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**WISE** – the OECD Centre for Well-Being, Inclusion, Sustainability and Equal Opportunity

# The added value of a well-being approach for our societies

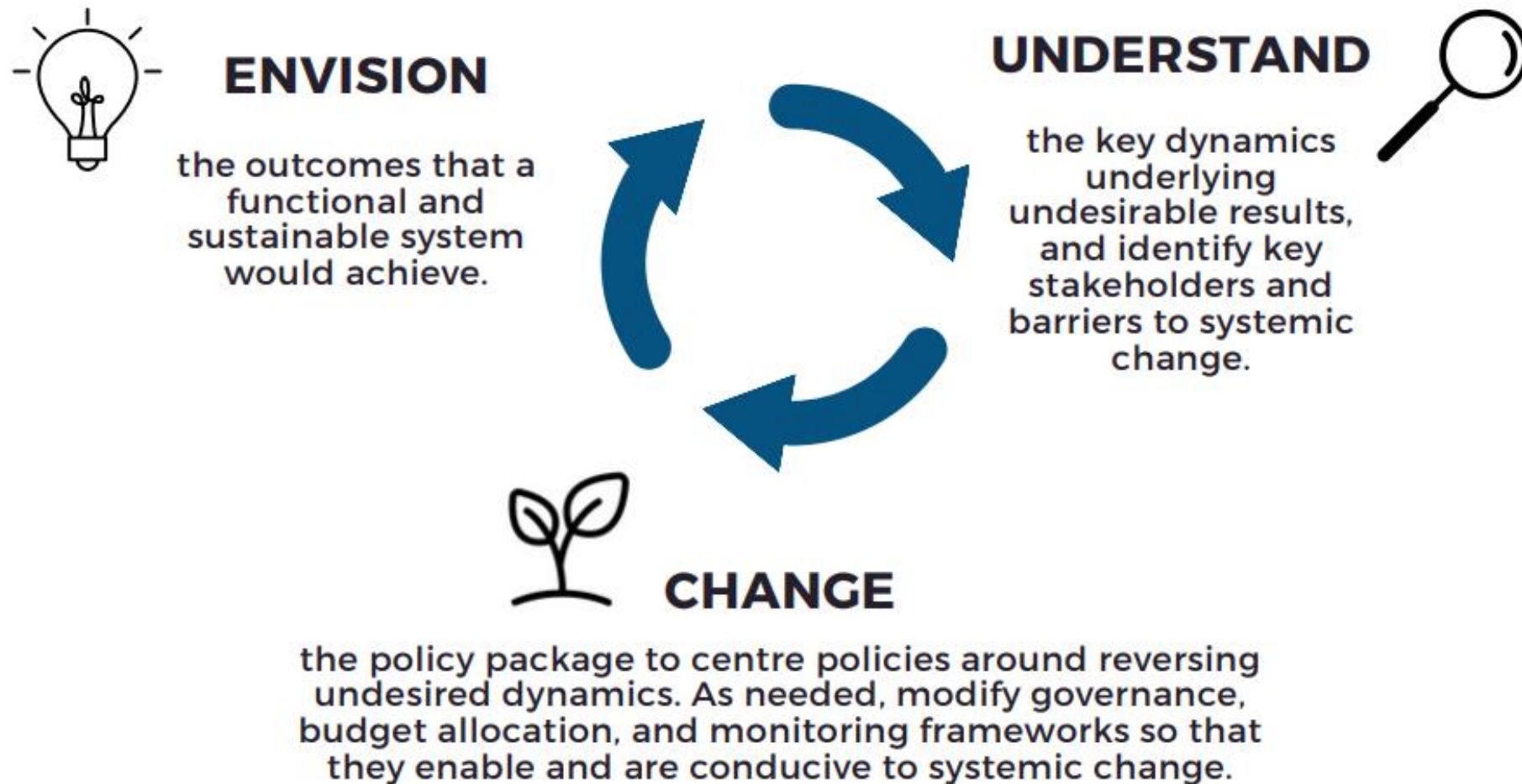
Wellbeing: a new yardstick for economic performance and welfare  
Joint EEAC/NESC Webinar, 15 February 2022



# What is a well-being approach? 5 institutional building blocks

- **Multidimensional well-being frameworks** – to monitor progress and measure policy outcomes, including current well-being, future well-being (sustainability) and inequalities
- **Evidence-based priorities** – using the above to help identify policy priorities and target policy action towards areas of greatest need
- **Long-term focus** – both in metrics, but also in governance systems and emphasis on prevention/ long-term social investment
- **Integration and collaboration within government** - strengthening horizontal and vertical policy coherence to enable an integrated and collaborative approach to addressing multiple well-being priorities
- **Actively connecting to private and civil society stakeholders** in defining the well-being outcomes that matter most, and more participatory approaches to policy solutions

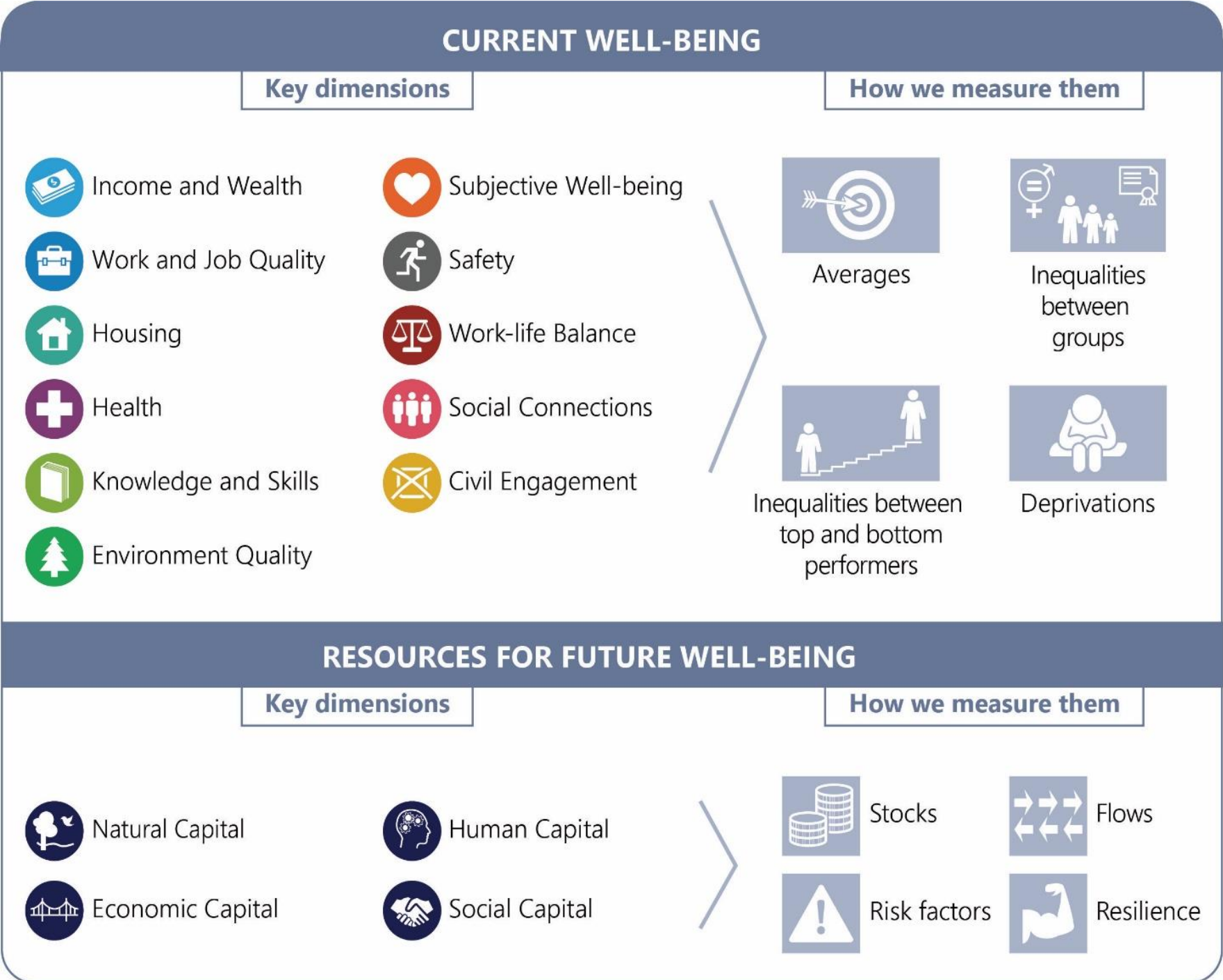
# Applying a well-being lens to policy issues



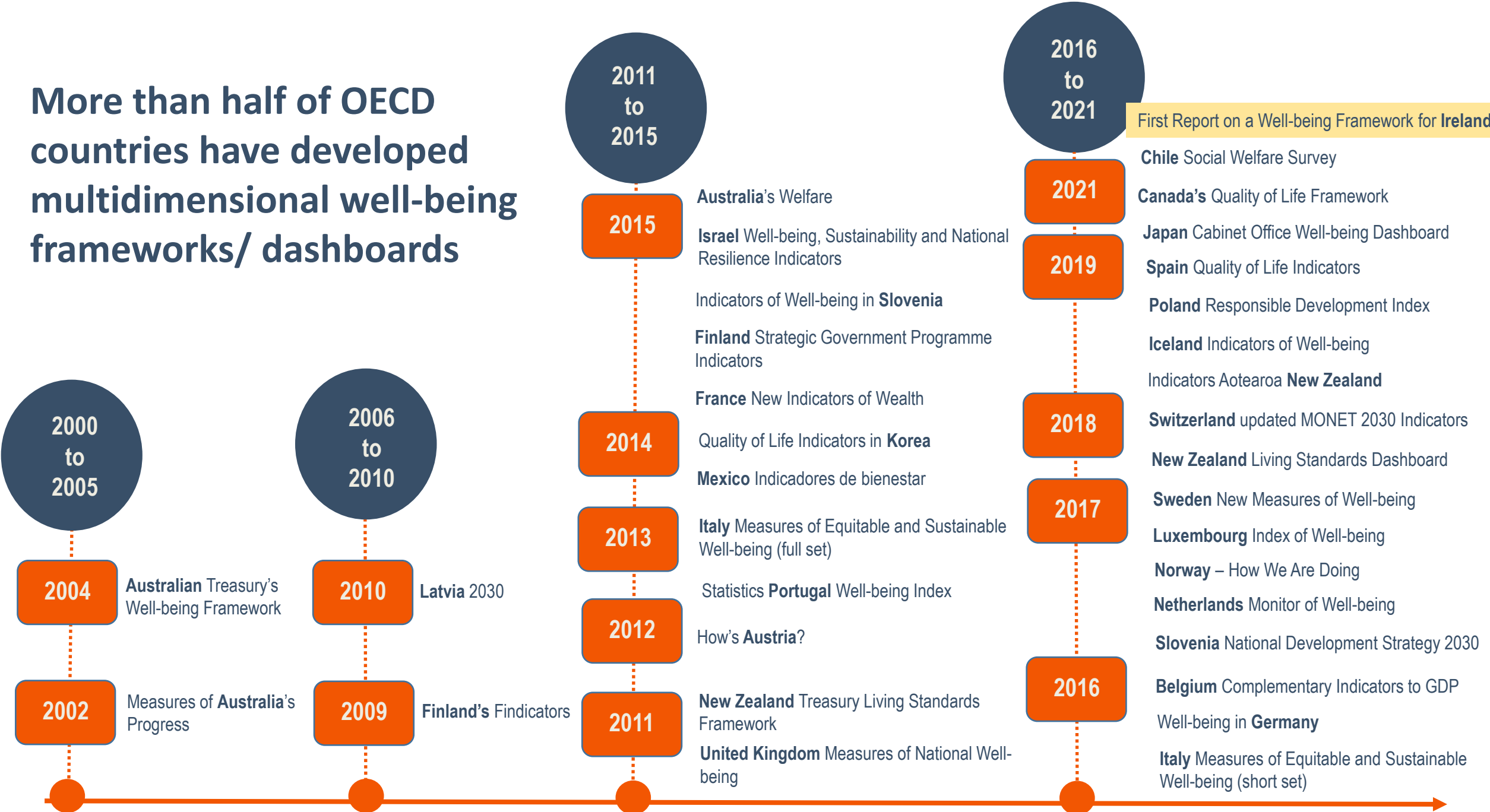
# OECD Well-being Framework (2011)

- Focus on:**
- **people** rather than the economic system
  - **outcomes** (for current well-being) and **long-term resources** (for future well-being)
  - both **averages** and **inequalities**
  - both **objective** and **subjective** aspects
  - well-being both **today** and **tomorrow**

OECD (2020) *How's Life? 2020: Measuring Well-being*, OECD Publishing, Paris  
<https://doi.org/10.1787/23089679>  
[www.oecd.org/howslife](http://www.oecd.org/howslife)



More than half of OECD countries have developed multidimensional well-being frameworks/ dashboards



Source: adapted from OECD (2021), COVID-19 and Well-being: Life in the Pandemic <http://oe.cd/covid-19-and-well-being>

# What is the added value of a well-being approach?

1. provide a **more complete and balanced picture** of societal progress and its sustainability (“beyond GDP”)
2. **highlight inequalities** across a wide range of outcomes and opportunities – showing the diversity of people’s experiences
3. foster **public debate** and engagement about what matters the most to people
4. support the **strategic alignment** of goals across government, priority-setting and accountability
5. promote better **appraisal and evaluation** of the impact of policy on people’s lives (including more clearly identifying **trade offs and synergies** so they can be properly debated)



# (1) A more complete and balanced picture of societal progress

e.g. **PRE-PANDEMIC**

In some aspects of life, the average OECD resident was better off than in 2005...

... but progress was sometimes slow, and unevenly distributed across countries and among indicators...

... and in some areas, well-being was falling behind

Source: OECD (2017) *How's Life? 2017*

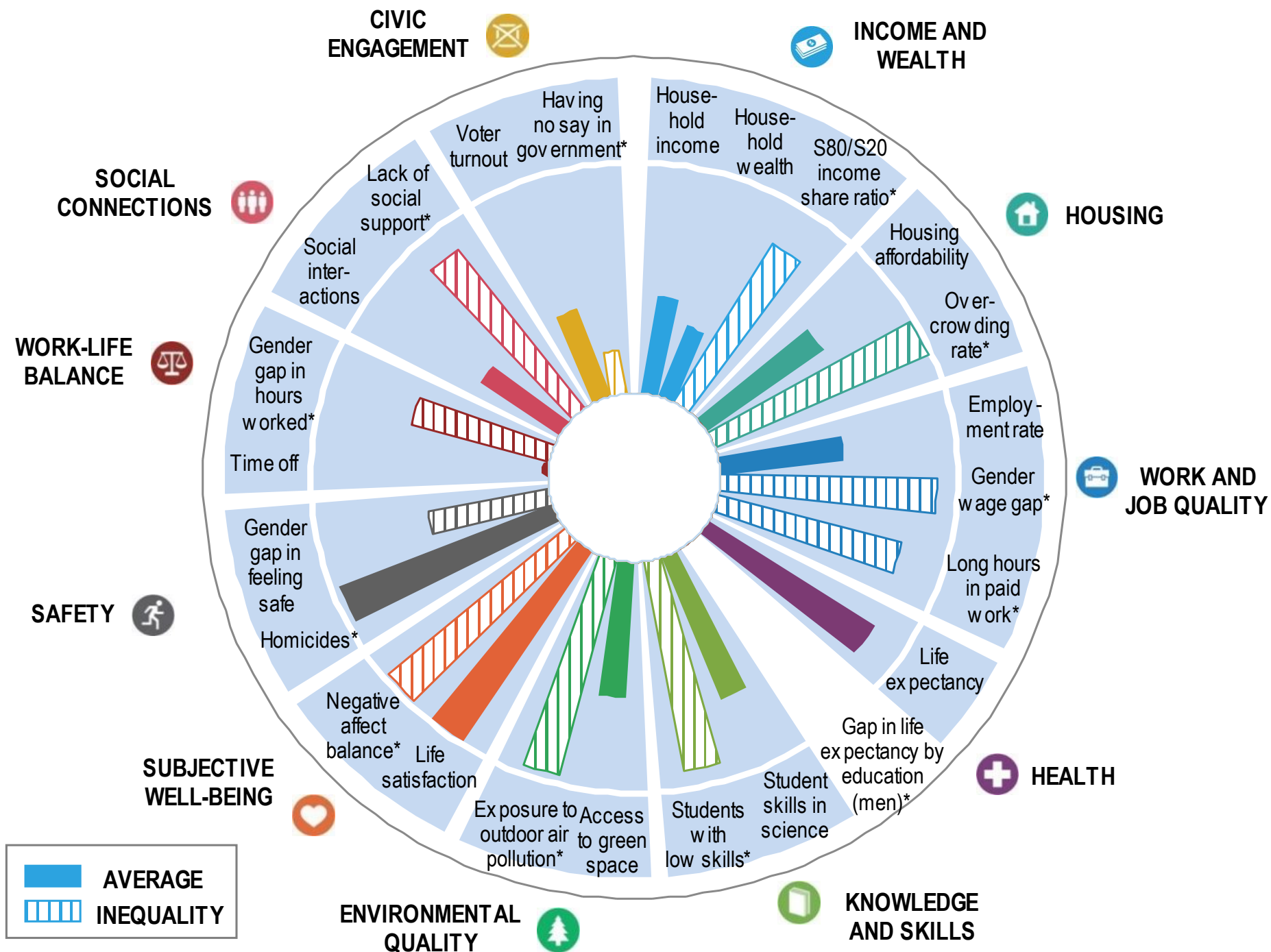


# (1) A more complete and balanced picture of societal progress

Source: Ireland country profile, OECD (2020) *How's Life? 2020: Measuring Well-being*, OECD Publishing, Paris  
<https://doi.org/10.1787/23089679>





[www.oecd.org/howslife](http://www.oecd.org/howslife)

<http://www.oecd.org/statistics/Better-Life-Initiative-country-note-Ireland.pdf>





# (1) A more complete and balanced picture of societal progress

Natural Capital 	Economic Capital 	Human Capital 	Social Capital 
Greenhouse gas emissions per capita ↔	Produced fixed assets ↗	Educational attainment of young adults ↗	Trust in others ...
Material footprint ↗	Financial net worth of government ↔	Premature mortality ↗	Trust in government ↗
Red List Index of threatened species ↘	Household debt ↗	Labour underutilisation rate ...	Gender parity in politics ↗

Note: ①=top-performing OECD tier, ②=middle-performing OECD tier, ③=bottom-performing OECD tier. ↗ indicates consistent improvement; ↔ indicates no clear or consistent trend; ↘ indicates consistent deterioration, and “...” indicates insufficient time series to determine trends since 2010.

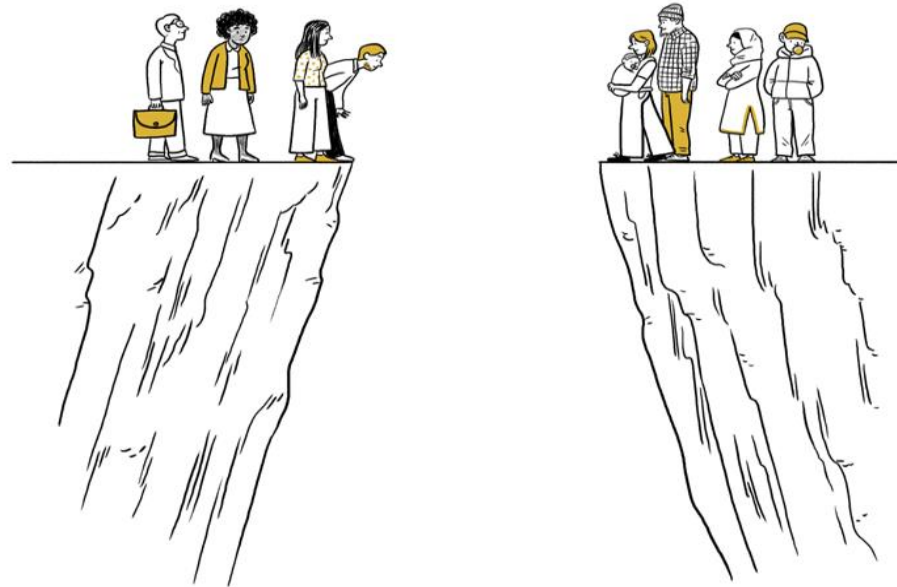
Source: Ireland country profile, OECD (2020) *How's Life? 2020: Measuring Well-being*, OECD Publishing, Paris,  
<https://doi.org/10.1787/23089679> ; [www.oecd.org/howslife](http://www.oecd.org/howslife) ; <http://www.oecd.org/statistics/Better-Life-Initiative-country-note-Ireland.pdf>

## (2) Highlighting inequalities and the diversity of experience

**1) Dispersion**  
("vertical inequalities")  
(i.e. total size of gap between people at the top and people at the bottom)



**2) Gaps between groups**  
("horizontal inequalities")  
(e.g. by age, gender, education, migrant status, where people live...)



**3) Deprivations**  
(share of people falling below a given standard of living)



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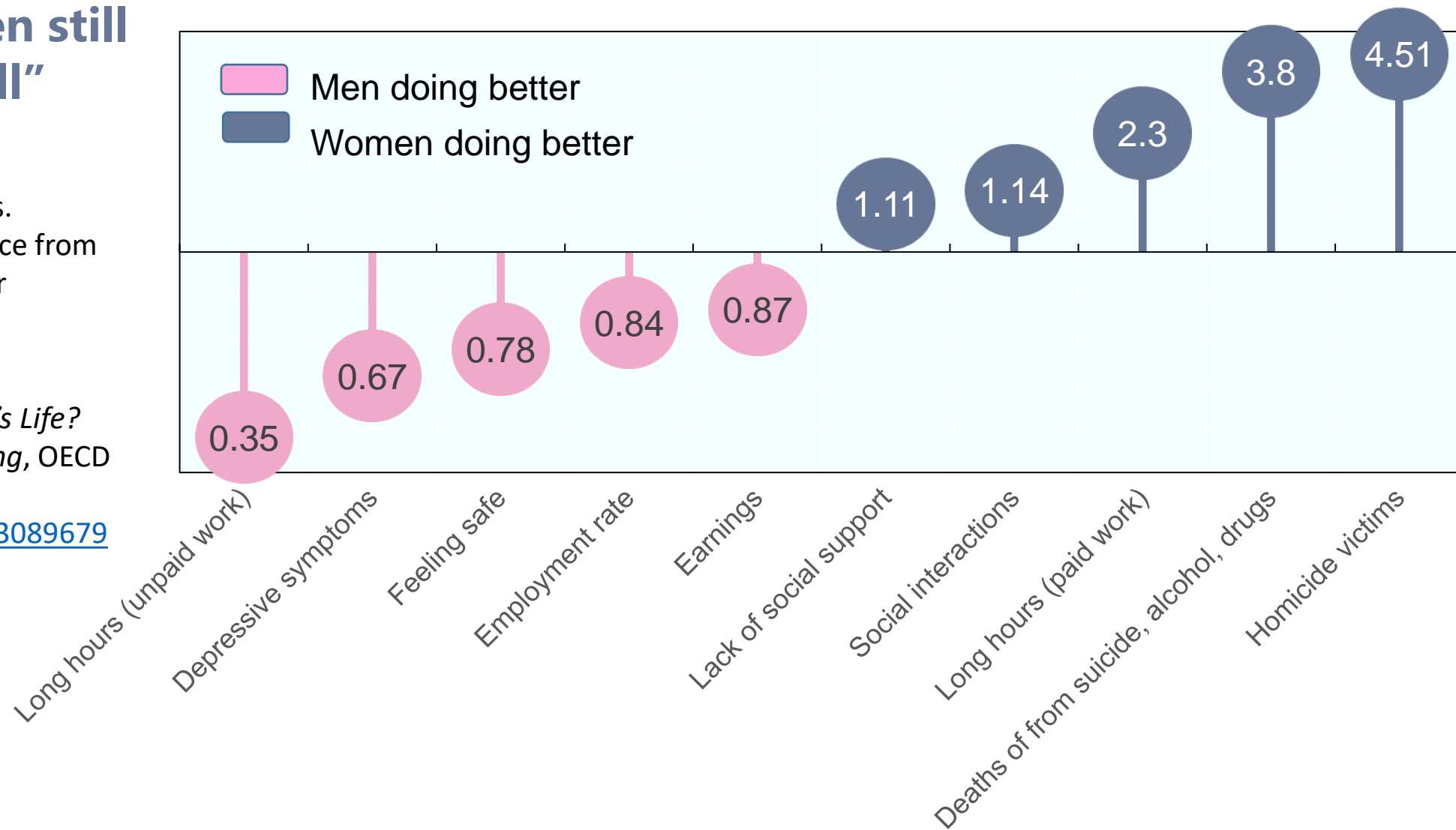
Source: OECD (2017) *How's Life? 2017*

## (2) Highlighting inequalities and the diversity of experience

### Men and women still can't "have it all"

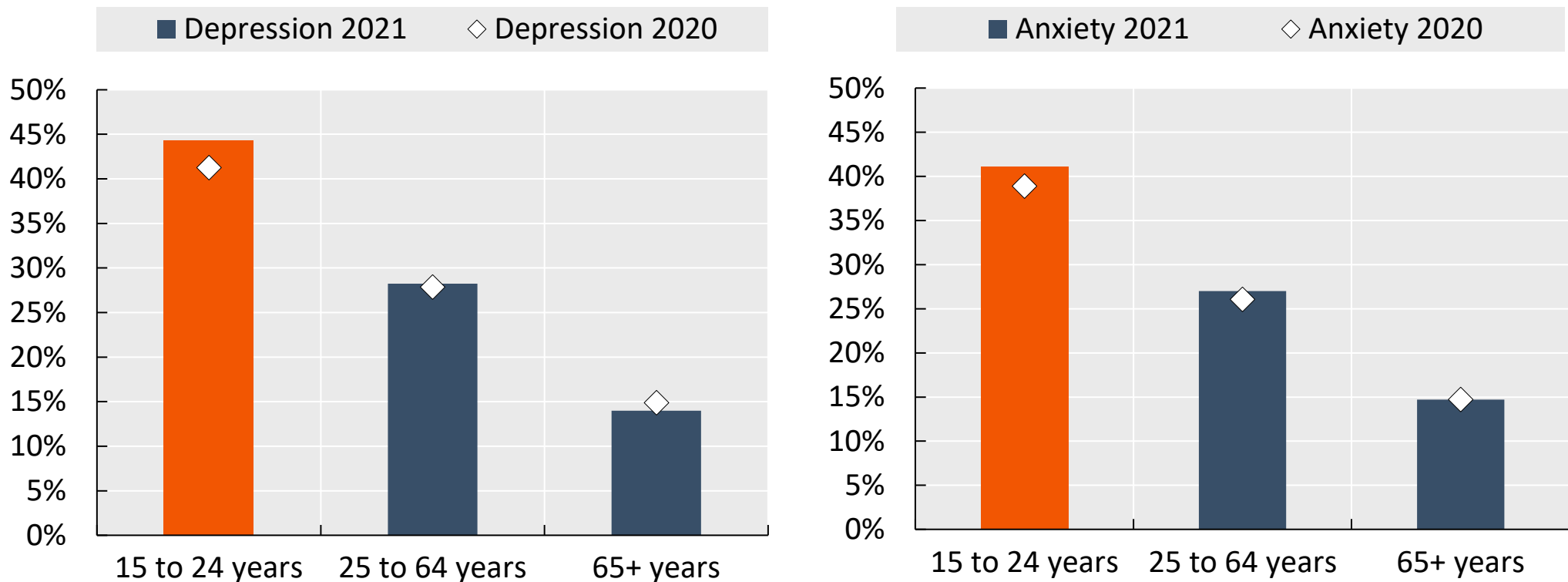
Figure shows gender ratios.  
Parity = 1.0; greater distance from parity signals larger gender inequalities

Source: OECD (2020) *How's Life? 2020: Measuring Well-being*, OECD Publishing, Paris  
<https://doi.org/10.1787/23089679>  
[www.oecd.org/howslife](http://www.oecd.org/howslife)



## (2) Highlighting inequalities and the diversity of experience

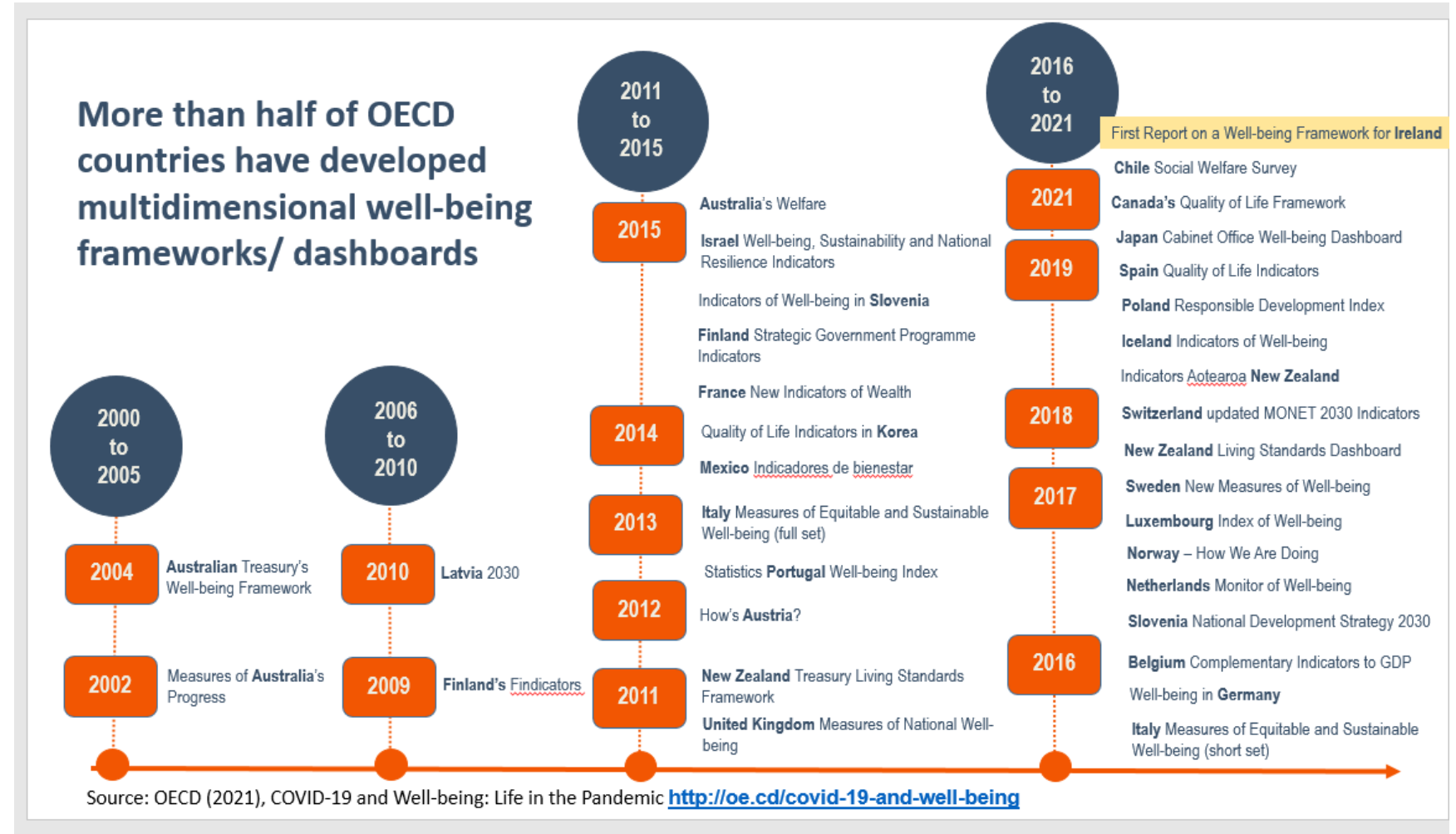
During the COVID-19 pandemic, younger adults experienced some of the largest declines in jobs, mental health, social connectedness and life satisfaction



Note: Data show averages from 12 OECD countries. Risk for depression and anxiety are measured using the PHQ-4 questionnaire; results are from 12 OECD countries. 2020 data refer to Apr-Dec; 2021 data were collected from Jan-Jun. OECD calculations based on Imperial College London YouGov (2020) Covid 19 Behaviour Tracker Data Hub (database).

# (3) Foster public debate and engagement about what matters

Large majority of these OECD country well-being frameworks have been developed with public consultation





# (3) Foster public debate and engagement about what matters

## Create Your Better Life Index

Rate the topics according to their importance to you:

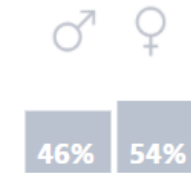


<https://www.oecdbetterlifeindex.org/>

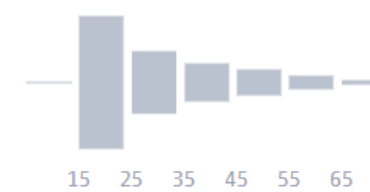
## France

17979 responses

### Gender



### Age



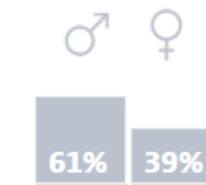
### Topics



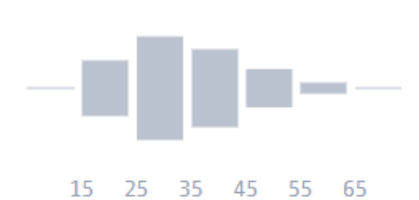
## Ireland

838 responses

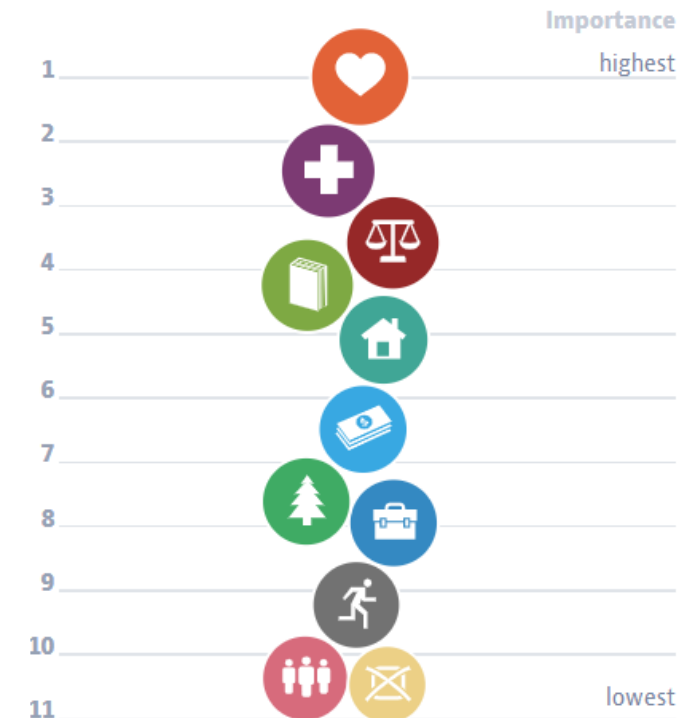
### Gender



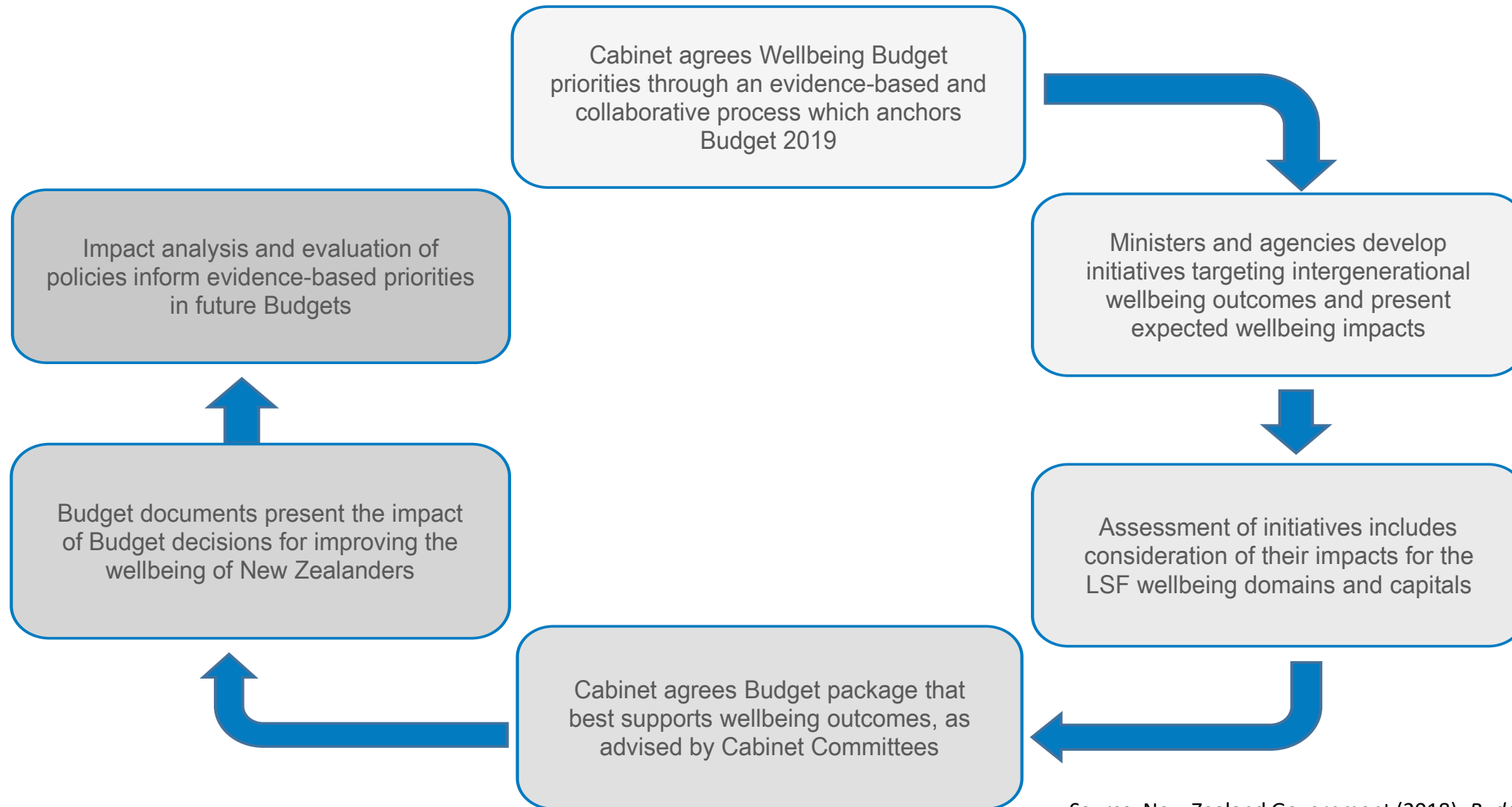
### Age



### Topics



## (4) Support strategic alignment of goals across government, priority-setting and accountability



Source: New Zealand Government (2018), *Budget Policy Statement, Budget 2019*, [www.budget.govt.nz/budget/2019/fiscal-strategy/bps2019.htm](http://www.budget.govt.nz/budget/2019/fiscal-strategy/bps2019.htm).

## (4) Support strategic alignment of goals across government, priority-setting and accountability

Five priorities for New Zealand's first well-being budget (2019):

- Creating opportunities for productive businesses, regions, iwi (Māori tribes) and others to **transition to a sustainable and low-emissions economy**;
- Supporting a thriving nation in the **digital age** through innovation, social and economic opportunities;
- Lifting **Māori and Pasifika** incomes, skills and opportunities;
- Reducing **child poverty and improving child well-being**, including addressing family violence;
- Supporting **mental well-being** for all New Zealanders, with a special focus on under 24-year-olds.

# (5) Promote better appraisal and evaluation of the impact of policy on people's lives

e.g. broadening the scope of cost-benefit / cost-effectiveness analysis













New Zealand Treasury (2018), Budget 2019: Guidance for Agencies, New Zealand Government, Wellington, <https://treasury.govt.nz/publications/guide/budget-2019-guidance-agencies>.

## 3.1 Wellbeing domains – People's experience of wellbeing over time

**Identify and quantify how the initiative impacts on wellbeing domains**

Please fill in Table 3.1 below. Impacts need to be grouped under the relevant domains, as provided in the key below. Use the relevant domains, ordering them from top to bottom according to which domain your initiative achieves the greatest impact in. This analysis must also capture any negative impacts.

The wellbeing domains are outlined here for you to use in your table:

Civic engagement and governance 	Jobs and earnings 
Cultural identity 	Knowledge and skills 
Environment 	Safety 
Health 	Social connections 
Housing 	Subjective wellbeing 
Income and consumption 	Time-use 
	Other



## THE GREEN BOOK CENTRAL GOVERNMENT GUIDANCE ON APPRAISAL AND EVALUATION

2020

[Final Report of the 2020 Green Book Review - GOV.UK \(www.gov.uk\)](#)

[Summary of HM Treasury's Green Book: Valuation of Wellbeing Guidance for Appraisal - What Works Wellbeing](#)

# (5) Promote better appraisal and evaluation of the impact of policy on people’s lives

e.g. Canada Budget 2021 assessments

## Supporting Vulnerable Children and Youth during the Recovery

This program directly benefits youth as it specifically targets students who are at risk of dropping out of school. Since students at the greatest risk of dropping out are those who face systemic and individual barriers in their daily lives, the program’s main beneficiaries will be students from low-income households, marginalized and racialized communities, and those living in rural and remote regions.

**Data Sources:** Internal Administrative Data, Statistics Canada

Source: <https://www.budget.gc.ca/2021/home-accueil-en.html>

### Quality of Life Impacts



Prosperity – *Post-secondary attainment; Child, student and adult skills; Youth not in employment, education or training*  
Society – *Sense of belonging to local community*

### Target Population:

Vulnerable Youth

### Expected Benefits:

Gender:

Men ○—○—●—○—○ Women

Income Distribution:

Low ○—●—○—○—○ High Income

Inter-generational:

Youth ●—○—○ Senior

Additional Characteristics:

Students, Marginalized and Racialized Communities, Rural and Remote Regions

### GBA+ Timing:

Early ■ □ □ Later □ Existing

### Gender Results Framework



Education and Skills Development



## (5) Promote better appraisal and evaluation of the impact of policy on people's lives – managing trade-offs and synergies

<https://www.oecd.org/climate-change/well-being-lens/>



# Thanks!

Comments? Questions?  
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More from the OECD WISE Centre: <http://www.oecd.org/wise/>

**NEW!** COVID-19 and Well-being: Life in the Pandemic  
<http://oe.cd/covid-19-and-well-being>

OECD (2019) The Economy of Well-Being: Creating opportunities for people's well-being and economic growth  
<https://dx.doi.org/10.1787/18152031>

Durand, M. and C. Exton (2019), "**Adopting a Well-Being Approach in Central Government: Policy Mechanisms and Practical Tools**", *Global Happiness and Well-Being Policy Report 2019*, SDSN [https://s3.amazonaws.com/ghwbpr-2019/UAE/GH19\\_Ch8.pdf](https://s3.amazonaws.com/ghwbpr-2019/UAE/GH19_Ch8.pdf).

Exton, C. and M. Shinwell (2018), "**Policy use of well-being metrics: Describing countries' experiences**", *OECD Statistics Working Papers*, No. 2018/07 <https://doi.org/10.1787/d98eb8ed-en>.

