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

International perspectives: lessons for building wellbeing into policy and action

Building wellbeing into policy and action in Australia

Canberra, 21 November 2022 (virtual presentation)

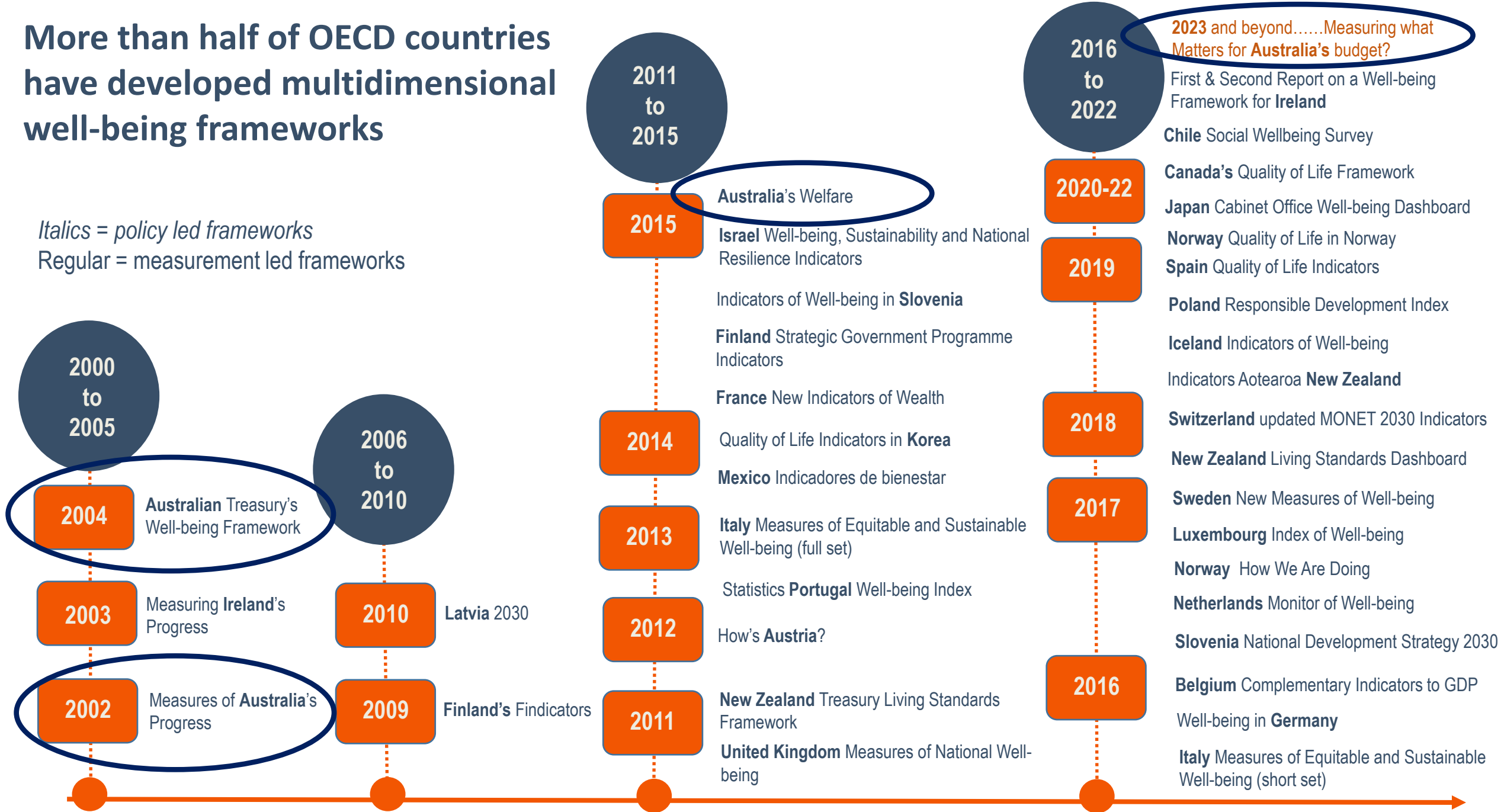


**Brief overview of
well-being frameworks
in OECD countries**

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

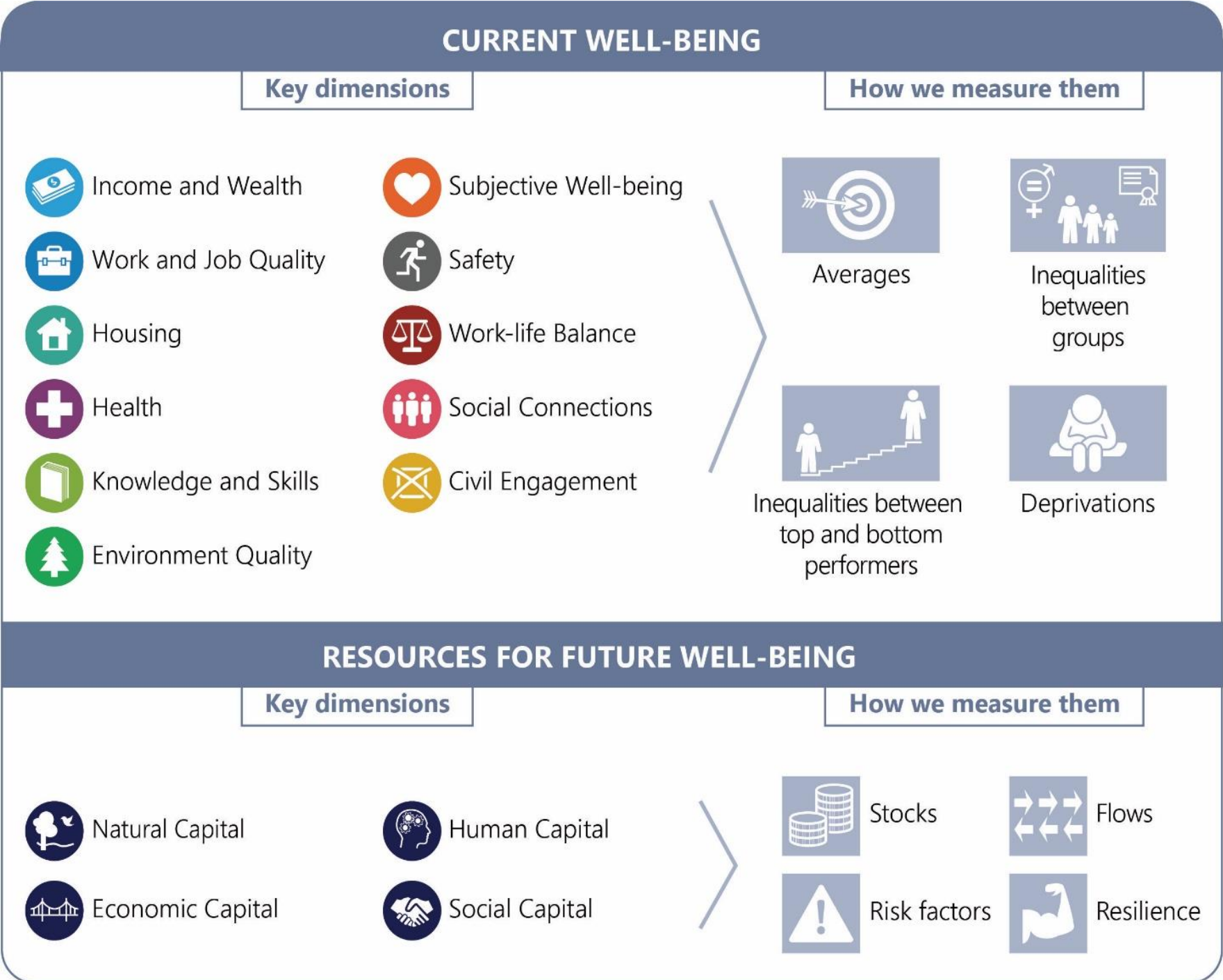
Italics = policy led frameworks

Regular = measurement led frameworks



OECD Well-being Framework (2011)

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



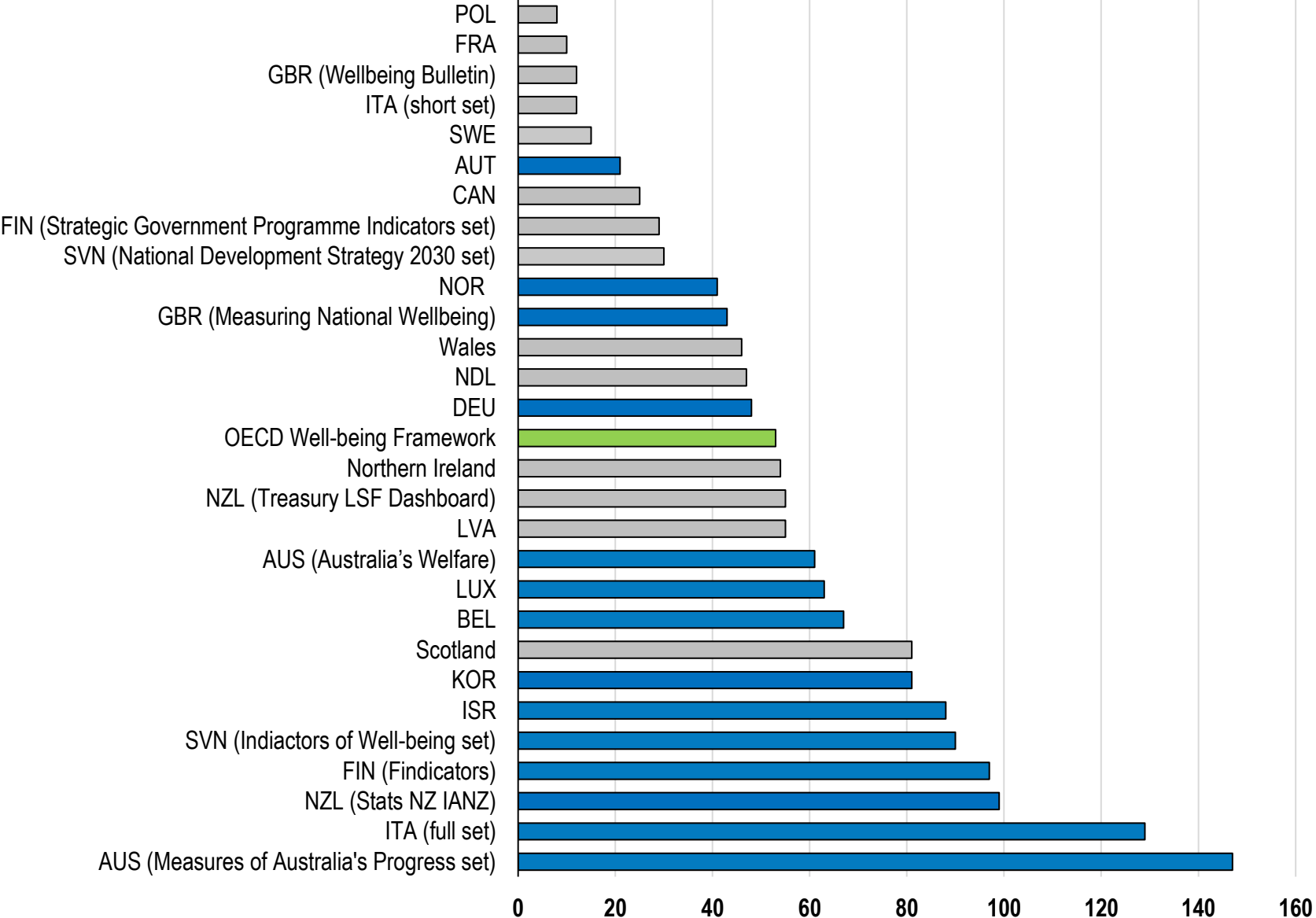
OECD (2020) *How's Life? 2020: Measuring Well-being*, OECD Publishing, Paris
<https://doi.org/10.1787/23089679>
www.oecd.org/howslife

Multidimensional well-being dashboards come in different shapes and sizes

Blue: measurement initiatives, usually led by statistical offices

Grey: policy initiatives, usually led by government ministries

X-axis = number of indicators included



**What are the policy problems
that countries are trying to solve
with well-being approaches?**

A well-being approach provides a more complete, balanced and nuanced picture of societal progress and its sustainability (“beyond GDP”), that can better reflect the complexity of policy problems

“We face **big, complex, long-standing problems that we need to solve**, such as poverty, homelessness, climate change, issues with mental health, environmental degradation and disruption from new technology. The Treasury wants to help tackle these problems, by working towards higher living standards for New Zealanders.

At its core, **a wellbeing approach is about ensuring the broad range of factors that matter to New Zealanders are central to our definition of success and drive our decision making**. After all, economic growth isn’t an end in itself, but a means through which we can deliver greater prosperity to people, and better living standards over the longer term.

The Treasury developed the Living Standards Framework (LSF) to **strengthen the robustness and rigour** of our advice about lifting living standards. The LSF helps us to do that by providing a framework to systematically consider the broader impacts of our advice.”



**TE TAI ŌHANGA
THE TREASURY**

Struan Little, Secretary to the New Zealand Treasury

Speech on “What the Treasury’s Living Standards Framework means for the public sector”

15 August 2019

<https://www.treasury.govt.nz/sites/default/files/2019-08/sp-what-treasurys-lsf-means-for-public-sector.pdf>

A well-being approach helps governments progress on both long-term and short-term priorities simultaneously, promoting preventative strategies alongside more reactive policy making

“The business and cycle of Government is, in some ways, no different to life itself.

Navigating difficult times, while also making necessary progress. **Dealing with the unexpected, and always, always planning for the future.**

Challenges not least of which include a one in 100 year health crisis, followed by the biggest economic shock since the Great Depression. And just as the world was recovering, it’s been plunged into the uncertainty of war.

Giving people as much certainty and security as possible in uncertain and insecure times is hard, but it’s what we must pursue. And that is what we have set out to do in Budget 2022. **Deal with the immediacy of the economic and health challenges Kiwis are facing, while also looking to the challenges of tomorrow, and seeking to buffer our people from both. It’s an approach that, as always, is focused on people.**“



Te Kāwanatanga o Aotearoa
New Zealand Government

New Zealand Prime Minister
Jacinda Ardern

Wellbeing Budget 2022 speech

19 May 2022

<https://www.beehive.govt.nz/speech/prime-minister-wellbeing-budget-2022-speech>

A well-being approach can:

- promote better appraisal and evaluation of the impact of policy on people's lives (including more clearly identifying trade offs and synergies so they can be properly debated)
- highlight inequalities across a wide range of outcomes and opportunities – showing the diversity of people's experiences

“Through promoting a better understanding of life and progress in Ireland, Ireland's Well-being Framework can provide **objective simultaneous evaluation of competing priorities** such as the climate, housing, education, and health.

By facilitating **broad sustainability considerations and drawing out inequalities it provides insights into intergenerational considerations and people's lived experiences and how they differ.**”



gov.ie

Department of the Taoiseach, Ireland

“Taking the Well-being Project Forward”

October 2021

<https://www.gov.ie/en/publication/38566-taking-the-well-being-project-forward/#a-well-being-approach>

A well-being approach can support the strategic alignment of goals across government, priority-setting and accountability

“Monitoring and reporting on a broader set of measurements, rather than just on standard economic ones, aims to better ensure that **government actions are coordinated and that decisions are evidence-based**, with investments focussed on areas that have the greatest impact on Canadians’ quality of life. It would also **improve policy coherence, transparency and accountability with respect to government priorities, objectives and results.**”



Government
of Canada

Gouvernement
du Canada

“Measuring What Matters: Toward a Quality of Life Strategy for Canada”

April 2021

<https://www.canada.ca/en/department-finance/services/publications/measuring-what-matters-toward-quality-life-strategy-canada.html>

A well-being approach can anchor issues at risk of falling beyond the radar in policy discussions, such as social connectedness and mental health, and reorient policy prioritisation towards societal well-being goals

“Fifty years have elapsed since Robert Kennedy rightly said that GDP measures everything except that which makes life worthwhile.

Economics is nonetheless still centered on the measurable, dividing government outlays into two categories: expenses and investment. This dualism classifies money spent on physical infrastructure as an investment and, therefore, worthy of public monies. On the other hand, **social infrastructure is branded as expenses or operating costs, preferably the first in line to be cut. Yet these are the structures that sustain us from (before) birth to death and create the conditions that make life worthwhile.**

By focusing on physical infrastructure to the exclusion of social infrastructure, economists and policymakers ignore an obvious truth: we need both in order for our societies to thrive and develop. What is a school building worth without quality education for all? What is a hospital building without the people providing the health care? And what is the value of a road or a tunnel in a society where illiteracy prevents social mobility?”



| **Government of Iceland**

Katrín Jakobsdóttir, Prime Minister
of Iceland

“Building an Inclusive Economy”

March 2019

<https://www.imf.org/en/Publications/fandd/issues/2019/03/gender-equality-in-Iceland-inclusive-economy-jakobsdottir>

A well-being approach can help connect government action with public values through public debate and engagement about what matters the most to people

Measuring what matters



Australian Government
The Treasury

75 days left to have your say

Date: 25 October 2022 - 31 January 2023

Email: MeasuringWhatMatters@Treasury.gov.au

The Government is committed to measuring what matters to improve the lives of all Australians.

Measuring what matters will help us better understand our economy and society while informing policy making.

Treasury is interested in your views on how we can better measure what matters.

“Measuring what matters” public consultation

<https://treasury.gov.au/consultation/measuring-what-matters-2022>

**How are governments
using well-being
as a tool to try and solve
these problems?**

Countries are experimenting with different approaches

Strategic Planning

Planning and performance frameworks

- Colombia
- Finland
- Slovenia
- Scotland



Shaping budget decisions

- France
- Italy
- New Zealand
- Sweden
- Iceland
- Netherlands
- Canada
- ...Australia



New Institutional Structures

Capacity building and evidence gathering

- UK
- New Zealand



Accountability mechanisms

- Wales
- Finland



Coordinating bodies

- New Zealand
- Italy



Well-being budgeting processes take many forms

- Well-being **reporting** (e.g. France, Sweden, Italy and Iceland)
- Structured (**parliamentary**) **debates** on well-being evidence and priorities (e.g. France, the Netherlands, Italy, New Zealand, Finland)
- Built-in requirements or **incentives to encourage inter-ministry collaboration** on budget proposals (e.g. New Zealand, Canada)
- **Ex-ante assessments** on well-being impact of budget initiatives (e.g. New Zealand, Italy, Canada)
- Well-being perspective in **final resource allocation decision-making** (e.g. New Zealand, Canada)
- **Ex-post assessment** of the impact of budget on well-being (e.g. New Zealand, Italy, Canada)
- Well-being budget **baseline analysis** (e.g. Italy)



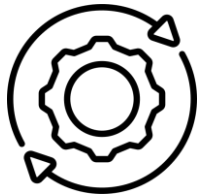
**What lessons can
we learn from these
experiences to date?**

Building well-being into policy requires a solid ecosystem of tools, processes, and incentives.....



TOOLS

- Common (measurement) framework
- Analytical and decision-making tools
- Legislation
- Coordination mechanisms



PROCESSES

- Cross-government collaboration
- Civil service capacity-building
- Public/ stakeholder engagement
- Parliamentary debate



INCENTIVES

- Strong leadership from central government
- Investment in cross-department programmes
- Accountability mechanisms
- Better decision-making, improved outcomes

...and all under-pinned by solid, multidisciplinary evidence on what works



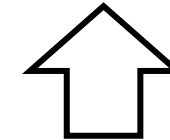
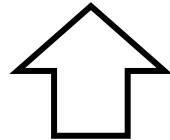
TOOLS



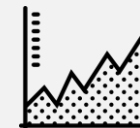
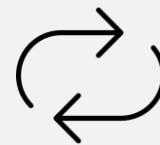
PROCESSES



INCENTIVES



EVIDENCE INFRASTRUCTURE



- **Monitoring reports**
- **Programme evaluations (ex ante/ex post)**
- **Ethnographic studies/lived experience**
- **Research on well-being drivers and impacts**
- **Experimental approaches**
- **Systematic reviews of intervention effectiveness**

Etc. ...

Thanks!

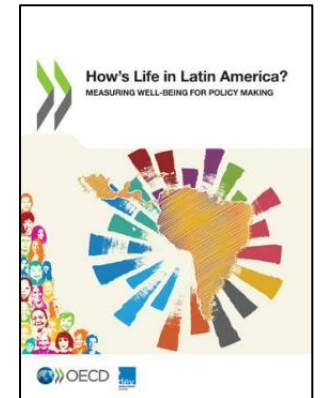
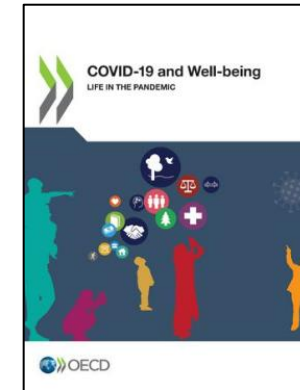
Comments? Questions?
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More from the OECD WISE Centre: <http://www.oecd.org/wise/>

Well-being and mental health – Towards an integrated policy approach
<https://www.oecd.org/wise/well-being-and-mental-health.htm>

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

How's Life in Latin America? Measuring Well-being for Policy Making
<https://www.oecd.org/wise/how-s-life-in-latin-america-2965f4fe-en.htm>



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

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

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