

Statistische Woche 2019

Trier, 10-13 September 2019

## Introduction to the project MAKSWELL

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## Outline

1. Motivations and organization of the project
2. Activity on well-being and SDG at NSIs
3. Introduction to the relationship indicators – policy evaluation
4. Questions for the round table



# MAKSWELL project



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## Motivations of the project

**Motivation 1** - Growing attention to the beyond GDP indicators

**Motivation 2** - Improving the data available

**Motivation 3** - Improving methodology

**Motivation 4** - Extending the interaction between beyond GDP indicators and policies



Motivation 1 - Growing attention to the beyond GDP indicators

Motivation 2 - Improving the data available

Motivation 3 - Improving methodology

Motivation 4 - Extending policy analysis

Project progression



## Well-being indicators at NSIs


- Analysis of the frameworks on well-being and implementation of the Sustainable Development Goals at national and international level for policy making.
- We asked to other NSI information on well-being, SDGs and their use for policy evaluation (paper available on the project's website).

## Deliverable 1.1

### Deliverable 1.1 - Report on international and national experiences and main insight for policy use of well-being and sustainability framework

- Within the European statistical system different activities are currently going on at local, national and international level.
- Need to update the global picture.
- Review of international experiences.
- Country by country review.
- Identification and description of selected experiences: the cases of Sweden, France and Italy.

## Analysis of the country reports



	WELL-BEING PROJECT	used in the national policy cycle	territorial level: below country level
YES	19	11	12
NO	9	17	16
TOTAL	28	28	28

Countries which implemented a framework to measure well-being

	SDG	used in the national policy cycle	territorial level: below country level
YES	27	21	12
NO	1	7	16
TOTAL	28	28	28

Countries which implemented the SDGs indicators



## Deliverable 1.2

### Deliverable 1.2 - Definition of the existing database on Beyond GDP initiatives within Official Statistics

- Table containing web links with information on the advancements in the implementation of the SDGs in that country and links to indicators.
- Inventory of the domains defined by the country to study the multidimensional concept of well-being, compared to the domains set by the OECD How's Life? Initiative.
- Inventory of indicators, with the aim of identifying possible indicators which the different national frameworks have in common.

## Well-being domains across Europe

OECD	NETHERLANDS	BELGIUM	FRANCE	ITALY	GERMANY
<b>Housing</b>	Housing		Material living conditions	Economic wellbeing	
<b>Income</b>	Well-being and material welfare	Standard of living and poverty	Material living conditions	Economic well-being	A secure income Strengthening the economy, investing in the future
<b>Jobs</b>	Work and education	Labour and leisure	Productive activity	Work and life balance	Good work and equitable participation
<b>Community</b>	Society	Society	Leisure activities and social contacts	Governance and individual rights Social relationship	Standing together in family and society
<b>Education</b>	Work and education	Education and training	Education	Education and learning	Quality of services Equal educational opportunities for all
<b>Environment</b>	Environment	Environment	Environment and living conditions	Environment	Quality of services Preserving nature, protecting the environment Acting with global responsibility and securing peace
<b>Civic Engagement</b>	Society	Society	Governance and individual rights	Policy and institutions	Social relationship Acting with global responsibility and securing peace Living freely and equal before the law
<b>Health</b>	Health	Health	Health	Health	Quality of services Healthy throughout life
<b>Life Satisfaction</b>	Well-being and material welfare	Subjective well-being	Perceived well-being	Subjective wellbeing	
<b>Safety</b>	Security	Society	Economic and physical security	Safety	Quality of services Living a life in security and freedom Living freely and equal before the law
<b>Work-Life Balance</b>	Work and education	Labour and leisure		Work and life balance	Subjective wellbeing Having time for family and work At home in urban and rural areas
		Energy		Innovation, creativity and research	At home in urban and rural areas
		Land and ecosystems		Landscape and cultural heritage	
		Climate			
		Economic capital			
		Mobility and transport			

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## Well-being indicators

OECD N. of indicators	Slovakia 38	Poland 49	Lithuania 23	Ireland 39
Education	Education	EDUCATION	Educational attainment	Education
Educational attainment	Education attainment level	People who have a command of foreign languages	Early leavers (youth) from education and training, by place of residence and sex	Educational Attainment
Student skills	Early leavers from education and training	People aged 16-74 who regularly use a computer	Educational attainment rate	Early school leavers indicator
Years in education	Participation rate of young people in formal and non-formal education and training	People aged 16-74 who regularly use the Internet	Lifelong learning rate, by place of residence and sex	Digital Skills of those aged 16-74
		People aged above 25 with higher education		Programme for International Student Assessment (PISA) – Mathematics score
		People aged above 25 with at most lower secondary education		
		Persons aged 15-64 in education and training		
		Children aged 3-4 in preschool education		

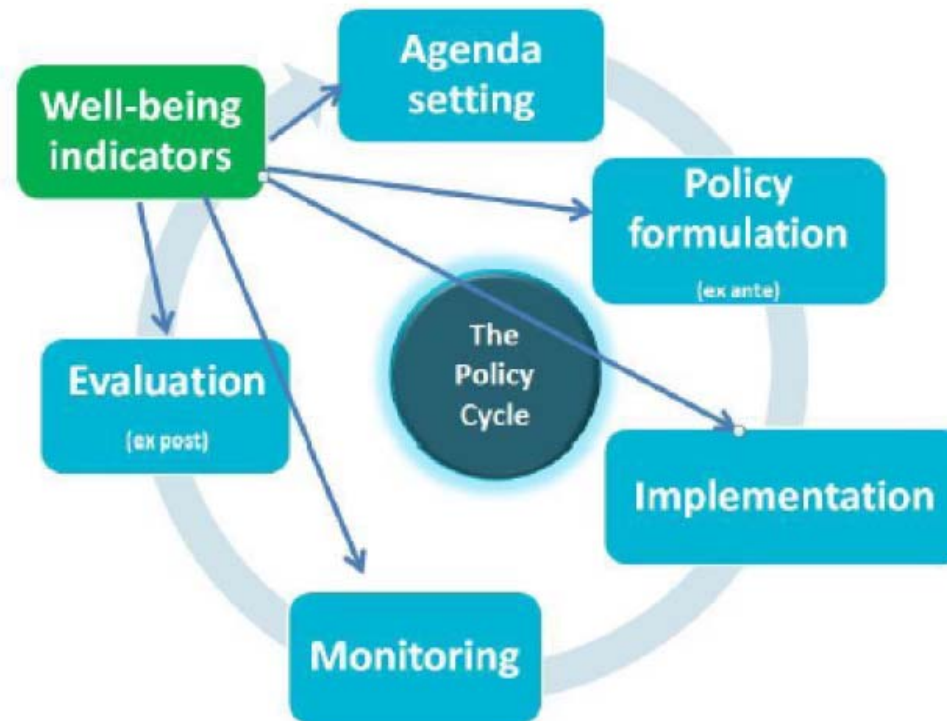
## Relationship indicators – policy evaluation

- The project aims to extend the previous results (new data and methodology) **providing tools for policy making**. It will provide at a macro level a framework that include in the traditional **macro econometric models specific measures for well-being**
- At micro level integrated living standard analysis will be developed; a pilot national study in Italy and Hungary that will be useful for each country and that represents the contribution of the project to a general switch toward the assessment of the country development including beyond-GDP dimension.

## The policy cycle

Well-being indicators could be used in the different stages of the policy cycle:

- from identifying priorities for action
- to assessing the pros and cons of different strategies to achieve policy goals
- to allocate the resources needed to implement the selected strategy
- to monitor interventions in real time
- to assess the results achieved and take decisions on how to change policies in the future".



Stiglitz et al. (2018a)

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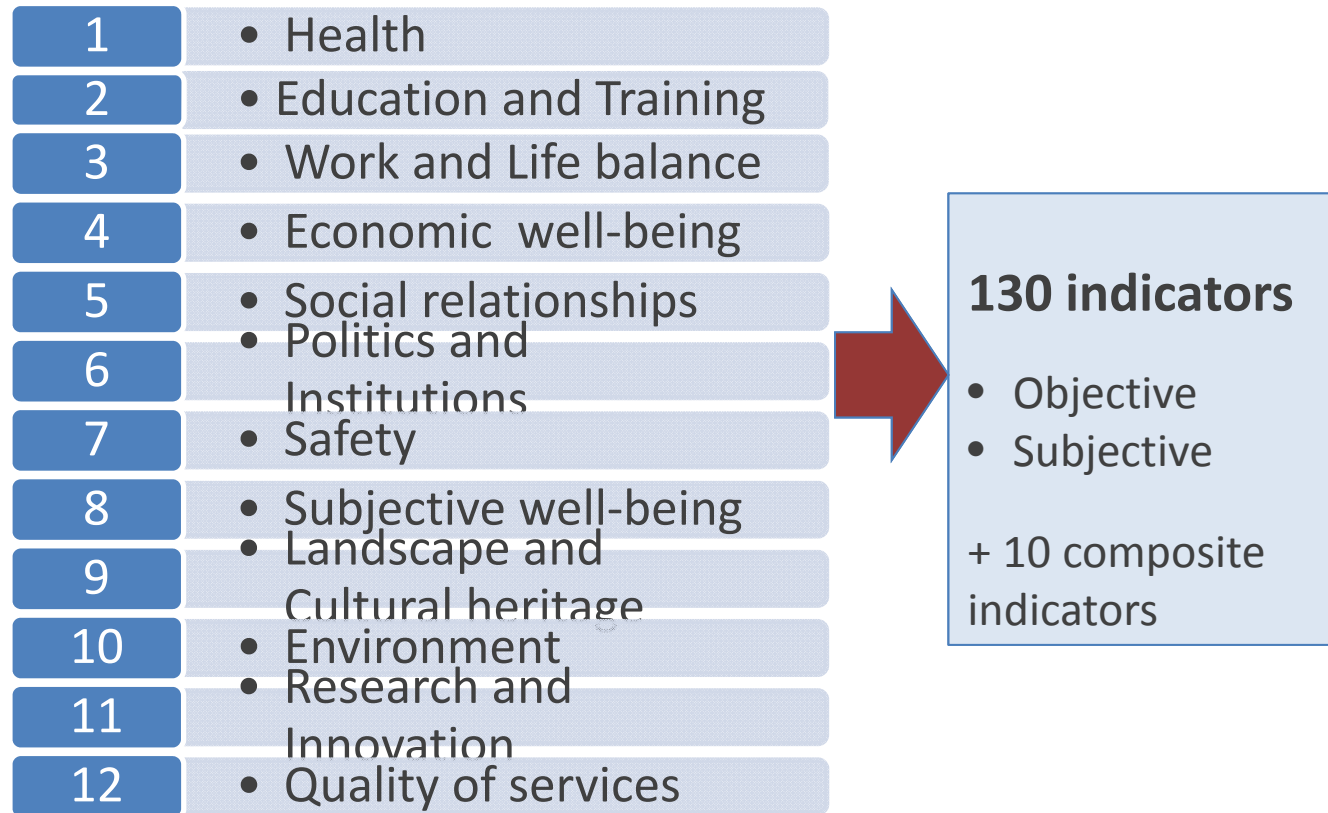
## Well-being indicators for Italy



Annual report from 2013

- **Well-being (Benessere)**  
multidimensional analysis of aspects relevant for quality of life
- **Equitable (Equo)**  
focus on distribution
- **Sustainable (Sostenibile)**  
to ensure the possibility of the same level of well-being to future generations

## The framework



## Agenda setting and policy formulation

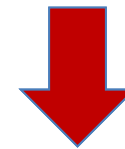
The **new Italian Budget Law** (8/2016) establishes that public policies are regularly monitored and evaluated also through the effects on well-being indicators

Planning  
Document on  
economy and  
finance  
measures



Trend vs policy evaluation

Yearly Report  
to the  
Parliament





## The indicators' selection

- High level committee for selection:  
the Minister of Economy and Finance, the President of Istat,  
the Governor of the Bank of Italy (or delegates) and 2  
recognized experts
- the proposal has to be approved by the Parliament, then  
comes into force by decree

## Selection criteria

- Sensitivity to public policies
- Parsimony
- Practicability
- Timeliness, extension and frequency of time series
- Transparency and accountability



## The final set of indicators

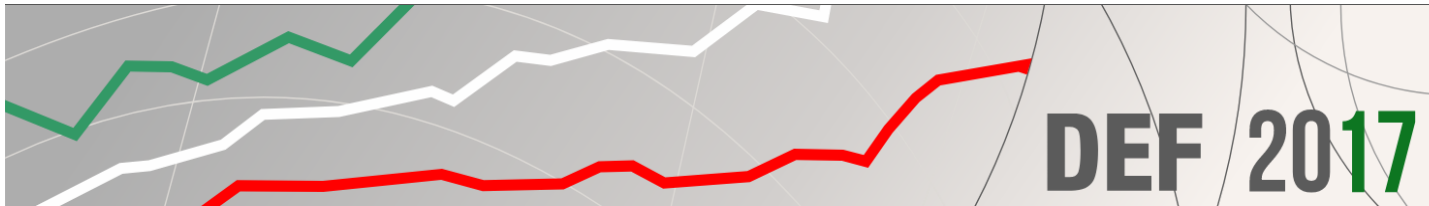
1. Mean adjusted income (per capita)
2. Income inequality (quintile ratio)
3. Incidence of absolute poverty
4. Life expectancy in good health (at birth)
5. Overweight and obesity
6. Early school leavers
7. Non-participation in employment
8. Employment rate of women aged 25-49 with/without preschool children
9. Victims of predatory crime (robberies, burglaries and mugging)
10. Mean length of civil justice trials
11. CO<sub>2</sub> and other greenhouse gas emissions
12. Illegal Building

Ministry  
of  
Interiors

Ministry  
of Justice

Research  
Center on  
Building

## The first exercise



- April 2017: First exercise for Bes in DEF
- The preliminary selection included only 4 indicators:
  - Mean adjusted income (per capita)
  - Non-participation in employment (rate)
  - Income inequality index (quintile ratio)
  - CO<sub>2</sub> and other greenhouse gas emissions (tons x inhab.)

## Policy formulation and implementation

### Income inequality index (equivalent income of the richest 20% and the poorest 20% - ratio)

#### II. LA LEGGE DI BILANCIO 2019-2021: LE MISURE RILEVANTI PER IL BES

In questa sezione si riassumono le misure più rilevanti contenute nella Legge di Bilancio 2019 e riconducibili agli otto domini del benessere monitorati tramite la Relazione BES. A tali otto domini si riferiscono i 12 indicatori BES elencati nella sezione precedente.

La Legge di Bilancio 2019 e la legislazione di accompagnamento sono assai ricche e complesse. Per una trattazione esaustiva delle misure si rinvia alla Legge di Bilancio<sup>3</sup> e all'Aggiornamento del quadro macroeconomico e di finanza pubblica<sup>4</sup>. Nella redazione del presente documento sono state selezionate le misure più rilevanti ai fini dell'analisi BES.

Per quanto riguarda le dimensioni monetarie del benessere, ovvero il **dominio 'benessere economico'**, i tre indicatori di riferimento sono: reddito medio disponibile aggiustato pro capite; indice di disuguaglianza del reddito disponibile; indice di povertà assoluta. Le misure più rilevanti sono le seguenti.

- **Reddito di cittadinanza.** A decorrere dal 2019, un fondo per il Reddito di Cittadinanza è volto all'introduzione di pensioni e reddito di cittadinanza, anche attraverso politiche destinate al sostegno economico e all'inserimento sociale dei soggetti a rischio di emarginazione nella società e nel mondo del lavoro. Il Reddito di Cittadinanza è stato introdotto tramite il DL n.4, 29 gennaio 2019, attualmente all'esame delle Camere (per approfondimenti si veda Focus Reddito di Cittadinanza).

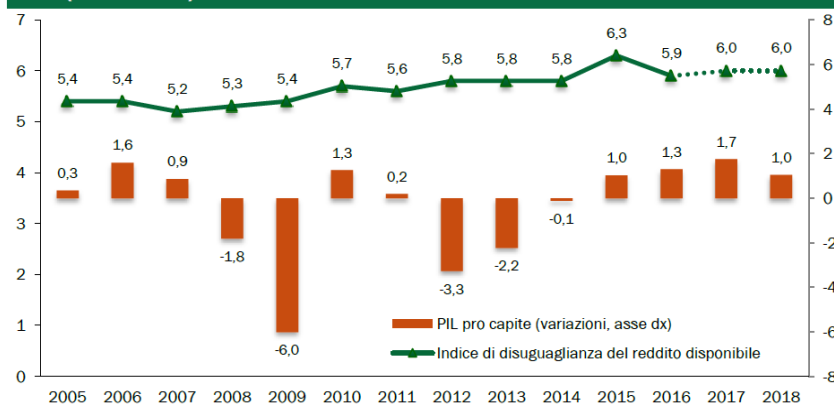
Reddito di cittadinanza

citizens' income' scheme  
introduced in 2019 in Italy

## Monitoring and evaluation

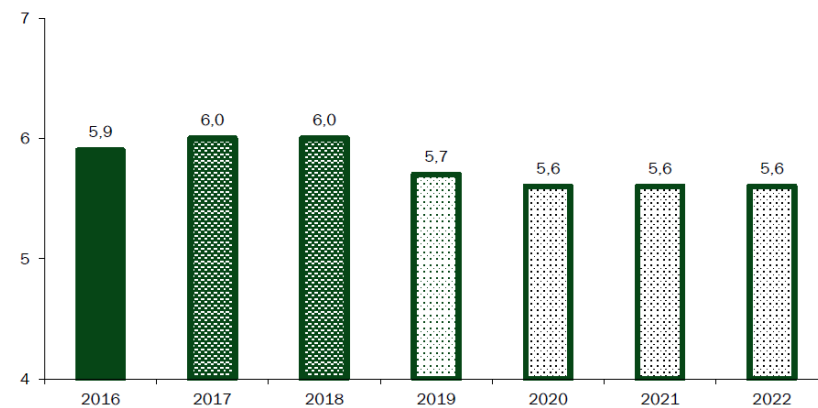
### Income inequality index (equivalent income of the richest 20% and the poorest 20% - ratio)

**FIGURA II.4: INDICE DI DISUGUAGLIANZA DEL REDDITO DISPONIBILE E PIL PRO CAPITE – ANNI 2005-2018\* (valori assoluti)**



Fonte: Istat, *Indagine Eu-Silc* (indice di disuguaglianza del reddito disponibile); MEF (PIL pro capite, prezzi concatenati 2010).

**FIGURA II.7: INDICE DI DISUGUAGLIANZA DEL REDDITO DISPONIBILE – ANNI 2016-2022**



Fonte: 2016-2018: Istat, *Indagine Eu-Silc*; il 2017 e il 2018 sono stime anticipate Istat realizzate secondo un approccio macroeconomico. 2019-2022: previsione MEF-DF.

## WP5 – problems in estimation

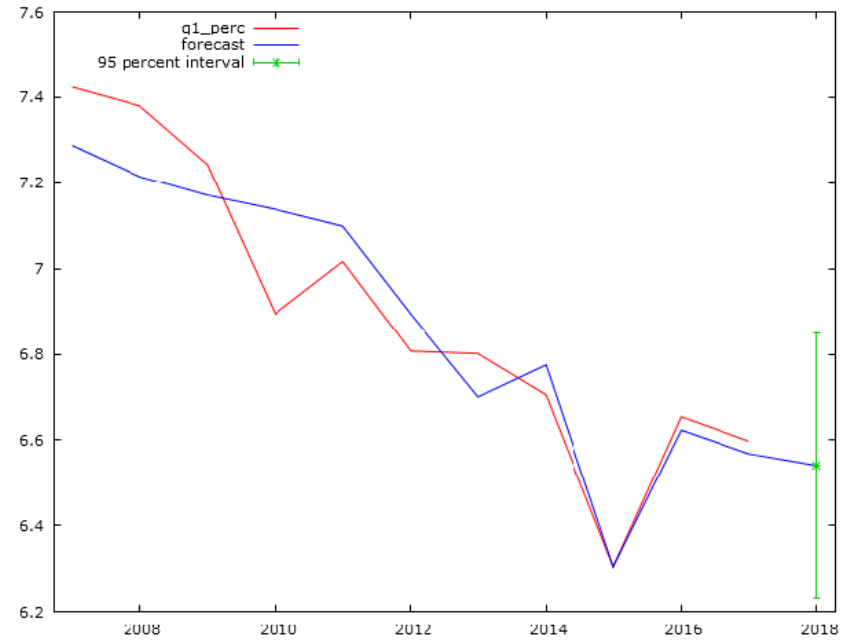


FIGURE 7. Q1 estimation based on poverty rate. Percentage points. Italy. Years 2007-2018

## WP5 – problems in estimation

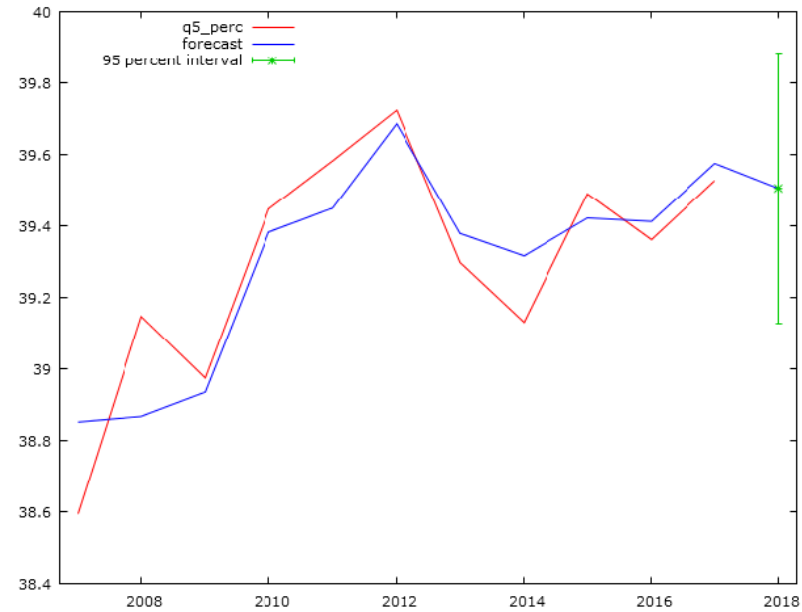


FIGURE 8. Q5 estimation based on saving rate. Percentage points. Italy. Years 2007-2018



## Problems in evaluation

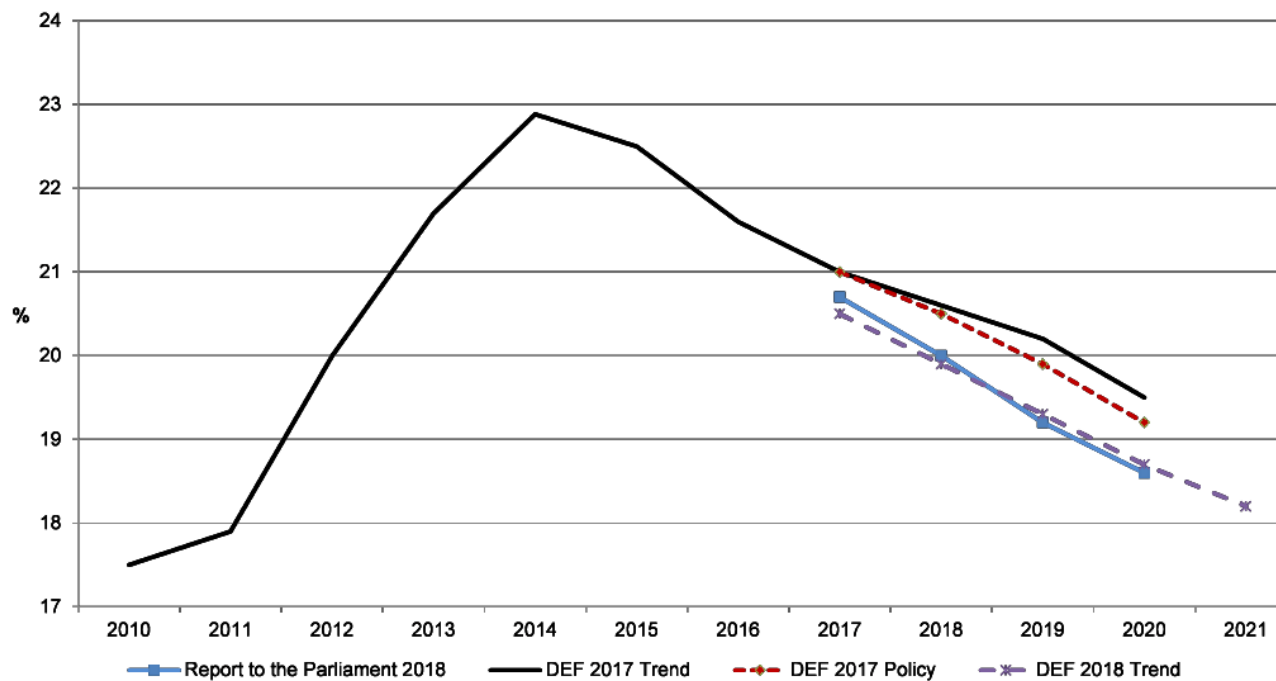


FIGURE 6. Non-participation in the labour market - observed and forecasted rates (2010-2021) – Italy

## Next steps

3.2	Guidelines for best practices implementation for transferring methodology	3	TRIER	Report	Public	March 2020
4.1	Report on nowcasting and mixed frequency model for the integrated analysis of well-being and SDGs	4	SOTON	Report	Public	Oct. 2019
4.2	Report on multivariate analysis on MIP and well-being and SDGs indicators	4	SOTON	Report	Public	March 2020
4.3	Report on alternative estimators of discontinuity	4	SOTON	Report	Public	Oct. 2019
5.2	Technical report on a macro evaluation of well-being using a macroeconomic model	5	ISTAT	Report	Public	Dic. 2019
5.3	Report on results of pilot study and recommendation for stakeholders	5	ISTAT	Report	Public	March 2020

## Next steps

- Dissemination: third meeting and final meeting
  - We explore the opportunity to organize at Barcelona University, extending the network related to the project
- Relationship with the European statistical system:
  - Improving inequality measures and their timeliness
  - Propose to extend the research activity on well-being and policy amid NSI and Eurostat.
- Intensify cooperation among National Statistical Institutes (NSIs), other institutions of the statistical system together with ministries, stakeholders, civil society and academia.

## Questions :

- **Switch for the NSIs:** from place for data production to institutions providing complex social and economic scenarios suitable for stakeholders and policies needs
- Official statistics in Europe needs to do further efforts towards the assessment of the country development including beyond-the GDP dimension. **Design new platforms for cooperation?**
- How to reinforce the methodological improvements in the dissemination of indicators on inequality (experimental statistics)? National account domains?
- We need to invest in methodological research to find a **Metrics** for well-being and SDGs (new projects?)

# Putting Well-being Metrics into Policy Action



3-4 October 2019





Thank you!

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