

Is wellbeing the new paradigm for public policy?

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Conference on 'Building Wellbeing into Policy and Action'

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Why are we all suddenly talking about wellbeing? What is wellbeing? Is it a new thing? And what is the link between wellbeing and public policy? Is it a temporary fad or a potentially major paradigm shift in governance? Where is it likely to lead in the next decade? These are some of the questions I want to explore this morning.

(PPT #2). Historically the idea of wellbeing as a key goal of government is not a new idea in political thinking.

(PPT #3). And, at least in democratic countries, it is not a strange idea that the wellbeing of the people, broadly defined, should be the lodestar to guide public policy - because it is implicit in the idea of democracy as a form of government, and embedded in democratic laws and constitutions, that government should act in the best interests of citizens. And it is no coincidence that the most successful democracies also tend to have the highest levels of wellbeing.

(PPT #4). Nor is it surprising that the citizens themselves firmly support this idea. Most believe that the wellbeing of the people, and not growing national wealth, should be the chief priority of their governments and the essential measure of national success.

Why GDP is not a good measure of wellbeing or social progress

(PPT #5) But in Australia and most countries around the world, the **de facto** priority of governments and the most influential measure of national progress and success – and of wellbeing - has been increasing the rate of economic growth and the GDP. Right now, GDP is the dominant paradigm of public policy.

From a wellbeing perspective, this seems to have been justified – on the rare occasions when economists and governments felt it necessary to do so - by two key assumptions. The first is that increasing the production of goods and services inevitably and continuously increases wellbeing. And certainly, there are some obvious links between economic growth and the growth of wellbeing, especially in poorer countries but they are not axiomatic nor universal. As Simon Kuznets, one of the inventors of GDP, himself pointed out 'GDP is not a measure of wellbeing and proponents of economic growth need to ask: Growth for whom? And for what?' In practice, equating economic growth with wellbeing only makes sense if you actually define wellbeing or societal progress as continuous growth in consumption and production. Which our advertising industry tries very hard to do.

The second key assumption is that any minor wellbeing problems caused by the overzealous pursuit of market economic growth - such as environmental degradation, poverty and inequality - can always be fixed up by more economic growth.

Both these assumptions have proved increasingly threadbare. After nearly 50 years of the global 'Beyond GDP' movement, after recessions, growing inequality, wage stagnation and the

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shock of climate change, the limitations of GDP as a measure or goal of wellbeing and societal progress are now well known and broadly accepted. They fall into four broad categories.

(PPT #6) As a measure of true societal progress, GDP can first be criticised firstly for its technical accounting failures such as counting all economic activity as positive and having no balance sheet of profit and loss or asset depletion.

(PPT #7) And secondly, for failing to include the very qualities of life that matter most to people's wellbeing, but which are not traded in the market, such as leisure, culture and good public institutions.

(PPT #8) Thirdly, the excessive focus on GDP over fifty years has helped to produce a range of negative and even dangerous environmental, social and democratic impacts, along with the material benefits.

(PPT #9, 10) And lastly, putting GDP effects first can produce grotesque distortions in the reckoning of human progress. Victoria's deadly bushfires in 2009 were a human and environmental catastrophe, which destroyed 173 people, 11 townships and a million animals. But by the grim reckoning of GDP, the extra spending on reconstruction, compensation and funerals actually produced a boost to state progress of \$4 billion that year.

Personally, I would add two further criticisms of GDP from the perspective of wellbeing and true national progress. One is logical and one ethical.

From a logical perspective, it is a fundamental error to treat GDP and the growth of our economy and our national wealth as a **goal** of national progress because it is at best a **means** not an end.

(PPT #11) The great Greek philosopher Aristotle made this point over 2000 years ago when he said 'Wealth is evidently not the good we are seeking for it is merely useful and for the sake of something else'.

(PPT #12) And the same point was made 10 years ago in the more prosaic language of the European Statistical Commission: 'Citizens rightly consider that the main purpose of political action is to improve present and future well-being. Increased production of goods and services, as measured by the GDP growth rate, is only an intermediate target. Economic growth may well be necessary, but it is not sufficient for society's progress'.

(PPT #13) From an ethical perspective, to suggest that the highest goal and aspiration of our nation should be the continuous production and consumption of goods and services somehow seems strangely banal and reductionist, if you consider the full range of human capacities, the ideas of great thinkers and reformers, the richness of human life and the glories of our planet. Are we saying in effect that the meaning of life is shopping?

(PPT #14). So, as the UN said 26 years ago, by focusing on economic growth alone, we are mismeasuring progress and we need a new way to measure progress and wellbeing, that is people centred, equitable and sustainable.

(PPT 15) A decade later, the leader of the OECD Angel Gurría translated this into a call to arms to citizens, scientists and politicians to rethink the meaning of progress beyond GDP, and to work together to build better policies and more inclusive visions for the future of their societies.

So I think it is now beyond doubt that in Australia we need a new paradigm for public policy and a new national vision. The times we are living in demand that this new paradigm should be comprehensive, concrete, democratically developed and above all directed to the health of people and the planet.

This is where wellbeing comes in – or at least a more carefully considered notion of wellbeing, because, as I shall argue, wellbeing as we now understand it, still needs some work if it is to become the new paradigm of public policy. It is not yet a perfect replacement for GDP as a measure of national progress, but it is very useful and timely and it can be improved. And it

seems to me to be – along with human rights and ecological sustainability - the right starting place for a better vision of social progress.

What does wellbeing mean?

(PPT #16) So if we want to make wellbeing the key priority of government and develop new policy frameworks to measure it, then we must first be able to describe and define it clearly. This is true of all good public policy and of social progress generally. You can't measure what you can't define.

What does wellbeing mean? Clearly right now it is a complex and contested concept, even though it has been around a long time and most people would say they know what it means to them.

The simplest dictionary definition of wellbeing is 'the state of being comfortable, healthy or happy', predominantly referring to individuals. But wellbeing is a multi-dimensional concept: we can talk about physical, mental, economic and social wellbeing.

In public policy, it has different meanings and is understood very differently by groups in society or government.

It can mean health or an extension of health – ie **holistic health** as defined by the WHO, not just lack of illness.

It can mean **welfare**, as traditionally understood, meaning mainly government programs for the poor and disadvantaged

It is part of the idea of **standards of living**: meaning the necessities for basic material wellbeing, such as income, housing, health etc.

Or we can talk about **quality of life**: a wider concept encompassing the elements of a good life in the context of a particular society.

A different perspective on wellbeing is **capability development** (a concept developed by Amartya Sen and Martha Nussbaum): that is, the capability of people to achieve lives they value: a concept more associated with poorer and developing countries.

Or wellbeing can be thought of as **subjective wellbeing**, which is essentially self-reported and includes a person's life satisfaction, happiness, contentment, sense of meaning and purpose in life, relationships, etc.

And finally, there is wellbeing as **lifestyle or wellness**: this is sometimes disparaged as a middle-class notion that conjures up visions of spa baths and macrobiotic yoghurt.

Harmonising our wellbeing frameworks

I would argue that we need a clearer and more inclusive definition of wellbeing if it is to make full sense and be most useful in public policy terms. Reframed in this way, it would come closer to the idea of 'holistic societal wellbeing'.

Although the subjective and material wellbeing of individuals by any measure will always be a key element of the overall progress of a society, simply aggregating, and still less averaging, the material and subjective wellbeing of individuals in a society, is not itself a sufficient or comprehensive measure of the overall progress or success of that society.

For example, it is quite possible to imagine a society in which most people individually are healthy and well off materially, emotionally and socially while at the same time their high levels of wellbeing are sustained primarily by exploiting the wellbeing of minorities or of people in other countries (what we used to call colonisation) or by excessive use of natural resources and even destruction of the planet, thereby damaging their wellbeing of future generations.

To chart the true progress and wellbeing of a society, we will need to measure broader and harder to measure factors including those that Robert Kennedy mentioned in our earlier example, such as

- the strength of its qualities and values such as compassion, justice, resilience, citizenship, fairness, social solidarity, culture and creativity, and the extent to which it applies these values in practice;
- the health and effectiveness of its supporting institutions and systems including its democracy, culture, economy, media and legal system;
- its environmental health and ecological sustainability; and
- its performance as a global citizen.

Fitting all of these criteria into the definition of wellbeing may seem like something of a stretch. For example, it seems a bit odd to talk about the wellbeing of an institution like democracy or the media, although the concept works better if you think of wellbeing as good health or effective performance.

(PPT #17) Personally, I think the most useful alternative shorthand definition of social progress to GDP is the formula proposed by the UNDP and the OECD and adopted by the Italian government: 'equitable and sustainable wellbeing' or in Italian *Benessere Equo e Sostenibile*, or BES, as Italy's national framework is titled.

(PPT #18) The Dutch social scientist Rutger Hoekstra argues that, in the global 'beyond GDP' movement, we have spent decades developing dozens of different and competing frameworks to define and measure societal progress in place of GDP, each vigorously promoted, but mostly covering very similar ground. This is because in most countries the key elements of progress and wellbeing are broadly agreed, even if the titles of their frameworks are different, such as 'Wellbeing', 'Quality of life', 'Social Progress' etc.

Hoekstra comes to two conclusions about where we need to go now. First, he believes that what we need now is not more models, but a strong process towards harmonisation and universal standards of wellbeing and social progress that can be applied and compared across the world. Ironically, he points out, it was the international harmonisation of GDP that instantaneously catapulted it to global influence and application. And the second thing is that we must start to build wellbeing goals and measurement into government and institutions at all levels.

(PPT #19) I think Hoekstra is right. As the OECD recently pointed out, more than half of its 38 member countries now have developed some form of national wellbeing or progress framework. Despite the proclaimed differences, there are in fact very strong commonalities in all these frameworks in the selection of the key life domains that in aggregate make up overall national wellbeing or progress. Those shown here from the ANDI project are typical of many others.

(PPT #20) One of the most ambitious frameworks for the multi-dimensional definition and measurement of national progress and wellbeing is New Zealand's Living Standards Framework. It attempts to bring together different dimensions, levels and concepts of national wellbeing into a single model that combines: individual and collective wellbeing; institutional, cultural and governance wellbeing; and current and future wellbeing. Current wellbeing is represented through twelve conventional wellbeing domains such as health, knowledge, housing and subjective wellbeing. Future wellbeing is represented by measuring the status of New Zealand's wellbeing capital stock, the assets on which the wellbeing of future generations will rely. This includes the natural, environmental, financial and physical capital, social cohesion, human capability and culture. All these elements of wellbeing are then assessed against four supervening values: equity or distribution, resilience, productivity and sustainability.

The democracy of wellbeing

I do disagree with Rutger Hoekstra in one key respect. In a democratic society, the development of new national public policy goals and measures of progress and wellbeing is not mainly a top-down technical or statistical task. One of the key lessons from over 20 years of the global 'Beyond GDP' movement, as we shall see, is the importance of engaging citizens and the community at every step on the way. This is a vital element that is all too easily left out or at best undervalued by governments and bureaucrats, even the most well-meaning, who simply want to get things done as quickly as possible. And community engagement is not usually quick.

(PPT #21) There are in fact important links between democracy and the task of defining the nation's goals and measures of progress and wellbeing at many levels.

Perhaps the most important link is this: The goals and definitions of progress and wellbeing that we set collectively as a community or a nation have a fundamental effect on the outcomes and life chances of citizens. That is why, in a democracy, the process of selecting them is in the first instance a democratic, not a technocratic, one. That is why we need citizens to be directly engaged in defining what wellbeing and progress mean, or should mean, for themselves, their communities and their country.

(PPT #22) There are other good reasons, having to do with transparency and accountability and better-informed citizens, as shown in the slide, but one that is particularly relevant today in Australia and other democracies. Involving citizens in helping to develop the goals and the measures of social progress for their country or community is an important and meaningful democratic task for citizens, and one that will help rebuild democratic trust and confidence; but it is all the more important at a time when, as now, democracy and civic trust are in fact declining across many fronts and when new methods of re-engaging citizens and renewing democracy are urgently needed.

(PPT #23) In ANDI's current project in WA, the Western Australian Development Index or WADI, as my colleague Geoff Woolcock will explain on Wednesday, we are developing what may be the most extensive community engagement program in the state's history, designed to engage the whole Western Australian community over 2 two years and through a variety of different platforms, in answering the question: What kind of Western Australia do we want? The aim is to develop an ongoing progress and wellbeing framework with strong community trust and recognition, that can guide public policy at different levels and help build a shared vision for the state's future development.

Why wellbeing is good for public policy

So to come back to my earlier question: Why is wellbeing potentially so useful and timely as a new – or perhaps reinvented – central theme of public policy in Australia?

(PPT #24) To answer this question, we need to first to ask what makes good public policy. Ultimately all good public policy needs to be guided by clearly defined values and goals and a shared vision for the society's development: and these goals and values need to be translated into concrete policies, targets and progress measures.

(PPT #25) Values and a shared vision are not merely add-ons or icing on the cake. For our Canadian friends, for example, they were the starting point of their national wellbeing index.

I think that the benefits of a wellbeing approach in public policy, compared to, say, economic growth as the paradigm of progress, can be summarised in six essential points:

- Wellbeing is essentially people-focused.
- It is acceptable politically, it isn't ideological and it is broadly bipartisan.
- It aligns with community values (and politicians need to remember that strong high wellbeing supports incumbent governments).
- It is goal oriented (compared to economic growth, which is essentially a means not an end).

- It enables a better focus on outcomes.
- Finally, because wellbeing is a broad and supervening concept, it can be a better lens to judge overall societal progress across all key fields and a better means to coordinate activity across policy silos by showing the interconnection of different policy areas in their impact on wellbeing.

How different countries are building wellbeing into policy

As I indicated, one of the key drivers of the wellbeing paradigm has been dissatisfaction with the excessive influence of GDP in policy and progress measurement and the growth of a global movement to develop new measures and goals of societal progress.

This is now really quite a venerable movement, and its origins can be traced back at least to the 1960s and work by the UN to develop national social accounts. This work was later picked up by the OECD in the late 1970s and then dropped when it collided with the growing neoliberal temper of OECD member states. But in 2004, it was taken up again with huge flair and energy by the OECD's extraordinary new Statistics Director, Enrico Giovannini. And this time he had plenty of new friends.

Over two decades, what started as a small stream has become a great river, as the statisticians were joined by the women's movement, environmentalists, development economists, community planners and then wellbeing psychologists and finally with a mighty rumble, climate change and the UN SDGs. These began to make common cause since all of them in some degree had a grievance with the dominance of GDP or the notion of unlimited economic growth.

In this time a large and sometimes bewildering array of projects sprang up, focused on some aspect of defining and measuring wellbeing and progress, from the international and national through to provincial, local and community-based. A decade ago, the OECD produced a world map of projects but couldn't fit them all in.

(PPT #26). So what has been learnt from all this activity and from broad-spectrum communiqués and reports such as the Istanbul Declaration (2007) and the Stiglitz Commission (2009)? From the perspective of wellbeing and public policy, I think there are six essential lessons:

- True societal progress must be holistic and encompass the economy, society, culture, environment and governance.
- Qualitative and subjective dimensions of progress need to be considered as well as objective and quantitative dimensions
- The problem we are facing is not just the wrong measures but the wrong model of societal progress.
- A better formulation of true progress would be 'increases in equitable and sustainable well-being'.
- Developing a new progress paradigm and new measures is a democratic issue, and requires citizens to engage with academics and policy-makers.
- We must now consider the implications of these new progress measures, and how they can be best put into practical application, use and understanding. New measures must be embedded in government – in budgets, planning and evaluation - if they are to lead to policy change and true progress.

Most recently, at least amongst the more advanced countries, there has been a strong convergence on the last lesson: how to build wellbeing goals values and measurement into government and policymaking.

(PPT #27). As you can see from this table, these leading countries have deployed a wide range of entrenchment mechanisms: from making wellbeing a constitutional priority in Ecuador, or legislating it as a whole of government priority in Wales, or setting up a national wellbeing policy coordination body even more powerful than our own Productivity Commission, as in Bhutan, to a series of rules and regulations in many countries for applying wellbeing criteria and measurements in developing budgets, and evaluating cabinet submissions. As we saw, most OECD countries now have some form of holistic wellbeing measurement framework; and many have national community engagement programmes and surveys supported in varying degrees by government.

(PPT #28) And this summary doesn't do justice to some of the most interesting examples. Scotland, for example, has one of the most integrated systems which begins with a central statement of government purpose and values, moves to aspirations and then sets a series of outcomes and measurements.

In the UK, the government funds the What Works Wellbeing Centre, a wellbeing being policy advisory centre. There is also an All-Party Wellbeing Economy Parliamentary Group and, believe it or not, the House of Lords itself recently passed a radical act entitled 'The Wellbeing of Future Generations Act' - which it admittedly copied from the Welsh model.

(PPT #29) For my money, it is the model developed by Wales that takes the gold medal, although Bhutan certainly deserves a special mention for originality with its Gross National Happiness Index, started in 1972. But no other country has built wellbeing so comprehensively and thoughtfully into its legislation, policy making, planning, budgeting and education processes. The Welsh legislation, the Wellbeing of Future Generations Act, is far sighted and visionary; it defines clear sustainable wellbeing goals and values; it requires all government agencies to abide by these values, and to set their own goals and evaluate progress against them; it is powerfully focused on young people and developing youth leadership; it establishes a Commissioner for Future Generations with extraordinary powers to interrogate and intervene in government policies and decisions; and it nurtures an imaginative and inclusive community engagement and schools education programme. It is not for nothing that the Secretary General of the United Nations a few years ago proclaimed Wales as an example to the world and a model for the UN itself.

Developments in Australia

Here in Australia, we have had a mixed record, with some notable achievements and also some blind spots and disappointments, but our most recent efforts are encouraging.

We were one of the first countries to institute a parliamentary inquiry into the measurement of national wellbeing, initiated by the Senate in 1993. This was followed in 1997 by the first national conference on Measuring Australia's Progress and then, starting in 1999, the development of the ABS's pioneering project by the same name, a project which the OECD later admitted was the basis for its own global project, 'Measuring the progress of societies'. This was followed five years later by the Treasury's Wellbeing Framework, also an early international leader, later copied and improved by New Zealand. Regrettably both the ABS and the Treasury programmes were discontinued through lack of government support.

Also in the past 10-15 years, and perhaps less noticed, most states have legislated to require local governments to develop long-term community wellbeing plans which require citizen engagement, goal setting and progress measurement.

And in the non-government field, there have been a number of community and health organisations which have developed or supported wellbeing measurement projects. My colleague Geoff Woolcock will speak on Wednesday about one of these, the Australian National Development Index project (or ANDI), which has been promoting and supporting citizen-based

wellbeing measurement across Australia and internationally for the last 17 years and is now gearing up for a major national expansion.

But it is in the last two or three years, after a long interregnum, that the pace seems to have lifted spectacularly in Australia in terms of government recognition and adoption of the wellbeing agenda.

We have seen the ACT develop a wellbeing framework with citizen engagement and start to put it into action in budgets and policy.

In WA, ANDI is working with the State government, universities, local government and the community to develop a \$13 million 5-year program for what we hope will be the most advanced and democratic wellbeing public policy tool in Australia: again, Geoff will be talking about this on Wednesday.

In Victoria, the Treasurer has announced plans for a wellbeing budget, with some pushing by the Victorian Council of Social Service, which is working hard to make wellbeing an election issue, and the Victorian health promotion agency, VicHealth.

The NSW government is steadily developing a state wellbeing framework which began life as an innovation idea in the Department of Planning and Environment.

The Tasmanian Premier has announced that his state will develop a comprehensive wellbeing framework to guide policy making and planning.

We will be hearing more about all of these projects in the next few days.

And most recently, and perhaps most significantly, Federal Treasurer Jim Chalmers has announced in the Budget Papers a blueprint to develop a national wellbeing budget, after the concept was rudely mocked by his Liberal predecessor as a kind of deranged hippie fantasy.

Of this initiative, I think we are entitled to say that it is a careful and thoughtful start, but it still has a long way to go, as respected economics commentator Ross Gittins pointed out. It has some significant gaps in terms of community engagement. It needs to go beyond merely developing wider progress measures and consider how to build wellbeing into the structure of government and policy making; and to be successful as a whole of government project, which it should aim to be, it will require a strong partnership with the Department of Prime Minister and Cabinet and perhaps other state government efforts. But it is a promising start and it is especially encouraging that Treasurer Chalmers has clearly been impressed by the world leading New Zealand model developed by his friend Finance Minister Grant Robertson. Finally, the Treasurer's plan throws out an unambiguous challenge to the broader wellbeing community to make its views known to the government and to fill these gaps. And we must take it up with vigour and enthusiasm.

(PPT #30). In this connexion, two important recent reports, by the Centre for Policy Development and the George Institute for Global Health with Vic Health, have highlighted the array of possible models for building wellbeing into governments and budgets that could be adopted by Australia.

Conclusion: an opportunity to transition beyond the political cycle

So to return now to the question that is the title of my talk. Yes, I believe we are seeing the beginning of a major paradigm shift in Australian public policy. And it is one that can potentially transform the nature of our society and our politics for the better.

But like most structural shifts in society, it will not happen quickly or easily. And there will be substantial and prolonged resistance at many levels. The dominance of economic growth and economics as the principal paradigm for public policy has now been deeply entrenched in nearly three generations of politicians and policy makers.

Arguing the case for a wellbeing economy in 2019, Professor Joseph Stiglitz said

‘The economic reforms we need will face serious political challenges because of the influence of vested interests ... At stake in both America and Europe is our shared prosperity and the future of representative democracy. ... We have conducted a 40-year experiment with neoliberalism. The evidence is in, and by any measure, it has failed. And by the most important measure – the wellbeing of ordinary citizens – it has failed miserably’.

In Australia, I believe we have a special opportunity to get this transition right. We have the resources, the experience and the incentive; we have many successful models to learn from, and a broad and fast-growing coalition of community, policy and research interests, and perhaps some governments, to drive this change and citizens who are ready for it. And after COVID-19 and so much talk about building back better which came to little, building a new public policy based on equitable and sustainable wellbeing promises to be a more concrete and meaningful form of inclusive nation building.

Perhaps the last word belongs to an inspiring political leader who's done more than almost any other to promote and entrench the concept of wellbeing in public policy. In 2019 at the Davos World Economic Forum, Jacinda Ardern laid out with courage and candour her vision for New Zealand and the time scale needed to achieve it. She said:

‘through the wellbeing work we are doing... we're hoping to embed ... what actually the public are asking for us to address, the societal wellbeing of our nation, not just our economic wellbeing ...

This gap that we have in measuring success and broadening out what success is ... actually gets to the heart of politics and our political crisis.

So some of the work we're doing now will probably reap the benefits in 20 years' time. But if you start looking at a lens of politics through what we like to use – kindness, empathy, wellbeing - it actually doesn't matter what happens just in a political cycle, it matters what happens over decades’.

Thank you.

Is wellbeing the new paradigm for public policy?

Mike Salvaris

'Building wellbeing into policy and action in Australia'
University of Canberra, 21-23 November 2022

Figure 5.1: 'The Graph', Michael Leunig.



Wellbeing the key goal of government

Our object in the construction of the state is the greatest happiness of the whole, and not that of any one class.

(Plato, 429 – 347 BC)

The care of human life and happiness, and not their destruction, is the first and only object of good government.

(Thomas Jefferson, 1743-1826, Third President of the USA)

77% of Australians believe that government's chief objective should be to promote policies designed to maximise human happiness and wellbeing rather than greater wealth.

(Ipsos Mackay poll, 2006)

Democracy and wellbeing are linked

Most democratic ⁽¹⁾	Highest wellbeing ⁽²⁾
1. Denmark	1. Finland
2. Norway	2. Denmark
3. Finland	3. Switzerland
4. Sweden	4. Iceland
5. Germany	5. Netherlands
6. Switzerland	6. Norway
7. Netherlands	7. Sweden
8. New Zealand	8. Luxembourg
9. Belgium	9. New Zealand
10. Costa Rica	10. Austria

1. Universität Würzburg 2020. 2. World Population Review 2021

Wellbeing of people most important purpose of government

Question: What is the primary purpose of government?

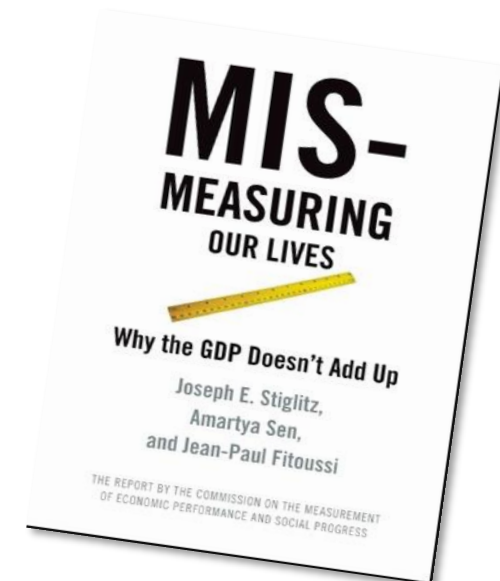
Improve overall wellbeing of population	32%
Deliver and fund critical services and social infrastructure	31%
<i>(Government should deliver social services directly: 89%)</i>	
Ensure a decent standard of living	19%
Maintain public safety and the rule of law	11%
Create opportunities for children and future generations	8%

(Source: Essential Media, 'Essential Report – CPD', February 2022)



Why GDP is not a good measure of society's progress

- Counts all economic activity as a positive.
- Includes economic activities that reduce well-being (e.g. crime, prisons, tobacco, military weapons, pollutants).
- Ignores non-market production (e.g. unpaid domestic work).
- Ignores key factors of well-being (health, education, working conditions, equity, time use, social relations, citizenship, etc.).
- Ignores factors essential to sustain well-being (e.g., the stock of environmental, human and social capital).



Why GDP is not a good measure of society's progress

“...the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile.”

~ROBERT KENNEDY



Negative social impacts of excessive focus on GDP

- Over-consumption and unsustainable growth create climate change, waste, environmental degradation, unliveable cities, pollution
- Increasing inequalities (of wealth, power)
- Insecure work, job losses and declining real wages
- Individualism and competitiveness reduce altruism and create less caring communities
- Short term profits are put before long term planning and community wellbeing
- Concentration of political power and weakening of democracy

The Victorian bushfires 2009: a \$4 billion boost to 'progress'?



Black Saturday, February 2009

A human catastrophe ...

- 173 people died
- 7500 people homeless
- 2030 houses destroyed
- 78 towns damaged
- 11 totally destroyed
- 1 million animals died

.. but an economic bonanza!

**Overall verdict on the 'GDP index of progress':
a \$4 billion boost to Victoria's 'progress' from:**

- emergency worker overtime
- health and funeral costs
- legal costs
- new homes and cars
- rebuilding townships

Aristotle on the limits of wealth

Wealth is evidently not the good we are seeking, for it is merely useful and for the sake of something else.

(Aristotle, 384 – 322 BC)

GDP only ‘an intermediate target’ for citizen wellbeing.

Citizens rightly consider that the main purpose of political action is to improve present and future well-being.

Increased production of goods and services, as measured by the GDP growth rate, is only an intermediate target. Economic growth may well be necessary, but it is not sufficient for society's progress.

Strange algebra?

If GDP = Social progress

then Life = Shopping

We are 'mismeasuring' progress

Human advance is conditioned by our conception of progress... It is time to end the mismeasure of human progress by economic growth alone.

The unavoidable conclusion is that, to be valuable and legitimate, development progress ...must be **people centred, equitably distributed, and environmentally and socially sustainable.**

(UNDP, 1996, Human Development Report)

We must rethink progress and build new visions for society

We are facing both an opportunity and a duty to rethink what progress really means and to build stronger and more inclusive visions for the future of our societies.

Citizens are looking for new ways to improve their lives. We need committed citizens, scientists and well-informed leaders ready to engage the whole of society in an assessment of the challenges ahead. Adequate measurements are essential in helping our societies to define their goals; ensure that we design the right policies to achieve them; and tell us whether those policies are working.

(Angelo Gurría, Secretary General, OECD, 3rd OECD World Forum on Statistics, Knowledge and Policy 'Charting Progress, Building Visions, Improving Life', Busan, South Korea, 27-30 October 2009).

To develop social indicators that can evaluate the health of society, we are faced with the necessity of spelling out some more or less explicit working model of society.

Kenneth Land, US Sociologist

bes | 2013

EQUITABLE
AND SUSTAINABLE
WELLBEING IN ITALY

SUMMARY



REPLACING **GDP** BY 2030

*Towards a Common Campaign for the
Well-being and Sustainability Community*



RUTGER HOEKSTRA

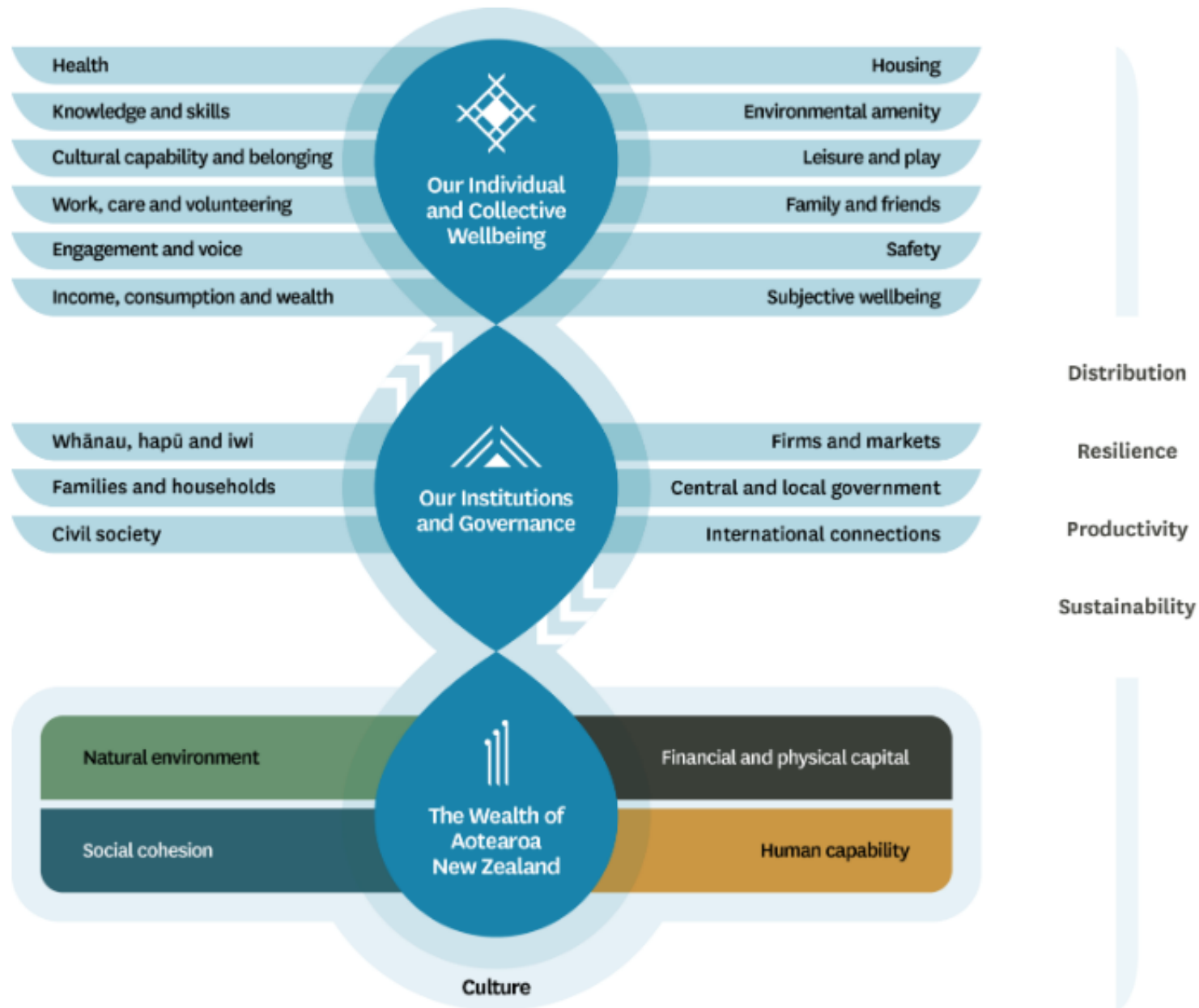


ANDI: progress domains for sub-indexes

ANDI will produce an index and a progress report each year in twelve 'progress domains', such as:

Children and young people	Environment and sustainability
Community/regional development	Fairness and justice
Culture and leisure	Health
Democracy and good governance	Indigenous wellbeing
Economic life and prosperity	Subjective wellbeing & satisfaction
Education and creativity	Work-life and employment

The Treasury's Living Standards Framework



Defining and measuring progress and wellbeing is a democratic issue

1. How a society defines its goals and key progress measures directly affects the life chances of its citizens.
2. The wellbeing of its citizens is the most important priority of a democratic government.
3. A healthy democracy **both** improves progress and wellbeing generally **and is itself** a key element of society's progress.
4. Citizens need good information to make good democratic decisions.
5. Good progress measures make for more transparent and accountable government.
6. Genuine engagement of citizens in the task of defining and measuring progress strengthens their democratic capacity and their trust in democracy.

Australia's shrinking democracy: 10 warning signs

1. Low and declining public trust in government.
2. Decline in voting rate.
3. Falling participation in political parties
4. Growth in corporate & privatised (less accountable) government
5. Increase in corrupt influence (gov't advertising, political donations, cash for access, etc)
6. Growing inequality in wealth and opportunity
7. Weakening of civil rights and privacy
8. Declining citizenship education levels in schools
9. Declining youth support for democracy Vs other forms of government
10. Declining youth voter enrolment



Western Australian Development Index

The Department of Local Government, Sports and
Cultural Industries



The better the question. The better the answer.
The better the world works.



Building a better
working world

What makes good public policy

- Based on clear values and goals
- Directly reflects citizen needs and priorities
- Has strong evidence and research base
- Reflects expert advice and best practice
- Defines clear and feasible targets

Canada's Index of Wellbeing - based on values

When we in Canada first started talking – roughly a decade ago – about measuring and reporting on our progress as a society, we realized that it begged the fundamental question, “progress toward what?”

We made a firm commitment that whatever we came up with, it would have to be rooted in Canadian experience and grounded in the values that have shaped our country – fairness, diversity, equity, inclusion, health, safety, economic security, democracy and sustainability.

(Roy Romanow, Chairman, Canadian Index of Wellbeing, ‘The Canadian Index of Wellbeing: Its successes as a tool for planning, policymaking and nation building’, OECD 4th World Forum on Statistics, Knowledge and Policy, Delhi, 2012.)

After 20 years, these are the key lessons of the global movement to redefine progress

1. Societal progress must be holistic: economy, society, culture, environment and governance.
2. Qualitative and not just quantitative dimensions of progress, are important.
3. The problem we are facing is not just the wrong measures but the wrong model of societal progress.
4. A better formulation of true progress would be ‘increases in equitable and sustainable well-being’.
5. Developing a new progress paradigm and new measures is a democratic issue, and requires citizens to engage with academics and policy-makers.
6. We must now consider the implications of these new progress measures, and how they can be best put into practical application, use and understanding. New measures must be embedded in government – in budgets, planning and evaluation - if they are to lead to policy change and true progress.

How wellbeing can be ‘built in’

Initiative	Country
Constitutional entrenchment of wellbeing priorities	Ecuador
Legislation for wellbeing as government priority	Wales
National wellbeing policy coordination body	Bhutan
Wellbeing budget rules	Italy
Wellbeing budget framework	New Zealand
National wellbeing performance targets	Scotland
Sustainable Wellbeing Commissioner	Wales
Independent expert report to Legislature	USA (Obama KNI Act)
Local government wellbeing legislation	Australia
National community engagement program	Canada, Australia
Annual community wellbeing survey	Canada, UK ONS
Annual or monthly wellbeing domain reports	Canada, Australia, NZ
University sustainable wellbeing consortium	Italy
School education programs	Wales



Scotland's National Performance Framework

(new 2018 edition)



Well being of Future Generations (Wales) Act 2015

Well-being of Future Generations (Wales) Act 2015



Llywodraeth Cymru
Welsh Government

www.gov.wales

The Essentials

Well-being Goals



A toolkit to progress wellbeing economy approaches in Australia

Report prepared for the Victorian Health Promotion Foundation (VicHealth) by Dr Alexandra Jones and Chelsea Hunnisett, The George Institute for Global Health, UNSW, Sydney



vichealth.vic.gov.au

Redefining progress

Global lessons for an Australian approach to wellbeing



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Thank you for your attention!

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