. Without a minimum level of each of these, human beings suffer physiological harm. These are not only essential for material survival but also for meaningful participation in society. The focus on ‘consumption possibilities’ mainly reflects the limited availability of household-level information on income and wealth in many developing countries.

Housing and infrastructure. Access to, and the quality of, housing and related infrastructure – in-

Figure 3
Tailoring the OECD well-being framework to countries at various stages of development



cluding the supply of water and sanitation, electricity and communications connectivity – are all important aspects that underpin material living conditions of people in developing countries. The extension of this dimension to cover infrastructure reflects the development priorities of many developing countries.

Work. Many workers in developing countries are beyond the reach of formal legislation or regulation to support or protect their well-being. Most workers in these countries have jobs in the informal sector or are self-employed, and combine paid

and home work. Difficult working conditions and relationships in many developing countries also mean that people may experience a significant degree of physical and/or economic insecurity.

Health. Good health status is identified as a core element of well-being in all frameworks. Health has great intrinsic value for all people around the world (as highlighted by the many surveys where respondents rank it at the top of their personal priorities) and has instrumental value in enabling a person to work, learn, be an active member of society and enjoy the company of others.

Education and Skills. Education and literacy are crucial elements of human capabilities, and they interact with other dimensions of well-being such as health, work, social interactions and participation in society. This dimension encompasses access to schools but also, importantly, what people actually learn in various educational environments.

Social connections refer to the ability of a person to have good relationships within a community, which contribute to the achievement and maintenance of personal well-being. They feature as critical elements of all the studies reviewed by Boarini et al. (2014), and are particularly salient in many traditional societies and for indigenous populations. Social connections are important in most societies not just for meeting material needs but for maintaining resilience in the face of adverse shocks at the level of the individual and the community.

Empowerment and participation. Empowerment and the need for autonomy and freedoms are profoundly related to the notion of capabilities that underpins the OECD well-being framework. Empowerment refers to the ability of citizens to participate in, negotiate with, influence and hold accountable formal or informal institutions that affect their lives. Empowerment matters intrinsically but also translates into and is reflected in higher levels of social participation.

Vulnerability. People around the world indicate that exposure to risks (such as food insecurity, income insecurity, job loss, illness, environmental catastrophes, crime, physical violence and war) is a matter of major concern. These risks and vulnerabilities are especially important in developing countries where programmes of social insurance and mutualisation of risks are under-developed and where informal (household-based) forms of protection are strained by economic development.

Environmental conditions. Throughout the world, participatory poverty assessments indicate that, in all countries, the well-being of people is closely related to the environmental conditions in which they live and work. This dimension is particularly

important for communities highly dependent on natural resources, as well as for poor and indigenous people living in rural areas.

Life evaluation, feelings and meaning. How people evaluate and feel about their lives is important both for understanding why people do what they do and for the processes of governance. Psychological and emotional well-being are essential human goals in all the research on human development, rather than 'luxuries' that become important only after basic human needs have been met. Similarly, these studies highlight the fact that strong beliefs and spirituality are particularly important for traditional societies in all developing countries.

Looking beyond current well-being, the importance of thinking about the sustainability of well-being over time has become more prominent as more and more countries engage in the development of sustainable development plans. In line with various initiatives measuring sustainable development (such as the Sustainable Development Solutions Networks, the Sustainable Economic Development Assessment, and the UNECE-Eurostat-OECD Taskforce on Measuring Sustainable Development, UNECE, 2014), the framework described in Figure 3 suggests that assessing the sustainability of well-being over time requires looking at 'systems' (economic, socio-cultural, and ecosystem) that shape people's life. These systems should be monitored in an integrated way to account for the many interactions between each other.

The framework described in Figure 3 is currently used in the OECD Multi-dimensional Country Reviews carried out under the lead of the OECD Development Centre. Multi-dimensional Country Reviews are a new OECD tool that supports national development processes. They examine a country's performance in terms of meeting objectives of sustainable and equitable growth, and of promoting people's well-being by looking at how the underlying dynamic of the country's development process affect these objectives. These reviews aim to design policies and strategies that promote development in a holistic sense, rather than simply focusing on achieving higher economic growth.⁵

⁵ Six MDCRs have been implemented so far. A first wave of reviews, in 2012 and 2013, covered Myanmar, Uruguay and the Philippines. A second wave of reviews, carried out between August 2014 and January 2015, have focused on Côte d'Ivoire, Kazakhstan and Peru. Further reviews are planned in the near future.

⁶ For example, the OECD is currently working to produce a set of Guidelines on Measuring Trust, which cover important aspects of civic engagement, governance and social capital. Similarly, the recently established UN Praja Group is working to improve the measurement of governance.

Developing well-being evidence: the main challenges

Measuring well-being raises various challenges, which can be grouped under three main headings: i) conceptual issues; ii) data availability and iii) 'buying in' by the community. This section provides a short overview of these three aspects based on the OECD experience over the past few years.

Conceptual issues: finding a common language

Theories of well-being are many and diverse, building on different disciplines and informed by various philosophical traditions and analytical approaches (Stiglitz, et. al, 2009). While it is important to recognise such diversity, it is equally important to stress the strong convergence in terms of the life domains and dimensions that are chosen to measure well-being when these theories are operationalised and put in action to inform an indicator-framework (UNECE, 2014; OECD, 2013a; Boarini, et al., 2014). This means that, at least from the perspective of identifying the areas where people's life should be assessed, plurality of concepts and meanings are not necessarily an issue. If there is consensus on the life domains that matter the most to people's well-being, the exact way in which these domains should be measured is an open and an evolving question. This is the case, for example, of 'subjective well-being' or of 'civic engagement and governance', which are dimensions with a less established tradition of measurement than, say, in the case of household income or education. A similar challenge exists for measuring sustainability, where even the conceptual discussion is far less advanced than in the case of current well-being (OECD, 2013a). Nevertheless, considerable progress has been achieved in many of these areas (see OECD, 2013b on subjective well-being, and OECD 2013a and UNECE 2014 on sustainability) and new projects are being undertaken to conceptualise and measure some of these issues⁶. More generally, the adoption of the Sustainable Development Goals in the second half of 2015 will provide a key opportunity to advance the measurement and understanding of some of these issues.

Another measurement issue that has been long discussed by statisticians and economists is the issue of 'aggregation' – in terms of both aggregation of several dimensions for the same person, and of aggregation of different personal experiences

into a country-level measure (Stiglitz et al., 2009; Fleurbaey and Blanchet, 2013). With respect to the first aspect, consensus on a common set of ingredients does not necessarily imply that there is a single receipt on how to combine them. While the answer to the question on how best to aggregate different attributes of a person's life partly depends on data availability, aggregation also raises methodological and philosophical issues.

The two typical answers that have been provided to the question of aggregation of several aspects are, first, to rely on a limited number of headline indicators (as done in the How's Life? report) and, second, to develop a summary composite measure (which is needed, for example, to compare the various benefits and costs of a given policy). However, the dichotomy between dashboards of indicators and a single composite indices is not always necessary (see Ferreira, 2011; Boarini et al., 2014); one could use a single composite index when it brings value-added to the analysis while at the same time reporting more disaggregated information within dashboards, as well as fully acknowledging the limitations of composite indices and testing for their sensitivity to various methodological assumptions. There are also circumstances where a composite index is more suitable than dashboards, for instance when the goal is not that of monitoring well-being but rather to evaluate the impact of different policies on the various dimensions of well-being. Most policies and public programmes have a wide range of effects on people's lives; it is therefore important that the ex ante or ex post appraisal of these policies comes with a judgement on the overall importance of these effects on people's well-being.

Data availability

One of the biggest challenges faced by agencies and researchers striving to implement the well-being agenda is the limited availability of some of the data that would be required for a comprehensive and timely assessment of people's well-being. One can distinguish three types of issues.

The first has to do with the limited harmonisation of some of the statistics that support well-being analysis. A point in case is health status and in particular of measuring morbidity. Despite important

⁷ In OECD countries, the frequency of these surveys ranges from monthly or quarterly, in the case of labour force surveys, to annual or 3-to-5 years in the case of household income and expenditure surveys, to one-off in the case of wealth distribution and general social surveys, to 5-to-10-years collections in the case of time-use surveys.

initiatives to develop harmonised instruments to measure illness and disability (e.g. the UN Washington and Budapest city groups), most of the available health indicators that countries collect cannot be used in comparative research (OECD, 2011). For instance, How's Life? includes only one indicator for morbidity, i.e. self-reported health status, which is currently the only comparable statistics available across the 34 OECD countries. Another example is provided by measures of civic participation (a dimension of current well-being) and social capital (an element shaping the sustainability of well-being over time) that, while often available at the level of individual countries, are almost non-existent on a comparative basis (Scrivens & Smith, 2013).

A second issue is the limited timeliness and low frequency of most available well-being statistics. In this respect, the situation is critical even for the most well-established statistics, such as economic and labour market ones. For instance, National Accounts measures for the household sector (when available at all) are typically available with 1 or 2 years of lag (as opposed to GDP, whose flash estimates are available in most OECD countries with a 1-quarter lag). This makes it hard to use well-being indicators for informing policies (e.g. fiscal policy and how much pro/countercyclical or redistributive this should be). The situation is often worse for well-being statistics collected through household surveys⁷, where often the only timely comparable statistics are those produced by non-official producers (e.g. Gallup World Poll). Frequency is also an important issue for those well-being statistics that rely on one-off or irregular surveys.

A third issue is the aggregate nature of some well-being statistics and the limited detail or breakdown available. This is the case of income measures based on National Accounts that, by construction, refer to institutional sectors (households, governments and the corporate sector) and do not include any information on the underlying distribution of resources. Another example is given by environmental statistics, where data on air pollution are typically collected at the city level rather than by groups of people exposed to it. Similarly, statistics on other environmental 'bads' (e.g. environmental degradation) are often collected at country level, with very little geographical detail (subnational or local) available. This

implies that it is often impossible to measure dispersion of outcomes for these dimensions.

Buying in

Beyond concepts and data availability, the ultimate success of well-being measures depends on their widespread endorsement and take-up by the communities for which these measures are created. In the OECD experience, there are four categories of stakeholders whose engagement is critical for the success of initiatives to develop well-being indicators, i.e. statisticians, policy-analysts, policy-makers, and citizens. The statistical community has been paying in-

Box 1. Policy uses of well-being indicators

Well-being indicators can be used to inform policy-making by:

Monitoring whether countries are making progress in a number of areas that are important for people's lives. In this respect, well-being indicators allow to assess whether economic growth goes hand-in-hand with progress in key well-being outcomes and to what extent this progress is shared across population groups. Identifying policy priorities by: a) providing information on individuals and societal preferences (e.g. by looking at drivers of subjective well-being or at specific surveys that ask about what matters to people); b) providing a diagnostic of the relative strengths and weaknesses of countries; c) shedding light on the interrelations across well-being outcomes, which might be leveraged when designing policies; Implementing a joined-up approach to policy making, enhancing the coherence and effectiveness of policies across the board. Well-being analysis allows better grasping and managing trade-offs between different policy objectives, and identifying possible synergies. Increasing the legitimacy and public acceptance of these policies as directly grounded in people's preferences and values. More generally, people's trust in policies and governments will increase when policies are explicitly conceived to improve people's lives.

⁸ Another example of how well-being considerations can be integrated in standard economic tools is provided by Karacaoglu (2015), which draws on his experience in designing and implementing the New Zealand's Treasury Living Standard framework.

creasing attention to well-being agenda, notably since the publication of the report by the Sen-Stiglitz-Fitoussi Commission. This work, together with a strong political demand in many countries, paved the way to including new well-being issues into official statistics, and to launch many initiatives to develop better metrics of well-being by national statistical offices (e.g. the INSEE-Eurostat Sponsorship in Europe; the OECD expert group on integrating distribution into National Accounts). These are important achievements that could be consolidated by embedding well-being more systematically into national statistical systems, and by making it one of the top strategic priorities of national and regional statistical offices. In this respect, given the cross-cutting nature of well-being indicators and their strong overlap with the Sustainable Development Goals, it will be important to engage all statistical communities, reaching beyond those working on social issues.

Another group of stakeholders whose involvement is key to the success of the well-being agenda is that of policy analysts. The debate on 'beyond GDP' has particularly lively among economists, yet well-being indicators are far from being mainstreamed within this community. One important reason for this situation is the gap between the well-being discourse and the standard economic model based on a single representative agent whose behaviour is only determined by choices on leisure and consumption under assumptions of perfect and fully competitive markets and of no externalities in the production of various types of capital (e.g. trust and social capital). From this perspective, one key requirement to better engage policy analysts is developing new economic models that are able to better account for people's preferences and behaviours (i.e. what truly matters to them, how they assess and react to risks and uncertainties, etc.) but also for the complex processes that govern the production of various wellbeing outcomes (which is required to understand sustainability over time). An interesting example of how to integrate well-being issues in conventional economic models (and related policy analysis) is offered by the OECD Inclusive Growth project. This initiative relies on a methodology ('equivalent income') to aggregate information on selected well-being benefits of higher economic growth (i.e. better health, lower unemployment and higher household income) across the whole population, while also taking into account how these benefits are distributed.

This approach paves the way to study the impact

of various policies on inclusive growth, highlighting the most beneficial policies from the perspective of increasing people's well-being.⁸

Policy-makers are other key stakeholders for well-being indicators. Well-being statistics have the potential for informing policies, because most of them relate to areas where governments intervene systematically (e.g. health, education, labour market, etc.). While examples of policy uses of well-being statistics are many (Box 1), these are still limited. This situation partly reflects the infancy of many well-being statistics, but also the informational and analytical challenges (e.g. understanding and managing multidimensionality) that need to be faced when using these measures in the policy process. To ensure a wider uptake of well-being measures by policy-makers, it is important to explain how these challenges can be addressed in practice, by showcasing successful policy experiences that could be replicated in other countries and contexts.

Finally, citizens are key actors in the well-being agenda. Most recent national initiatives for developing sets of well-being indicators have started by running large scale consultations on what matters to people, which have shaped the statistical frameworks and the choices of indicators. Other countries have fielded dedicated surveys to identify people's main areas of concerns and to assess conditions with respect to them. Similarly, many grassroots initiatives to develop community indicators have relied on participatory approaches where citizens played an even bigger role.

Communication to ordinary people is also important. In its well-being work, the OECD widely engaged with citizens through the Better Life Index (www.oecdbetterlifeindex.org). This interactive web-based tool enables users to compare well-being outcomes across countries by giving their own weight to each of the 11 dimensions featuring in the OECD well-being framework. The web application allows users to see how countries' average achievements compare, based on their own personal priorities in life, and enables users to share their index and choice of weights with their friends and family, as well as with the OECD. Since its launch in May 2011, the Better Life Index has attracted over 6 million visitors from just about every country on the planet, with over 13 million page views. Over 90,000 users have shared their indexes with the OECD, generating information on the importance that users attach to various life dimensions and on how these preferences differ across countries and demographic groups.

The Ecuador initiative on Buen Vivir: pointers for success

Ecuador has been one of the leaders in implementing the well-being agenda, by engaging in a consultative process since 2008 that has led the notion of Buen Vivir to feature in the Constitution. The Ecuadorian authorities recently launched an initiative to develop new metrics of well-being, which includes the development of a new conceptual framework and a suite of indicators. For this process to be fully successful, Ecuador could take inspiration from the many national initiatives put in place around the world to develop well-being indicators, which typically involve the following steps:

- Adoption of a general well-being framework, which is used to orient specific deliberations on how to populate the framework.
- Consultation of stakeholders and the population at large around this reference framework, to identify what matters the most for the well-being of people in a particular society.
- Analyses of the findings of the consultation, which involves iterations with experts to reach agreement on a set of well-being dimensions.
- Identification of which existing data can be used to bring light on these dimensions, as well as consideration of what new data might be required and how they might be gathered.
- Formulation of country-specific questions on well-being for use in either dedicated surveys or in existing household surveys.
- Analysis of these data and reporting to different audiences on the progress achieved in terms of human well-being within a given constituency, and on how performance compares to that achieved by other countries and regions.
- Changing policy priorities in light of the identified well-being challenges and priorities.

While the Ecuadorian Constitution identifies the requirements needed to fulfil people's rights and responsibilities (in terms of 'coexistence with nature', 'democratic participation', 'respect for cultural diversity' and 'common well-being'), efforts and resources are needed to embed the notion of Buen Vivir into the strategic objective of the statistical office and, more importantly, into the detailed practice of national policy making. This will require 'cascading' the high-level vision of Buen Vivir into the detailed operational objectives of individual public agencies and programmes, so as to identify linkages between policies and programmes that are not aligned to the high-level vision; align budgetary re-

sources to the high-level outcomes that the government wants to achieve; design (ex ante), monitor (during) and audit (ex post) individual policies and programmes in terms of their capacity to achieve the Constitutional vision of Buen Vivir.

Ways forward and conclusions

The last thirty years have witnessed great progress in the development of alternative measures of well-being, as testified by the large range of national initiatives and research on the theme. The OECD has long advocated the need for better measures of well-being (OECD, 2007) and recently started collecting and disseminating well-being indicators. The OECD Better Life Initiative marks an important step forward in the definition of international well-being indicators that could be used for comparing countries along the different dimensions of well-being. We believe that the same process that the OECD has implemented for monitoring the well-being performance of its member countries could be successfully implemented through a voluntary programme at the level of the Latin American region.

Despite these significant achievements, the well-being agenda requires further progress in various respects (OECD 2011, 2013). Well-being and progress are complex concepts, and many of their dimensions are, by construction, hard to measure. Some of the greatest challenges are:

Strengthening the measurement of well-being in specific domains of life where existing sources are either under-developed or simply not existing (e.g. quality of employment, quality of housing, morbidity and mental health, non-cognitive skills, time-crunches and time-stress, social relations and social network support, civic engagement, culture).

Improving cross-country comparability of existing instruments and indicators, e.g. by developing international standards for those dimensions where none currently exists (e.g. subjective well-being, household wealth distribution) or where existing standards and guidance are not consistently applied across countries (time-use, victimisation).

Increasing the frequency and timeliness of existing sources, and adopting common breakdowns across various measurement instruments so as to develop well-being indicators for specific groups of the population (e.g. ethnic minorities, native populations) or geographical areas.

Carrying out comprehensive surveys that collect data for the same individual on multiple dimensions of life. Measuring the joint distribution of outcomes is key to understanding which dimensions of well-being have an instrumental role in improving others (e.g. how education influences health) and what are the most important well-being drivers.

The OECD is addressing some of these challenges, with specific research projects conducted in cooperation with national statistical offices and other international agencies. We look forward to opportunities for increasing cooperation with Ecuador and other countries in the Latin American region on this important agenda.

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