

### International and national experiences and main insights for policy use of well-being and sustainability frameworks

collective work within the EU funded project MAKSWELL, by Alessandra Tinto, Fabio Bacchini, Barbara Baldazzi, Angela Ferruzza and Tommaso Rondinella (Istat); Jan A. van den Brakel, R.M.A. Willems (CBS); Natalie Rosenski, Thomas Zimmermann (Destatis); Zsolt Andrási, Máté Farkas, Zsófia Fábián (HCSO); Ralf Münnich, Florian Ertz (Trier University).

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Alessandra Tinto tinto@istat.it Istat

Fabio Bacchini bacchini@istat.it Istat

Barabara Baldazzi baldazzi@istat.it Istat

Angela Ferruzza ferruzza@istat.it Istat

### Tommaso Rondinella rondinella@istat.it Istat

Jan A. van den Brakel ja.vandenbrakel@cbs.nl CBS

R.M.A. Willems rma.willems@cbs.nl CBS Natalie Rosenski natalie.rosenski@destatis.de Destatis

Thomas Zimmermann thomas.zimmermann@destatis.de Destatis

Zsolt Andrási zsolt.andrasi@ksh.hu HCSO

Máté Farkas mate.farkas@ksh.hu HCSO

Zsófia Fábián zsofia.fabian@ksh.hu HCSO

Ralf Münnich muennich@uni-trier.de Trier University

Florian Ertz ertz@uni-trier.de Trier University

## International and national experiences and main insights for policy use of well-being and sustainability frameworks

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### ABSTRACT

The paper presents a few analyses deriving from the activities carried out within the EUfunded project MAKSWELL (MAKing Sustainable development and WELL-being frameworks work for policy), coordinated by the Italian National Statistical Institute.

During the last decades several initiatives have been developed all over the world in order to propose an innovative measurement framework for our societies going "beyond GDP". Concepts such as social indicators, basic needs, human development, sustainable development, quality of life and societal progress have been at the centre of the debate for enhancing the use of economic, social and environmental indicators. Milestones of this debate have been the Brundtland report, the Human Development Reports and the so-called Stiglitz-Sen-Fitoussi Report.

Within the European statistical system, different activities are currently going on at local, national and international level. At the same time, several NSIs have started to publish Sustainable Development Goals (SDGs) indicators as required for the implementation of the Agenda 2030 for the Sustainable Development, detailed into 17 Goals and 169 targets on all dimensions of human life and of our planet.

Although these experiences share a common framework background, they are not integrated, making it difficult to carry out comparisons and to read the information on a similar scale from local to national and European level.

Moreover, these different initiatives are hardly linked with a policy agenda. In recent years, evidence-based policies have acquired great importance, also in the fields of well-being and sustainability. Recent legislations are moving towards a formalized inclusion of well-being indicators within the policy process, for example in Italy or France.

Starting from the state of the art, MAKSWELL Project's work aims at the evaluation of the state and development of societies following two leading ideas:

- Official statistics in Europe need to make further efforts towards the assessment of countries development, including the beyond GDP dimension;
- New and traditional data should be used and put into a coherent, reusable framework to be used for policy evaluation.

The work we are presenting in this paper aims at answering the following synthesis question:

- which frameworks have been adopted to measure well-being?
- which advancements have been made by NSIs to implement the SDGs?
- which is their use for policy making across the EU28 countries?"

To define the scope of the synthesis question more precisely, a summary sheet was set up, containing the information needs identified, both with reference to well-being frameworks and to SDGs implementation.

Finally, a discussion among MAKSWELL partners developed a list of recommendations relative to the major issues to be addressed in terms of research to support official statistics' activities. Recommendations are aimed at directing the forthcoming European Commission 9th Framework Programme.

Keywords: MAKSWELL, Sustainable Development Goals, Well-being, Policy use, 9th Framework Programme

#### **INTRODUCTION**

The attention to indicators related to the beyond-GDP approach has been increasing in the last years. Milestones of this debate have been, among others, the Brundtland report, the Human Development Reports and the so-called Stiglitz-Sen-Fitoussi Report (Stiglitz et. al. 2009).

Within the European statistical system different activities are currently going on at local, national and international level, as for example the report Quality of Life by Eurostat, OECD and JRC publications on regional well-being, or the annual report on Equitable and Sustainable Well-being in Italy (BES) and its local declinations, the Measure of National Wellbeing in the UK. At the same time, several NSIs have started to publish Sustainable Development Goals indicators as required for the implementation of the Agenda 2030 for the Sustainable Development, detailed into 17 Goals. Although these experiences share a common framework background, they are not completely integrated in any way making it difficult to carry out comparisons and to read the information on a similar scale from local to national and European level.

Moreover, also the political attention to well-being indicators has been increasing in recent years. This is the case for the recent extension of the Macroeconomic imbalances indicators (MIP) to the so-called auxiliary indicators, which include for example, young people neither in employment nor in education and training (NEET) and people at risk of poverty or social exclusion (AROPE). These auxiliary indicators are now currently used in the Country reports (see country report for Italy, European Commission 2018).

In this context, good-quality well-being and sustainability information is becoming a key component for decision-making. It needs to be available in a comprehensive way and communicated effectively.

The MAKSWELL project (www.makswell.eu) was set up to help strengthening the use of evidence and information on well-being and sustainability for policy-making in the EU.

The work, starting from an overview of international and national initiatives on well-being and sustainability and their link to policies, allows the identification of some experiences, which can be used as an example to share among European countries. These are the outcomes of the first work package (WP1), which recently concluded (Tinto et al. 2018), and which are presented in this paper.

Moreover, on June 2018, a broad discussion among project's partners led to the publication of a "Reflection paper" presenting a set of recommendations to the European Commission for shaping the forthcoming 9<sup>th</sup> Framework Programme in terms of future research for official statistics (MAKSWELL, 2018). This is also presented in this paper.

Ongoing activities of the project are aimed at innovating statistical production for extending and improving the quality of available information which can be useful for the measurement of well-being and sustainable development, and to enhance the use of this data in policymaking.

WP2, WP3 and WP4 will help in the production of timely indicators selecting also new data sources (big data) and integrating them with traditional data (registers, survey data), especially where there are data gaps; the production of local estimates of poverty and living conditions are objectives of the project. In particular, the purpose of WP2 is to develop a methodology to produce timely and detailed indicators using non-traditional data sources; WP3 is focused on regional poverty measurements for selected countries as prototype for modern indicator methodologies level; and with WP4 multivariate time series models for estimating sustainability and well-being indicators will be developed.

WP5 will extend the previous results providing tools for policymaking. Using aggregated data, it will provide proposals for extending traditional macroeconomic models through the inclusion of specific measures for well-being. While, using micro-data, integrated living standard analysis will be developed.

Finally, national pilot studies in Italy and Hungary will represents the contribution of the project to a general switch toward the assessment of the country development including beyond-GDP dimension.

### 1. INTERNATIONAL EXPERIENCES ON SUSTAINABILITY AND WELL-BEING FRAMEWORKS IN EU COUNTRIES (DELIVERABLE 1.1)

Taking into account the growing importance of sustainability and well-being in national development policies and strategies over the last few decades, one of the first purposes of the project is to summarize what possibilities these frameworks have to be integrated into political decision making. As former experiences show, most of them are still possibilities, but they have a huge potential to meet the needs and objectives of existing priorities.

In this first paragraph we review the most important international experiences about the implementation of the aforementioned strategies at different territorial levels starting from the global scale through European experiences. In the following paragraph, we go on describing what Member States are doing in the field, and in Paragraph 3, we highlight a few particularly relevant national experiences, which are useful to share for their completeness and for the special attention paid to the relation of indicator initiatives with policy use.

At global level, the most influential framework for sustainability is the Agenda 2030 adopted at the United Nations Development Summit on 25 September 2015. The Agenda, as the document clearly states, "is a plan of action for people, planet and prosperity", which "seeks to strengthen universal peace in larger freedom" (UN, 2015). The Agenda focuses primarily on poverty eradication in all its forms and dimensions that seems to be the greatest global challenge and an indispensable requirement for sustainable development.

OECD has also joined the discourse on sustainability and development, albeit more from the policy side through strengthening the international co-operation. OECD has organized a number of meetings in order to discuss the situation of international development policy and to link the objectives of the Results Community (an informal network dedicated to results-based management for effective development cooperation and supported by the OECD Development Co-operation Directorate on behalf of the OECD Development Assistance Committee) to the SDGs. As a custodian agency of several SDG indicators, the organization still plays an important role in the implementation process of SDGs, mainly by being responsible for the indicators on development assistance flows, aid flows, and for those linked to foreign direct investments. As another aspect, well-being is also at the forefront of OECD's current researches. In recent years, concerns have emerged regarding the fact, that macro-economic statistics (such as GDP) do not provide a sufficiently detailed picture of the living conditions that ordinary people experience in their everyday life. Societal progress is about improvements in the well-being of people and households. Assessing such progress requires looking not only at the functioning of the economic system but also at the diverse experiences and living conditions of people. The OECD Framework for Measuring Well-Being and Progress is based on the recommendations made in 2009 by the Commission on the Measurement of Economic Performance and Social Progress to which the OECD contributed significantly. It also reflects earlier OECD work and various national initiatives in the field. This Framework is built around three distinct domains: material conditions, quality of life and sustainability, each with their relevant dimensions. Measuring well-being and progress is one of the key priorities of OECD's ongoing research.

Within this agenda, OECD provides a comprehensive analytical framework which includes, among others, the following works:

- How's Life? Measuring Well-being (OECD, 2017): This publication charts the promises and pitfalls for people's well-being in 35 OECD countries and 6 other partner countries presenting the latest evidences from 50 different indicators (including outcomes and resources for well-being, and changes since 2005). It also features a range of studies and analysis about people's well-being and how to measure it and includes the interactive Better Life Index website.
- How's Life in Your Region? Measuring Regional and Local Well-being for Policy Making (OECD, 2014): It presents OECD's framework for measuring well-being at the regional level with internationally comparable indicators on 9 well-being dimensions for 362 regions across 34 OECD countries.

Contributions to sustainable development and well-being at macro-regional level are also of great importance. As the official statistical producer of the EU, Eurostat has a track record in producing statistics for monitoring sustainable development at the EU level. Objectives on sustainable development have been at the heart of European policy for a long time, firmly anchored in the European Treaties (see Article 3(5) and 21(2) of the Treaty on European Union) and mainstreamed in key cross-cutting projects, sectoral policies and initiatives. Since 2005 and up to 2015 Eurostat has regularly produced biennial monitoring reports of the EU Sustainable Development Strategy, based on the EU set of Sustainable Development Indicators (SDIs). The EU SDS was adopted by the European Council in June 2001 and was then renewed in June 2006 (European Council, 2006). Measuring progress towards sustainable development was an integral part of the EU SDS. Eurostat also monitors the Europe 2020 Strategy, which promotes smart, sustainable and inclusive growth in the EU (EU 2010).

Europe 2020 was proposed by the European Commission in March 2010 as a continuation of the Lisbon Strategy for the period 2010–2020. In the strategy five headline targets were identified, which the European Union should take to foster "smart, sustainable and inclusive growth" and employment right after the global crisis. The five priorities included the raise of employment rate of the working age population to at least 75%; the achievement of investing 3% of GDP in Research & Development; the reduction of greenhouse gas emissions by at least 20% compared to 1990 levels (and by the same time the increase of the use of renewable energy sources); the reduction of the share of early school leavers to 10% while increasing the share of middle-age population having completed tertiary education and last (but not least) the reduction of the number of people living below national poverty lines. From the statistical side of the strategy, Eurostat has created nine headline indicators and three sub-indicators to monitor progress towards the strategy targets. These targets later have been translated into national ones, as defined in the National Reform Programmes, that reflect each Member State's situation and the level of ambition they are able to reach as part of the EU-wide effort for implementing the EU2020 strategy.

In 2016, one year after the declaration of Agenda 2030, the European Commission outlined its strategic approach towards the implementation of the Agenda including the Sustainable Development Goals. The EU has a strong starting position when it comes to sustainable development and is also fully committed to be a forerunner in implementing the global goals together with its member countries, while all SDGs feature in all of the EC 10 priorities. On 22 November 2016 the EU has presented its response to the Agenda 2030 and the SDGs and has adopted a sustainable development "package", including:

• An overarching Communication on next steps for a sustainable European future accompanied by a Staff Working Document that describes in broad terms the contribution of the various EU policies and legislation to the SDGs (European Commission 2016a);

- A proposal for a revision of the European Consensus on Development that will serve as the basis for further discussions with the Council and the European Parliament (European Commission 2016b);
- A post-Cotonou framework on the future relations with the African, Caribbean and Pacific Group of States (European Commission, 2016c).

While developing the EU SDG indicator set, the Commission held several consultations with member states' experts, and finally a total number of 100 indicators were selected which cover the whole range of dimensions set out by the UN (Eurostat, 2017a; its latest version was published on 3 April 2018). All goals in this system are limited to 6 indicators each and several multipurpose indicators are used to complement monitoring of the goals. Although the EU SDG indicator set has been aligned as far as appropriate with the UN list of global Goals, it does not cover all aspects of the SDGs nor fully reproduces the UN global list. Instead, it includes indicators which allow SDGs to be monitored in the context of long-term EU policies. The monitoring report provides a statistical presentation of trends relating to the SDGs in the EU over the past five years ('short-term') and, when sufficient data were available, over the past 15 years ('long-term'). The indicator trends are described on the basis of a set of specific quantitative rules.

Actions for the implementation of the Agenda 2030 aim at including the SDGs into EU policies and initiatives across the board, with sustainable development as an essential guiding principle for all EC policies. They provide regular reporting of the EU's progress and take the implementation of the Agenda forward with EU governments, the European Parliament, other EU institutions, international organizations, civil society organizations and other stakeholders. They are also aimed at maintaining a high-level multi-stakeholder platform which supports the exchange of best practices on implementation across sectors at national and EU level.

Currently the EU's work on SDGs includes two main work streams. The first is to join up the SDGs to the European policy framework and current priorities of the Commission, assessing where we stand and identifying the most relevant sustainability concerns. With this, the Commission commits to mainstreaming the SDGs into EU policies and initiatives. It will provide regular reporting of the EU's progress as of 2017 (including in the context of the UN High Level Political Forum), and promote sustainable development globally in cooperation with external partners. The Commission will take implementation forward with the Council and the European Parliament. In order to pursue the 2030 Agenda in partnership with all stakeholders, it will launch a multi-stakeholder Platform with a role in the follow-up and exchange of best practices on SDG implementation.

The second main task launches reflection work on developing further our longer-term vision and the focus of sectoral policies after 2020, and reorient the EU budget's contributions towards the achievement of the EU's long-term objectives through the new Multiannual Financial Framework beyond 2020. By adopting such a comprehensive approach, the EU seeks to mainstream the SDGs into the Commission's everyday work and to engage all stakeholders, Member States and the European Parliament in its implementation to work towards full implementation of the 2030 Agenda for Sustainable Development.

### 2. COUNTRY PROFILES

MAKSWELL's activities have also included a country-by-country review, for the 28 Member States, providing a separate description of developments in the area of well-being and SDGs, with a special focus on the link with policy use. The review is based on information collected through consultation with the NSIs and other relevant agencies (Makswell, Deliverable 1.1).

The analysis of the country reports shows that 19 Member States developed a framework on well-being, in 11 cases they are used in the national policy cycle. For 12 countries, indicators are available below the national level (Table 1).

It is interesting to note how the use of indicators on well-being in the policy cycle is sometimes driven by the framework identified by the NSI (for instance in Italy and the UK), but some other times it is the Government requesting the NSI to produce indicators on well-being to be monitored through the policy cycle (for instance in Sweden, France, Belgium).

	Well-being project	Well-being project Used in national policy	
		cycle	country level
YES	19	11	12
NO	9	17	16
Total	28	28	28

Table 1. Countries that implemented a framework to measure well-being

As far as the SDGs are concerned, the analysis of the country reports shows that all countries implemented, or are about to implement (Spain), the Agenda 2030. In 21 cases SDGs indicators are used in the national policy cycle. For 12 countries SDGs indicators are available below the national level (Table 2).

	SDGs	Used in national policy	Territorial level: below	
		cycle	country level	
YES	27	21	12	
NO	1	7	16	
Total	28	28	28	

### Table 2. Countries that implemented the SDGs indicators

The screening of frameworks implemented by European countries to measure well-being and the analysis of national implementation of the Agenda 2030 for Sustainable Development, together with the identification of selected experiences, can lead to intensify cooperation among NSIs, other institutions of the statistical system together with all ministries, stakeholders, civil society and academia. Sharing experiences on theoretical frameworks, on methodological advancements, on the possibility to provide information at different territorial level, on the use of statistics for policies, and on dissemination tools, are powerful means to improve the production of good quality statistics on well-being and sustainability. According to these experiences, the cooperation among NSIs could be directed towards three challenges:

- improving the quality dimension for dashboard and composite indicators system. This point is in line with the recent Eurostat's activities on Euro SDMX Metadata Structure (ESMS-IP).
- coordinating the development of the use of well-being and sustainability frameworks into the
  political analysis. This point will include a reflection amid the extension of the analysis of MIP's
  auxiliary indicators to assess on the evolution of the social condition among the countries along
  the time.
- developing new models to analyse the evolution of well-being indicators. This point represents a novelty for the actual boundaries of the NSIs. However, especially for the countries where the

NSIs run a proactive behaviour, the interaction amid well-being indicators and macro models represent a new field to be explored.

These three challenges seem to require a switch of attention of NSIs from the traditional vision of a place for data production to institutions providing complex social and economic scenarios suitable for stakeholders' needs.

# 3. SELECTED INITIATIVES OF INDICATORS' POLICY USE: SWEDEN, FRANCE, AND ITALY.

The European Statistical System Committee (ESSC) defines indicators as 'a particular subset of statistical information, directly related to a special purpose such as monitoring specific policy objectives' (Eurostat, 2017b).

Our aim here is to specifically identify and highlight some experiences with a special attention to the relation of indicator initiatives to some policy use. It has to be noted that there exist some basic differences between well-being and SDG initiatives regarding their link to national policies. For the SDGs specific targets have been set to be achieved, for which governments generally give assignments to the statistical institutes in order to analyse how the country meets the goals and target based on the available data. On the other hand, for well-being many countries set up a direct link between indicators and policies without any pre-given targets.

Politics has often been shifting from opinion-based to evidence-based decision making in the last years. Official statistics plays a key role in this change by representing values such as independency, neutrality, sound methodology and transparency. Indicators could condense information on policy relevant issues to facilitate decision-making (Ibid).

The use of indicators can have several different objectives from the policy-making point of view (UNICEF, 2008):

- Achieve recognition of a policy issue,
- Inform the design and choice of policy,
- Forecast the future,
- Monitor policy implementation,
- Evaluate policy impact.

Some national well-being and SDG indicator initiatives have been selected and described here for their high policy relevance, with contribution of indicators to the above mentioned purposes such us planning, monitoring or evaluation.

### 3.1 Sweden

With respect to the 2030 Agenda, in Sweden there is a strong commitment from the highest political level, a long tradition of environmental and sustainability policy, and furthermore a broad participation of various stakeholders. The Swedish government views the 2030 Agenda and the 17 sustainable development goals as an overarching and forward-looking commitment that Sweden is to be guided by. It is the government's

ambition that Sweden will be a leader in implementing the 2030 Agenda – both at home and through contributing to its global implementation.

Since the 1990s, and in particular since the UN Conference on Environment and Development in Rio de Janeiro, Sweden has worked actively with sustainability issues at both the local and national levels, among other things by implementing the Agenda 21 action program. Sweden's first national sustainable development strategy was adopted by the Parliament in 2002. This was a step in the work of integrating the economic, social and environmental dimensions of sustainable development. The same year saw the introduction in the Swedish Constitution of a provision that the public institutions shall promote sustainable development leading to a good environment for present and future generations. In addition, the Parliament adopted goals for environment policy in the 90's, which took the form of today's environmental quality objectives.

In 2010, the government appointed the Parliamentary Committee on Environmental Objectives, which will work until 2020 with a commission to submit proposals on how Sweden's environmental objectives and generational goals are to be achieved. The environmental objectives correspond to many of the goals and targets of the 2030 Agenda. Government authorities report annually on the achievement of the national environmental objectives. There is also a series of other policy areas, with goals related to the 2030 Agenda, such as transport policy goals for traffic safety. Goals of this kind are also found among the Agenda's global goals.

Before and during the international negotiations on the 2030 Agenda, there was extensive dialogue in Sweden with representatives of civil society, the private sector, the Swedish Association of Local Authorities and Regions (SALAR), central government authorities and other non-governmental stakeholders. Representatives of these stakeholders were also part of the official Swedish delegation to the UN negotiations. This inclusive working method has given the initial work on the 2030 Agenda a strong foundation in society. The Swedish government sees the 2030 Agenda, the legally binding climate agreement concluded in Paris in December 2015, the outcome document from the International Conference on Financing for Development, the Addis Ababa Action Agenda in July 2015, and the Sendai Framework for Disaster Risk Reduction 2015-2030 as coherent parts of the new global framework for sustainable development.

In Sweden, several indicative and binding decisions have been adopted that affect the implementation of the 2030 Agenda on national and global level. The main responsible actors are the following:

- The government, which is collectively responsible for implementing the 2030 Agenda. The issues are prepared by the ministries based on each minister's area of responsibility. In addition to this, two ministers have a special overarching responsibility. The Minister for Public Administration is responsible for coordinating and promoting the implementation of the Agenda nationally. The Minister for International Development Cooperation and Climate leads the work with Sweden's contributions to international implementation. Immediately under the ministers, there is a smaller consultation group for the 2030 Agenda with state secretaries from the Ministry of Finance, the Ministry for Foreign Affairs, the Ministry of the Environment and Energy and the Ministry of Enterprise and Innovation. The Government Offices has an inter-ministerial working group for the 2030 Agenda, in which all ministries participate.
- The Parliament's decisions in various areas are decisive to the opportunities for implementing the 2030 Agenda. In the parliament, it is primarily the Committee on Foreign Affairs and the Committee on Finance that handle the 2030 Agenda issues on a more general level.

- A national delegation has been appointed to support and stimulate the work with Sweden's implementation of the 2030 Agenda, both nationally and internationally. The delegation conducts a broad dialogue on sustainable development with authorities, county councils and municipalities, the social partners, the private sector, civil society and the research community. The delegation is also to promote the exchange of information and knowledge between these stakeholders and relevant international actors.
- A scientific council has been established which aims to be an arena for dialogue between the government and the scientific community and to help provide sustainable development policy with as solid a scientific basis as possible.
- Many of Sweden's central government authorities perform daily operations with a direct bearing on the implementation of the 2030 Agenda.
- The municipalities and county councils are responsible for several vital societal functions at the local and regional levels that affect the lives, living conditions and health of the population. Some of these functions are regulated in legislation and are mandatory, while others are voluntary. To a great extent, the political decisions in municipalities and county councils have a bearing on important parts of the 2030 Agenda.

The Swedish government has instructed Statistics Sweden to analyse the implementation of the 2030 Agenda for sustainable development on a statistical basis. The task is divided into two parts. In the first part, Statistics Sweden is required to analyse how Sweden meets the goals and targets in the 2030 Agenda on the basis of available data and results. During the implementation of the assignment, Statistics Sweden shall consult agencies that may in the future be responsible for the indicators. Statistics Sweden shall also consult with the Swedish Delegation for the 2030 Agenda. In the second part, Statistics Sweden shall investigate if it is possible to produce integrated indicators for some of the targets and propose reporting structures for the national and global follow-up.

Statistics Sweden focused on developing a starting point for Sweden based primarily on the global indicators. Relevance and the availability of data were guiding principles in the work. In some cases, there is a clear target level specified that could be measured against. However, the global target level is often low, seen from a Swedish perspective. In order to state something relevant at the national level, different benchmarks has been considered: those set by global goals, results from other rich countries, and specific Swedish goals and targets.

Some indicators have been deemed not relevant for follow-up in Sweden and for some targets, 'proxy indicators' have been proposed. The first review of the data availability that was carried out as part of the assignment indicates that 74 percent of the indicators that are considered relevant to Sweden (in a very wide perspective) and are statistically measurable at the national level can be measured at the present time. As some of these indicators would require time and resources and involve a large number of authorities, only 50 percent of the indicators have been reported. Just over 120 indicators are presented, some of which are disaggregated in different ways. 100 of them are exactly, partly or approximately the equivalent of the global indicator.

Another key issue is whether sustainable development can be followed up in a broader sense, so that developments in social, economic and environmental goals and targets can support rather than counteract each other.

### 3.2 France

Numerous initiatives have sprung up in France since the report on the measurement of economic and social progress (Stiglitz et al, 2009).

In April 2015, the French Parliament passed law 411 "New Wealth Indicators" (Les nouveaux indicateurs de richesse), which requires the Government to submit an annual report to Parliament on the progress in view of 10 new leading indicators that reflect the country's economic, social and environmental situation. The report will also include an impact assessment of the main reforms envisaged in light of these indicators, and upon request by the government, it can be debated in the Parliament. The timing of the report was set to be consistent with the national budget process.

Following the enactment of the law, the process of selecting indicators involved a two-fold process of consultation. The first part saw the establishment of a working group of over 60 people, comprising researchers, representatives of civil society, international organizations and experts. The working group established an initial list of themes and indicators. The second part of the process was a wider public consultation, intended to assess the adequacy of the indicators and prioritizing the themes and indicators in order to narrow down the final set. Three types of consultations were held: an online survey, where over 4,000 respondents taking part were asked to order the themes according to their importance; a telephone survey with a representative sampling of the total population, where respondents were asked to rank the themes and indicators; and four focus groups were set up with 10 participants in each, where the approach, themes and indicators selected were debated.

The number of indicators is significantly limited, to facilitate communication. Of the 10 indicators in the framework, one relates to subjective well-being, in the form of life satisfaction reported on a ladder from 0 to 10. Indicators are used at the agenda setting stage, with parliamentary reporting at the start of the budget process. The framework was developed by a combination of policy-related agencies (Strategy and the Economic, Social and Environmental Council), with a clear motivation for the use of well-being metrics in policy settings.

### 3.3 Italy

In 2016, the "Equitable and sustainable well-being (BES)" (Istat, 2017) has become part of the economic planning. The law 163/2016, which reformed the Italian budget law, establishes that BES enters for the first time in the process of defining economic policies, focusing on the effects of such policies on selected quality of life dimensions.

A high level committee, whose members were the highest representatives of the Ministry of Economy and Finance (MEF), Istat and the Bank of Italy, together with two well-known experts, was set up to select a short list of indicators from the BES set. These indicators are considered annually in the Economic and Financial Document (DEF) and in a Report to be presented to the Parliament.

The indications of the Law were taken into consideration starting with the DEF issued in April 2017, where evaluations for a first provisional selection of four BES indicators were already presented.

In February 2018, the MEF transmitted the first Report on indicators of equitable and sustainable wellbeing to the Parliament. This report highlighted the evolution up to 2020 of the performance of the four indicators of equitable and sustainable well-being considered in the DEF 2017, based on the effects determined by the budget law approved in December 2017.

The Committee published the definitive list, including 12 BES indicators, which will be considered in DEF 2018 by ministerial degree, following the positive opinion of the competent Commissions of the Chamber and Senate.

The integration of BES indicators to the sub-national policy use is also in progress. Single municipalities (below NUTS 3 level) included a subset of BES indicators in their programming document.

Concerning the Agenda 2030, Istat coordinates all the activities by Sistan (the national statistical system) for monitoring SDGs and national indicators, which are disseminated every six months since December 2016. On July 2018, Istat presented both an updated set of 117 UN-IAEG-SDGs indicators and, for these, 235 national measures and a First Annual Report. The proposed information represents a substantial input to the definition of the National Sustainable Development Strategy which represents the main framework for the implementation of the UN 2030 Agenda for Sustainable Development. The Strategy represents the fundamental tool for mainstreaming SDGs into national policies and programs.

### 4. FRAMEWORKS' COMPARISON (D1.2)

The Deliverable 1.2 of the project aimed at comparing the frameworks developed in the 19 countries which implemented a framework to measure well-being Member States and the selected indicators.

The domains used at country level were analysed in comparison to the ones suggested by OECD in the How's life Initiative: Housing, Income, Jobs, Community, Education, Environment, Civic engagement, Life satisfaction, Safety, and Work-life balance.

The topics proposed by OECD are covered in almost all countries (Table 3).

Not all countries share a separate domain for "Housing"; however, some of them included indicators on the topic but classifying them in different domains (i.e. material living conditions in France, Slovakia and Poland; Economic well-being in Italy; Social exclusion in Lithuania).

Also the OECD domain on Work-life balance is not covered in every country, in some cases indicators on this topic have been included in other domains that are more related to labour market in general, or to leisure time activities.

It is interesting to note how in some cases, similar indicators are classified differently in different countries. Indicators of people not in education, employment or training (NEET), are sometimes considered under the job area and other times under the education domain.

Some countries identify domains which are unique and may reflect local specificities. This is, e.g., the case of Italy, where two different domains are proposed: "Landscape and cultural heritage" and "Innovation, creativity and research". In Germany the domain "At home in urban and rural areas" was added; in Belgium three additional domains, comparing to the OECD framework, are Climate, Energy and Land and ecosystems. Finally, in Finland a specific domain on Culture is proposed.

The analysis of indicators used in each country shows, first of all, a numeric heterogeneity, ranging from 7 indicators proposed by Hungary to 129 indicators used in the Italian initiative (BES). This inventory allows identifying which are the indicators most frequently used to measure well-being in the 19 countries where a framework on well-being was developed. In some cases, these are the indicators proposed by the OECD, which are probably also the most easily available in different countries; but there are also a few examples of indicators which appear widely used in national frameworks and which are not included in the How's Life Initiative. This is the case, for example, for the indicators on early school leavers, long-term unemployment, population at risk of poverty, income inequality, generalized trust other members of society and satisfaction with leisure time.

OECD	Austria <sup>1</sup>	Belgium <sup>2</sup>	Denmark <sup>3</sup>	Estonia <sup>4</sup>
Housing	• Quality of life		• Housing	
Income	• Material Wealth	• Standard of living and poverty	• Financial situation	<ul> <li>Reducing social inequalities and poverty, gender equality, and a greater social inclusion</li> <li>Supporting an activating, adequate, and sustainable social protection has increased the economic coping of people</li> </ul>
Jobs	• Material Wealth	• Labour and leisure	• Work	<ul> <li>High employment rate and a high-quality working life</li> <li>Reducing social inequalities and poverty, gender equality, and a greater social inclusion</li> </ul>
Community		• Society	• Social relations	• Efficient legal protection and high-quality personal assistance have improved people's opportunities to cope independently, live in a community, and participate in society
Education	• Quality of life	• Education and training	• Education	<ul> <li>Correlation between the demand and supply of the workforce ensures a high level of employment and high-quality working conditions support long-term participation in working life.</li> <li>Men and women have equal rights, obligations, opportunities, and responsibilities in all social sectors</li> </ul>
Environment	• Environment	• Environment		
Civic Engagement		• Society	Community participation	• Men and women have equal rights, obligations, opportunities, and responsibilities in all social sectors
Health	• Quality of life	• Health	• Health	
Life Satisfaction	• Quality of life	• Subjective well- being	• Current life satisfaction	
Safety	• Quality of life	• Society	• Safety	
Work-Life Balance		• Labour and leisure		
		Climate		
		• Energy		
		• Land and ecosystems		
		Economic capital		
		Mobility and transport		

 Table 3. Well-being domains in 19 European countries

OECD	<b>Finland</b> <sup>5</sup>	France <sup>6</sup>	Germany <sup>7</sup>	Hungary <sup>8</sup>	Ireland <sup>9</sup>
Housing	• Income, expenditure and indebtedness	• Material living conditions			<ul> <li>Housing and Natural Environment</li> </ul>
Income	• Income, expenditure and indebtedness	Material living conditions	<ul> <li>A secure income</li> <li>Strengthening the economy, investing in the future</li> </ul>		<ul><li>Economy</li><li>Governance and Equality</li></ul>
Jobs	• Labour market	• Productive activity	• Good work and equitable participation		• Work
Community		<ul> <li>Leisure activities and social contacts</li> <li>Governance and individual rights</li> </ul>	• Standing together in family and society	• Personal relationships, trust in others	
Education	• Education and research	• Education	• Equal educational opportunities for all		• Education
Environment	<ul> <li>Environment and natural resources</li> <li>Energy</li> </ul>	• Environment and living conditions	<ul> <li>Preserving nature, protecting the environment</li> <li>Acting with global responsibility and securing peace</li> </ul>		<ul> <li>Housing and Natural Environment</li> </ul>
Civic Engagement	• Participation	<ul> <li>Governance and individual rights</li> </ul>	<ul> <li>Acting with global responsibility and securing peace</li> <li>Living freely and equal before the law</li> </ul>		<ul> <li>Governance and Equality</li> <li>Time Use</li> </ul>
Health	<ul><li>Health</li><li>Population</li></ul>	• Health	• Healthy throughout life		• Health
Life Satisfaction	• Income, expenditure and indebtedness	• Perceived well- being		<ul> <li>Life satisfaction</li> <li>Personal and social usefulness</li> </ul>	
Safety	• Security	• Economic and physical security	<ul> <li>Living a life in security and freedom</li> <li>Living freely and equal before the law</li> </ul>	• Personal relationships, trust in others	• Public Safety
Work-Life Balance	• Community structure and transport		<ul> <li>Having time for family and work</li> <li>At home in urban and rural areas</li> </ul>		• Time Use
	• Economy		• At home in urban and rural areas		
	<ul><li> Population</li><li> Culture</li></ul>				

OECD	Italy <sup>10</sup>	Lithuania <sup>11</sup>	Luxembourg <sup>12</sup>	Netherlands <sup>13</sup>	Poland <sup>14</sup>
Housing	Economic     wellbeing	Social exclusion	• Housing	• Housing	Material living conditions
Income	• Economic wellbeing	Social exclusion	• Income and wealth	• Well-being and material welfare	<ul> <li>Material living conditions</li> <li>Economic and physical safety</li> </ul>
Jobs	• Work and life balance	• Labour Market	Occupation	• Work and education	• Main kind of activity: work
Community	• Social relationship		Social Relationships	• Society	Leisure and social relations
Education	<ul> <li>Education and learning</li> <li>Quality of services</li> </ul>	• Educational attainment	• Education and skills	• Work and education	• Education
Environment	<ul> <li>Environment</li> <li>Quality of services</li> </ul>		• Environment	• Environment	• Quality of environment at the place of residence
Civic Engagement	<ul> <li>Policy and institutions</li> <li>Social relationship</li> </ul>		• Governance and civic engagement	• Society	• The state, fundamental rights, active citizenship
Health	<ul><li>Health</li><li>Quality of services</li></ul>	<ul><li> Life expectancy</li><li> Mortality</li></ul>	• Health	• Health	• Health
Life Satisfaction	<ul> <li>Subjective wellbeing</li> </ul>		• Subjective well- being	• Well-being and material welfare	• Subjective well- being
Safety	<ul> <li>Safety</li> <li>Quality of services</li> </ul>		• Personal security	• Security	• Economic and physical safety
Work-Life Balance	<ul><li>Work and life balance</li><li>Subjective wellbeing</li></ul>		• Work-life balance	• Work and education	• Leisure and social relations
	• Innovation, creativity and research				
	• Landscape and cultural heritage				

OECD	Portugal <sup>15</sup>	Slovakia <sup>16</sup>	Spain <sup>17</sup>	Sweden <sup>18</sup>	UK <sup>19</sup>
Housing	<ul> <li>Economic well-being</li> <li>Economic vulnerability</li> </ul>	• Material living conditions	• Material living conditions		• Where we live
Income	<ul> <li>Economic well-being</li> <li>Economic vulnerability</li> </ul>	<ul> <li>Material living conditions</li> <li>Economic and physical safety</li> </ul>	• Material living conditions	• Economic dimension	<ul><li>Personal finance</li><li>The economy</li></ul>
Jobs	• Labour and income	• Productive or main activity	• Work	• Economic dimension	• What we do
Community	• Social relations and subjective well-being	• Leisure and social interactions	• Leisure and social interactions	• Social dimension	<ul><li> Our relationships</li><li> Where we live</li></ul>
Education	• Education, knowledge and skills	• Education	<ul> <li>Education</li> <li>Leisure and social interactions</li> </ul>	• Social dimension	<ul><li> Education and skills</li><li> What we do</li></ul>
Environment	• Environment	• Natural and living environment	• Environment	• Environm ental dimension	<ul><li> The natural environment</li><li> Where we live</li></ul>
Civic Engagement	• Civic participation and governance	<ul> <li>Governance and basic rights</li> <li>Leisure and social interactions</li> </ul>	• Governance and basic rights		<ul><li>Governance</li><li>What we do</li></ul>
Health	• Health	• Health	• Health	• Social dimension	<ul><li>Health</li><li>What we do</li></ul>
Life Satisfaction	• Social relations and subjective well-being	• Overall experience of life	• Subjective well-being	• Social dimension	Personal well- being
Safety	• Personal security	• Economic and physical safety	• Physical and personal security		• Where we live
Work-Life Balance	• Work-life balance	• Leisure and social interactions	• Leisure and social interactions		• What we do

Sources: 1 http://www.statistik.at/web\_en/statistics/-----/hows\_austria/index.html

<sup>2</sup> http://www.indicators.be./en/t/BGD/

<sup>3</sup> http://dst.dk/extranet/livskvalitet/livskvalitet.html?lang=en

<sup>4</sup>https://www.sm.ee/sites/default/files/content-editors/eesmargid\_ja\_tegevused/welfare\_development\_plan\_2016-2023.pdf <sup>5</sup>https://findikaattori.fi/en/indicators

<sup>6</sup> https://www.insee.fr/fr/statistiques/3281778

<sup>7</sup> https://www.gut-leben-in-deutschland.de/static/LB/en/

<sup>8</sup> http://www.ksh.hu/docs/eng/xftp/stattukor/eszubjektiv\_jollet.pdf

<sup>9</sup> http://www.cso.ie/en/releasesandpublications/ep/p-wbn/thewellbeingofthenation2017/

<sup>10</sup> https://www.istat.it/en/well-being-and-sustainability/well-being-measures

<sup>11</sup> https://osp.stat.gov.lt/en/gyvenimo-kokybes-rodikliai

<sup>12</sup> http://www.statistiques.public.lu/catalogue-publications/PIBien-etre/2018/PIBien-etre.pdf

<sup>13</sup> https://www.cbs.nl/nl-nl/achtergrond/2017/50/kwaliteit-van-leven-in-nederland

<sup>14</sup> http://stat.gov.pl/en/topics/living-conditions/living-conditions/quality-of-life-in-poland-2017-edition,5,4.html

<sup>15</sup> https://www.ine.pt/xportal/xmain?xpid=INE&xpgid=ine\_indbemestar&xlang=en

<sup>16</sup> www.susr.sk/wps/wcm/connect/obsah-en/static-content/temy/indikatory/indikatory-kvality-zivota/o-teme

<sup>17</sup> http://www.ine.es/ss/Satellite?L=en\_GB&c=INEPublicacion\_C&cid=1259947308577&p=1254735110672&p

agename=ProductosYServicios%2FPYSLayout&param1=PYSDetalleGratuitas

<sup>18</sup> http://www.government.se/articles/2017/08/new-measures-of-wellbeing/

<sup>19</sup> https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing#publications

### 5. FUTURE RESEARCH NEEDS (D 5.1)

On the basis of the analysis of the major transformations affecting official statistics (such as digitalization, globalization, artificial intelligence, and a higher degree of interconnections among firms, households and territories) and the challenges that National statistical offices and data producers are called to face, the paper presents a set of recommendations to the European commission for shaping the forthcoming 9th Framework Programme.

First of all, NSIs face a data revolution that needs to be managed: legal frameworks, IT tools, methodologies and skills are all aspects to be addressed by both the public and the private sector, and for which research and innovation are needed. It is time to focus on an "**all data evolution**", using data from all traditional and new sources, and providing a deeper and clearer understanding of the problem at hand.

Secondly, the development and diffusion of new digital technologies have knocked down many obstacles to the production, storage and analysis of information. Statistical institutes find themselves competing with **other producers**, who often supply more timely data but respect less stringent quality constraints. To foster trust, it is important to disseminate the message that quality intrinsically characterizes official statistics.

Thirdly, the increasing complexity of modern societies and the multidimensional nature of the phenomena under study (e.g. sustainability, globalization, well-being, social exclusion, the environment, and competitiveness) require a continuous expansion of statistical information to satisfy **new and more specific knowledge needs**, either of a thematic nature (economic, social, environmental, etc.), or of territorial detail (from global phenomena to micro-territorial tendencies), or of type of information produced (aggregated data, microdata, microeconomic studies, composite indicators, visualisations, etc.). One key area is represented by the Sustainable Development Goals (SDGs) indicators.

The urgent need for new data and the availability of innovative, yet not standardized methodologies is leading to the production of experimental statistics. **Experimental** statistics<sup>1</sup> are compiled from new data sources and methods. These try to fill the gaps coming from new issues that have to be tackled by public policies.

Data collected, produced and disseminated by official statistics institutions provide a solid and irreplaceable foundation for political decisions (not only in the sphere of sustainability), linking them to the reality of the country. In fact, in recent years, **evidence-based policies** have acquired great importance. Very relevant examples are the sets of indicators adopted by the European Union to support, among others, the Macroeconomic Imbalances Procedure, the Europe 2020 initiative, the Cohesion policies or the Common Agricultural Policy. In these fields, the principle of relevance, i.e. the ability to produce statistics capable of responding to the knowledge needs of institutions, public administrations, the research world, and civil society, becomes particularly important.

This role of the NSIs puts more pressure on the extension of **models** able to produce knowledge. Extended macroeconomic and microeconomic models are needed to gauge the possible impact of policy measures on non-economic phenomena. Improving the ability of the statistical institutes to provide a clear picture showing the relationships between policies and their effects will be an important challenge.

The added value of produced information requires, on the other hand, that users and citizens have the adequate tools to correctly interpret the information. This is more and more urgent in the "era of fake

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http://ec.europa.eu/eurostat/web/experimental-statistics

news", when all citizens should be able to recognise reliable sources and find useful data for interpreting social, economic and environmental phenomena. The activities of **training and promotion of a statistical culture** as a whole are an important opportunity to convey and strengthen the role of official statistics. Following the need expressed so far, the forthcoming 9<sup>th</sup> Framework Programme should address issues related to:

- quality and timely data for the full implementation of the 2030 agenda for sustainable development:
- developing methodologies for big data treatment and production of new indicators;
- enhancing integration between surveys, administrative data and new sources;
- a shared big data quality framework;
- availability of evidence-based policy tools at different territorial level;
- extension of open data platforms to the whole public administration;
- extending statistical literacy through formal and informal education.

### CONCLUSIONS

Even if a substantial advancement has been achieved in all European countries, Official statistics in Europe needs to make further efforts towards the assessment of the country's development including beyond-the GDP dimension.

New and traditional data should be used and put in a coherent, reusable frame to use for policy evaluation. Research activities are needed to improve the statistical capacity, exploit new sources and improve modelling to support policymaking.

NSIs should switch from "simple" data production to institutions providing complex social and economic scenarios suitable for stakeholders and policy needs. To do this cooperation has to be intensified among National Statistical Institutes (NSIs), other institutions of the statistical system together with ministries, stakeholders, civil society and academia. Sharing of experiences on theoretical frameworks, methodological advancements, the possibility to provide information at different territorial level, use of statistics for policies and dissemination tools, are a powerful mean to improve the production of good quality statistics on well-being and sustainability.

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