

“Multi-dimensional Development Metrics: Exploring options for G20 well-being metrics”

Background Note

Over the years, we have witnessed the emergence of multiple interpretations of ‘what constitutes economic development’. We have moved far from simple measures of per capita income to new indicators of development like the Human Development Index (HDI) or the Multidimensional Vulnerability Index (MVI), both propounded by the UNDP. Likewise, the World Happiness Report, developed by the Sustainable Development Solutions Network and based on global survey data, reports how people evaluate their own lives in more than 150 countries worldwide. These are examples of measures that go beyond pure economic indicators and touch upon social, educational, health, mental health, life satisfaction, etc. outcomes, demonstrating that measuring development is not only a matter of income level but also of individual and societal well-being.

Measuring well-being requires looking not only at the functioning of the economic system, but also at the diverse experiences and living conditions of people, including environmental and ecological considerations. The OECD ‘Framework for Measuring Well-Being and Progress’ responds to the recommendations made in 2009 by the Commission on the Measurement of Economic Performance and Social Progress. To capture current well-being, the OECD Framework includes dimensions such as income & wealth, work & job quality, housing, health, knowledge & skills, environment quality, subjective well-being, safety, work-life balance, social connections, and civic engagement. The Framework also places a special emphasis on inclusion – by examining the distribution of well-being outcomes in society – and sustainability – through measuring natural, economic, human and social capital, as key resources for sustaining well-being over time.

Other efforts have been developed within the group of the BRICS (Brazil, Russia, India, China and South Africa), who in 2016 emphasized the wellness of people in their domestic development strategies, together with relevant measures. This emphasis came as a result of the challenges posed by growing inequalities and environmental sustainability and degradation that these countries were facing as they grew, which stressed the limits of national income-based metrics. In this context, the BRICS Wellness Index was designed to address the importance of quality of life, covering access to material resources, opportunities, healthy living and environmental sustainability. More concretely, the Index covers four areas (i) Material Well-being, (ii) Human Proficiency, (iii) Human Health for Intergenerational Wellness and (iv) Sustainability of the Environment for Future Generations.

Several other G20 countries have also advanced in developing well-being metrics. For example, the United Kingdom Office for National Statistics has developed a ‘Measures of National Well-being Dashboard’. It monitors and reports “how we are doing” as individuals, as communities and as a nation, and how sustainable this is for the future. The full set of headline measures of national well-being are organised into 10 areas, such as health, where we live, what we do and our relationships – and indicators include life satisfaction, feelings that life is worthwhile, happiness, anxiety, mental well-being, unhappy relationships, loneliness, life expectancy, disability, health satisfaction, unemployment rate, job satisfaction, crime rate, access to natural environments, low income, household wealth, etc.

Several other G20 countries have also adopted initiatives of this sort (e.g. [Canada](#), [France](#), [Germany](#), [Italy](#), [Japan](#), [Korea](#), [Mexico](#) – and the recent intention announced in the [Australian Budget](#)). Outside the G20, Sweden has developed a national initiative of well-being that uses a set of 15 indicators at the national level. Similar national multidimensional “beyond GDP” or well-being frameworks have also been developed in countries such as Austria, Bhutan, Belgium, Chile, Ecuador, Finland, Iceland, Israel, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Slovenia, Spain, and Switzerland. Moreover, the emphasis given to sustainable lifestyles by India, could also serve as an indication of how the G20 could be engaging on discussions related to well-being and sustainability.

These examples indicate a growing momentum and an opportunity for the G20 to steer discussions on how to further recognise the multidimensional nature of development in related policymaking. Some questions arising in relation to what a platform such as the G20 could do in advancing the well-being agenda include: what would be the feasibility of developing G20 well-being metrics? How would a focus on well-being metrics help to support the G20 development work-stream? How would it connect to the work of other G20 tracks, given its multidimensional nature? How could such a focus support accelerating progress towards the SDGs? And what would be the use of such metrics and frameworks for domestic and international policy setting?

The G20 could be in the driving seat for relaunching efforts to better measure development by promoting mutual understanding and convergence among various initiatives promoting ‘beyond GDP’ as well as by encouraging mutual learning on how to incorporate them into governments’ policymaking at the national and international levels. In particular, the Development Working Group could be leveraged to initiate efforts to share best practices and develop peer-learning exercises among and beyond G20 members.

The DWG voluntary peer learning mechanism could offer an effective tool to promote exchanges across G20 countries on how they go about measuring development outcomes. In addition, the DWG could also prompt discussion on how these metrics could be used for capturing returns on investments and allocation of resources. Finally, it could serve as a catalyst for measurement efforts among the G20 countries that have not yet moved in this direction.

A ‘G20 well-being metrics’ report would be a useful tool for advancing the well-being agenda. Such a report or note would make the more detailed case for expanding and adapting existing measurement tools and initiating dialogue on common metrics that address well-being and sustainability concerns in both developed and developing countries. Its design needs to be in line with the G20 framework and priorities that have emerged during the deliberations in the past G20 Presidencies. In this sense, the “G20 well-being metrics” would need to be the result of a deliberation on the aspects of well-being that matter most to people and, alongside objective measures, it may include certain subjective aspects of well-being like levels of life satisfaction, and trust - both in public institutions and trust in other people. It would also serve to prompt discussions on how to quantify these indicators and how to avoid specific statistical biases from a survey’s size and composition. The G20 could leverage tools from institutions such as the OECD¹ to address these concerns and improve the quality, accuracy and international harmonisation of such subjective statistics.²

The “G20 Well-being metrics” need to be complementary and a driving force for achieving the United Nations Sustainable Development Goals (SDGs). The 2030 Agenda for Sustainable Development has also been at the core of the G20’s priorities. Following the adoption of the 2016 Hangzhou action plan, the G20 has at length deliberated on ways and means of achieving the SDGs by 2030 at global, national and local level and of ways to better align the whole G20 agenda to the SDGs. It has also established a Voluntary Peer Learning Mechanism where G20 members, with support from UNDP and the OECD, engage in sharing lessons on SDG implementation.

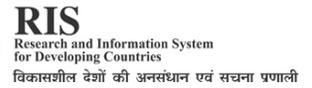
Similarly, as part of the [OECD Action Plan on SDGs](#), “*Measuring Distance to the SDG Targets*” was developed in order to assist member countries with their national implementation of the 2030 Agenda for Sustainable Development. From the G20 perspective, the SDGs form a core component. Therefore a “G20 wellbeing metrics” would accelerate progress by shedding light on critical measures of sustainable development and well-being. These metrics could also contribute to conversations regarding the post2030 Agenda.

¹ For instance, the [OECD Guidelines on Measuring Subjective Well-being](#); [OECD Guidelines on Measuring Trust](#) and the [OECD Guidelines on Measuring the Quality of the Working Environment](#).

² The work undertaken with the report *How’s Life in Latin America?* could be used as an example.

Finally, a single measure of well-being may not be the most desirable way to go. Indexes and single measures have long been criticized – the most well-known being the critique of GDP. Agreeing on a single indicator may also be difficult as countries by nature are heterogeneous in terms of economic and social priorities, culture, values, levels of development, etc. The G20 would need to develop a dashboard or framework of well-being indicators that could satisfy countries' varying needs.

The world is confronting the need to reflect on the complex notions of development in order to better measure development outcomes and guide policy action in an increasingly challenging world. Recent interlinked crises, such as the COVID-19 pandemic, climate change, and conflicts, have reversed years of progress. They have reminded us that development is a multi-dimensional and continuous process that can be reversed any time and of the pressing need to be prepared for future shocks. Countries need to comprehend better the interconnected challenges they face in order to respond more efficiently and effectively. An increasing number of countries have developed multidimensional metrics initiatives, including G20 countries. The G20 and its Development Working Group could play a key role in scaling up these efforts.



Agenda

23 November 2022

3pm-6pm CET [9am-12pm NYC, 7:30pm-10:30pm New Delhi]

Virtual & Room CC24

OECD Headquarters (2, Rue Andree Pascal, 75016 Paris)

Recent interlinked crises, such as the COVID-19, climate change, and conflicts, have reversed years of progress. They have reminded us that development is a multi-dimensional and continuous process that can be reversed any time, and of the pressing need to be prepared for future shocks. They have brought up unresolved vulnerabilities and systemic challenges existing within countries regardless of income level, linked to the weaknesses in health infrastructure, the provision of other basic public services, the weaknesses in the supply chains or economic systems, and to the environmental fragility of our planet.

The world is confronting the need to reflect on the complex notions of development in order to better measure development outcomes and guide policy action in an increasingly challenging world. An increasing number of countries have developed multidimensional metrics initiatives, including G20 countries. The moment might have arrived to scale them up. This event will provide the opportunity to discuss how to better capture the multidimensionality of development, acknowledge existing indicators or metrics that go beyond GDP, and assess the potential, options and feasibility for the elaboration of G20 Wellbeing Metrics that could be used in policy making at the national level, as well as for informing international partnerships and allocation of resources. It will also serve to provide critical input to the forthcoming Indian presidency on issues of development paradigms and policy action in an increasingly challenging world.

To this end, some of the key issues for discussion include:

- The multidimensionality of development still needs to be better captured: what are some of the most important gaps to be addressed? What adaptations to existing frameworks are required? How could a focus on people's well-being help to advance this?
- The uses of well-being metrics (multidimensional indicators) at present: how advanced are related national 'beyond GDP' and well-being initiatives? How are these indicators capturing economic, social and environmental factors affecting the well-being of people? How are they used for informing policymaking, for budgetary planning, for capturing returns on investments and for informing international allocation of resources? What could be its use promoted further?
- The feasibility of developing G20 well-being metrics: what could the G20 do? How would this focus help to support the G20 development work-stream? How can we connect this effort to the Lifestyles stream of work of India G20? And to the SDGs?

Please find below the links for registration (onsite or virtual).

- Registration for onsite participation:
https://forms.office.com/Pages/ResponsePage.aspx?id=1MdBrGEfDUaw9PySWitHHKqbenC01PZ_AimwZOGL-aTIUQU05R1czMUJZTk4zT0dBWE4yMjREMzFMWi4u
- Registration for virtual participation:
<https://meetoecd1.zoom.us/join/joinMeeting/register/tJUlcOyqrj4jGtb8skNVI3GVGVks84TLvqiq>

Agenda

15.00	Openings by Prof. Sachin Chaturvedi , Director General at the Research and Information System for Developing Countries (RIS) and Federico Bonaglia , Deputy Director, OECD Development Centre
15.10	Setting the scene by Carrie Exton , Senior Counsellor, OECD Centre for Well-being, Inclusion, Sustainability and Equal Opportunity (WISE), Dr. Tadas Gopalkrishna , RIS and Rita Da Costa , Senior Counsellor, OECD Development Centre representative (20 mins)
15.30	Examples of uses of well-being metrics by G20 countries Antonella Tinto , Project lead, Equitable and Sustainable Well-being (BES) Italian National Statistics Institute (ISTAT) Leonardo Santos de Oliveira , Brazilian Institute of Geography and Statistics (IBGE)
15.50	Roundtable discussion: Reactions from and discussions among G20 DWG delegations Discussants from international organisations and academia: <ul style="list-style-type: none"> ▪ Gonzalo Hernández Licona, Director, Multidimensional Poverty Peer Network (MPPN) ▪ Leandro Prados de la Escosura, Emeritus Professor, Universidad Carlos III ▪ Sosso Feindouno, Research Officer, FERDI ▪ Yanchun Zhang, Chief Statistician, UNDP ▪ Brendan Vickers, Adviser and Head of International Trade Policy Section, Commonwealth ▪ Andrea Costafreda, Head, Latin America & the Mediterranean, Oxfam ▪ Dennis Snower, President, the Global Solutions Initiative Moderator: Federico Bonaglia , Deputy Director, OECD Development Centre
17.20	Closing remark by Prof. Sachin Chaturvedi , Director General at the Research and Information System for Developing Countries (RIS) and Romina Boarini , Director, OECD Centre for Well-being, Inclusion, Sustainability and Equal Opportunity (WISE)



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17.30

End of session
