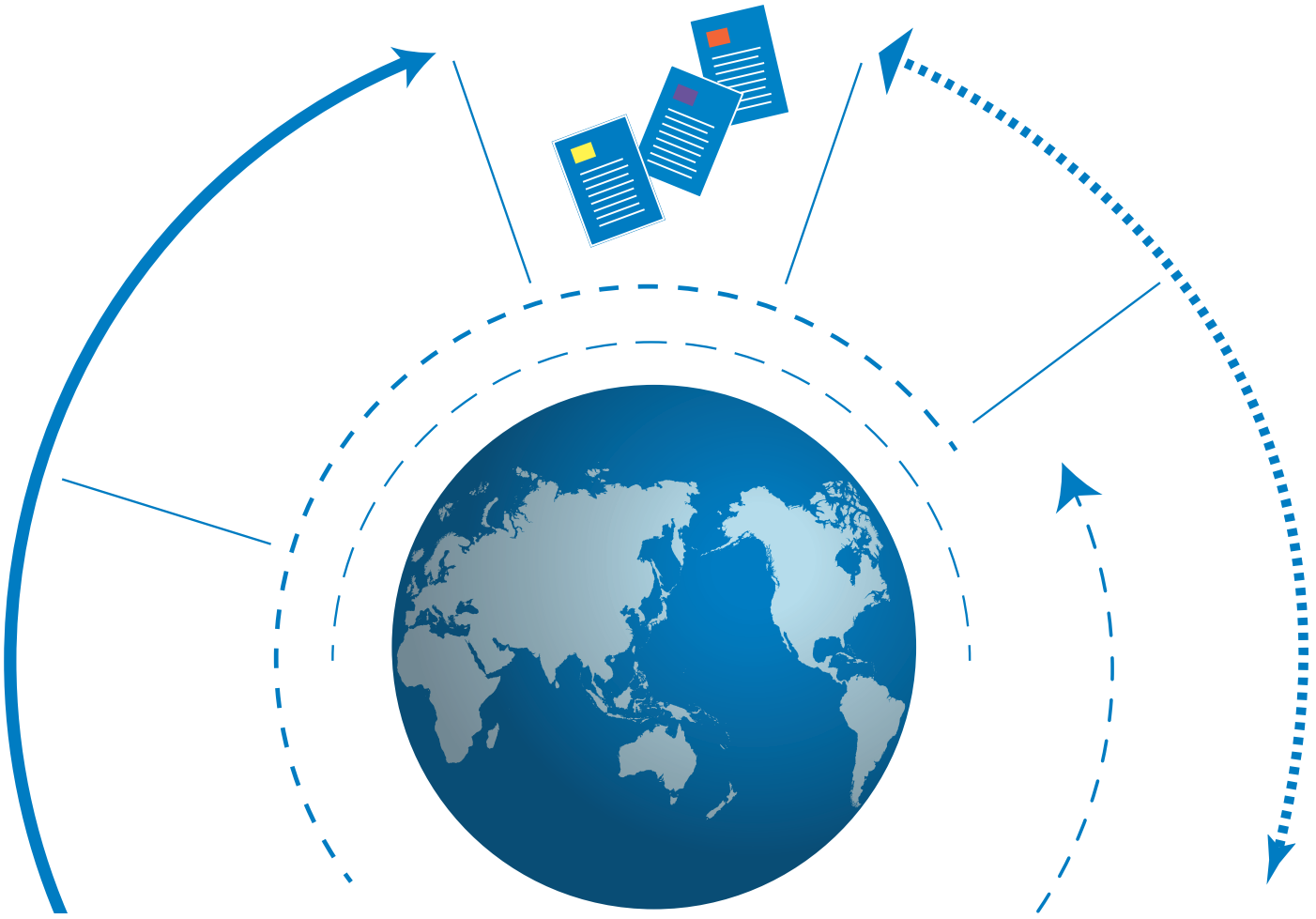
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Measuring well-being and progress in countries at different stages of development: Towards a more universal conceptual framework

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PREFACE

Modern views of development recognise that current well-being and its long-term sustainability are the ultimate goals of development and that these notions better capture *the human experience of* development. The recent development literature is converging around the view that well-being is about the satisfaction of *objective needs and wants*, and *the quality of life that people experience*. There is today significant momentum in initiatives to improve the effectiveness of development policy and practice by shifting thinking and measurement beyond its focus on GDP. In 2011, the OECD launched its *Better Life Initiative* to promote the measurement of well-being in OECD countries and embed the notion at the core of policy making.

The present paper proposes ways in which the OECD well-being framework used for the *Better Life Initiative* can be adapted to specific development contexts and thereby made more universal. The dimensions of the *Better Life Initiative* are relevant to emerging and developing countries, but they can be redefined in ways that better match the availability of data and the priorities and critical concerns of these countries. Building on other recent contributions to the improved measurement of progress and development, the paper identifies ten dimensions of current well-being and three types of systemic drivers of the sustainability of well-being over time that cover the major aspects of current and future human development. For each dimension, the paper presents examples of indicators that emerging and developing countries could mobilise, drawn from a variety of existing data sources, to monitor development outcomes that matter to people. The paper also discusses the possible implications of the framework proposed here for OECD work in developing countries, in particular its possible use in the OECD Multi-Dimensional Country Reviews. Finally, the paper argues that the well-being framework proposed here has important synergies with much of the post-2015 discussion and could be used as a way of structuring support to National Statistical Systems.

This paper was produced as part of the joint work by the OECD Statistics Directorate and the OECD Development Centre to support developing and emerging countries to implement policies aimed at improving people's lives, with measurable results that are directly associated to different dimensions of well-being. We hope that it will contribute to developing countries' efforts to make human well-being more central in policy making.

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RÉSUMÉ

De nombreuses voix à travers le monde se sont élevées pour affirmer la nécessité d'appréhender le développement en tant que phénomène pluridimensionnel qui implique et influence de nombreux aspects de la vie des citoyens. De plus en plus il est reconnu que le bien être actuel et sa durabilité sur le long terme est l'objectif ultime du développement et que cette notion est mieux à même de prendre en compte l'expérience humaine du développement. Les objectifs de ce document sont d'expliquer pourquoi la notion de bien être est importante pour les pays quel que soit leur niveau de développement, et de se pencher sur les défis liés à la mesure du bien-être dans les pays en voie de développement. Ces objectifs sont poursuivis à travers quatre étapes. Premièrement, ce document propose une conception du bien-être et montre pourquoi cette conception est pertinente dans des contextes de développement différents.

Deuxièmement, il passe brièvement en revue la manière dont la mesure du bien-être est effectuée dans le cadre de l'*Initiative de l'OCDE pour une vie meilleure* au sein des pays de l'OCDE. Troisièmement, il propose des pistes pour adapter le cadre de l'OCDE à des contextes de développement spécifiques, le rendant de fait plus universel, en présentant des dimensions du bien-être et des indicateurs qui pourraient être utilisés pour mesurer le bien-être dans les pays en voie de développement. Finalement, ce document discute les implications possibles du cadre ajusté pour le travail de l'OCDE dans les pays en développement, en particulier son utilisation dans les Revues pays multidimensionnelles réalisées par le Centre de développement de l'OCDE dans les pays non OCDE.

JEL-classification: I30
Mots clés: Bien-être, développement.

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ABSTRACT

A wide range of voices around the world have stressed the need to understand development as a multidimensional phenomenon that involves and affects many aspects of people's lives. Increasingly, it is recognised that current well-being and its long-term sustainability are the ultimate goals of development and that these notions better capture the human experience of development. The objectives of this paper are to explain why well-being matters in countries at different levels of development and to address measurement challenges in the context of developing countries. These objectives are pursued in four main steps. First, the paper offers a conception of well-being and illustrates its relevance in different development contexts. Second, it describes briefly how the measurement of well-being is implemented under the OECD Better Life Initiative for OECD countries. Third, it proposes ways in which the OECD framework can be adapted to specific development contexts and thereby made more universal, by suggesting relevant well-being dimensions and indicators that could be used to measure well-being in developing countries. Finally, it discusses the possible implications of the adapted framework for OECD work in developing countries, in particular its possible use in the Multi-Dimensional Country Reviews conducted by the OECD Development Centre for a range of non OECD countries.

JEL Classification: I30

Keywords: Well-being, development.

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I. INTRODUCTION: WHY WELL-BEING MATTERS FOR DEVELOPMENT

A wide range of voices around the world have stressed the need to understand development as a multidimensional phenomenon that involves and affects many aspects of people's lives (UNDP, 2014; World Bank, 2001). Increasingly, it is recognised that current well-being and its long-term sustainability are the ultimate goals of development and that these notions better capture *the human experience of* development (Gough and McGregor, 2007). There is now significant momentum in initiatives to improve the effectiveness of development policy and practice by shifting thinking and measurement beyond its focus on GDP. The calls to move "Beyond GDP" have found strong resonance in many developing and emerging countries. Many of these countries have put in place large consultative processes for developing alternative measures of well-being that are now being integrated into their statistical systems.

The call for wider measures of well-being has also increasingly been supported by key stakeholders in the global development arena that have called for a multi-dimensional concept of human well-being to be brought more firmly into the policy debate. The Millennium Declaration (UNGA, 2000) represented a major step forward in establishing a multidimensional approach to development. More recently, the Open Working Group on Sustainable Development Goals has proposed a set of universal and multi-dimensional goals and targets that will provide the basis for the negotiations that will lead to agreement on the post-2015 development agenda by the UN General Assembly in September 2015.[1] This proposed new agenda is more comprehensive in its approach to multi-dimensionality and builds on strong foundations. In 1990, the UNDP published its first *Human Development Report* and has continuously evolved its methodology, developing specific measures of multidimensional poverty alongside its well-known Human Development Index. A similar shift towards multidimensionality was apparent in the World Bank's *World Development Report* 2000 on multidimensional poverty (World Bank, 2000). This move towards an approach to development and societal progress that is focussed on human well-being was given critical momentum by the work of the Stiglitz-Sen-Fitoussi Commission. The Final Report of the Commission in 2009 provided a comprehensive review of the limits of standard economic indicators such as GDP as a measure of a country's economic performance

1 The Ambassador-level Open Working Group (OWG) – established following the Rio+20 outcome document ("*The future we want*") to propose a set of sustainable development goals for consideration and appropriate action by the UN General Assembly at its 68th session – put forward on July 2014 a set of 17 goals and 126 more detailed targets. The document of the OWG is available here: http://sustainabledevelopment.un.org/focussdgs.html.

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and social progress, and recommended that measurement efforts be refocused on the notion of people's well-being (Stiglitz et al., 2009). More recently, the adoption of the 2013 United Nations Resolution on Happiness by the UN General Assembly witnessed the growing consensus that a focus on GDP alone is not adequate for the measurement and promotion of human prosperity, and that "a more inclusive, equitable and balanced approach is needed to promote sustainability, eradicate poverty and enhance well-being" (UNGA, 2012).

The OECD has for a long time stressed the need to move "Beyond GDP". In 2011, it launched its *Better Life Initiative* to promote the measurement of well-being and embed the notion at the core of policy-making. The OECD approach is based on a framework that conceives well-being in terms of 11 dimensions,[2] distinguishing between well-being outcomes that matter today and those well-being drivers, such as stocks of human, natural, economic and social capital, that sustain well-being over time. With respect to previous measurement efforts, the OECD framework, as implemented in a series of *How's Life?* Reports (OECD, 2011a; and 2013b), has three distinctive features:

- First, it highlights that the notion of well-being encompasses both objective and subjective aspects, hence recognising that people's perceived experiences of their life is important alongside its objective dimensions.

- Second, it focuses on the relational aspects of well-being and development, recognising that development is not just about living better but about living *together* in a better way.

- Third, it focuses on inequalities across population groups and across the full range of well-being dimensions, rather than just on averages and on low achievements in a limited range of material conditions (i.e. poverty).

The initial OECD framework builds on best practices on measuring well-being in the OECD area as well as on consultations with National Statistical Offices (NSOs) of OECD Member Countries, and is in line with the recommendations of the Stiglitz-Sen-Fitoussi Commission. Such framework contributed to other OECD initiatives such as the New Approaches to Economic Challenges project (NAEC, the OECD-wise reflection on the lessons learned by the organisation from the financial crisis) and the Inclusive Growth project (which aims to support policy decisions involving trade-offs between various goals). As argued in this paper, this framework could further evolve as other countries at different levels of development recognise the relevance of a more comprehensive and human-centric set of metrics of progress.

The central claim made in this paper is that the concept of well-being is relevant for countries at *all* levels of development, as witnessed by the increasing number of well-being

[2] The framework used by the OECD distinguishes between broad "domains" (i.e. material conditions, quality of life and sustainability) and more specific "dimensions" within each domain (i.e. 3 dimensions of material conditions, 8 dimensions of quality of life, and the four types of capital that shape sustainability).

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measurement initiatives undertaken by developing countries.[3] In this context, the OECD has been reflecting on how the framework could better reflect the realities of these countries. The challenge is to "universalise" the framework for understanding well-being so that it is relevant for people in countries at all points on the development continuum, and then to define appropriate indicators that can capture and measure the multi-dimensional aspects of well-being in specific economic, cultural and social contexts. It is important to emphasise that the concern for well-being is not a simple diversion from the core priorities of development. On the contrary, in all countries public policy and development strategies that focus only on material outcomes (reflecting the idea that a strict "hierarchy of needs" should underpin development) are failing to recognise how the more complex and diverse realities of needs and wants matter for efforts to increase the effectiveness of development policies and strategies.

From this perspective, and accepting that a fundamental purpose of public policy is to protect and promote the well-being of citizens, it follows that the notion of poverty and deprivation go well beyond lack of income or consumption to include poor health status, low education and skills, weak social connections, the psychological costs of social exclusion, the exposure to risks and experience of vulnerability, and a sense of powerlessness. While each of these forms of deprivation may require specific policy interventions, the multiple dimensions of well-being are often interrelated; hence it is fundamental that multi-dimensional metrics of well-being failures (e.g. of poverty and deprivation) take into account the interactions between them. Comprehensive well-being metrics can leverage policy synergies across the board, bringing greater coherence and effectiveness of policies for development. Well-being can therefore represent a critical umbrella concept for policy, bringing together policy agendas that are usually disparate and competing with each other. By making the various dimensions of human well-being comprehensible for policy-makers, these new measures offer the prospect of transcending silo approaches.

The purpose of this paper is to explain why well-being matters in countries at different stages of development and to start addressing the related measurement challenges in the context of developing countries. This goal is pursued in four main steps. The first is to offer a conception of well-being and to illustrate its relevance in different development contexts. The second is to describe briefly how the measurement of well-being is implemented under the OECD *Better Life Initiative* for OECD countries. The third is to propose ways in which the OECD framework could be adapted and possibly generalised by suggesting relevant well-being areas and related indicators that could be used to measure well-being in developing countries. The final step is to discuss the implications of this new framework for OECD work in developing countries, in particular its possible use in the Multi-Dimensional Country Reviews (MDCRs) conducted by the OECD Development Centre for a range of non-member countries.

[3] See www.wikiprogress,org for an updated inventory of well-being and progress indicators initiatives across the world; and the Annex to this paper for a more detailed description of selected country-initiatives.

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II. WHY MEASURING WELL-BEING REQUIRES LOOKING BEYOND TRADITIONAL ECONOMIC INDICATORS

While there is wide ranging and historic literature on human well-being in which many definitions abound, the more recent literature is converging around the view that well-being is about both the satisfaction of *objective needs and wants*, and *the quality of life that people experience*. The objective and subjective components of well-being are consistently acknowledged in many different disciplinary approaches. For instance, in economics, traditional welfarist approaches express well-being in terms of either objective "final outcomes" (e.g. the amount of goods and services consumed) or subjective "final states" (e.g. life satisfaction). Non-welfarist theories define well-being in terms of capabilities, stressing the importance of considering people's freedom in achieving those outcomes that are most important to them.[4] Similarly, sociologists have stressed the idea that quality of life is not just about adequate human functioning (i.e. being in good physical and mental health) but also about the relationship between this and the experience of being satisfied with one's own achievements as a *sentient and social human being*. All of these approaches underline that people's experience of their life is made possible through the relationships with other human beings in societies (e.g. in market transactions, in dealings with governments, in relationships with others in families and communities) and is shaped by the norms and values that are communicated through those relationships.

Irrespective of their conceptual background, these approaches have many key ideas in common:

- The notion that well-being focuses public policy on people and not just nations or economies as a whole. The fact that well-being is about people means that one needs to look at the different achievements of people with different characteristics as well as at how people are *living together* and, as such, mutually affecting their well-being.

- The notion that well-being is multidimensional, i.e. that it is shaped by a wide range of factors stretching beyond the purely material aspects, and that its outcomes must be measured across a number of dimensions.

4 The capabilities approach has been particularly influential in shaping the discussion on measuring human development and is at the heart of the large majority of well-being and progress indicator initiatives pursued across the world. These initiatives include the Human Development Index and the Multidimensional Poverty Index developed by the UNDP; the World Bank's new vision of Shared Prosperity; the Millennium Development Goals; and the set of goals and targets proposed by the Open Working Group for the post 2015 UN Sustainable Development Goals.

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- The notion that well-being involves both objective and subjective dimensions, including people's own experiences of life.

- The idea that well-being is about the capacity to live a better and fuller life, according to the criteria that the person deems important but also as a function of her/his objective needs and circumstances.

It is around this convergence of understanding that most of the initiatives on measuring performance "Beyond GDP" have been developed in recent years (see OECD 2013a for a review). The limits of GDP as a measure of welfare have long been highlighted (Boarini and Mira d'Ercole, 2014); including by those who designed the National Accounts in the first place (Kuznets, 1948). Nevertheless, GDP and more generally economic growth have maintained the role of leading indicator and policy objective in most countries. This partly reflects the features of GDP as a measurement tool (i.e. simplicity of interpretation, parsimony, harmonisation, high-quality, high-frequency, etc.) but also to the belief that economic growth would inevitably result in higher people's well-being. A wealth of studies conducted in the past two decades (see the Stigliz-Sen-Fitoussi report for a review) has shown however that economic growth is not necessarily synonymous with the higher well-being of people. This is because GDP growth:

- does not necessarily translate into a similar growth of household income;

- does not necessarily result in higher levels of subjective well-being;

- can mask wider inequalities in economic resources and opportunities between people and households with different characteristics;

- can result in negative effects, including environmental "bads" (e.g. negative effects of pollution on the environment), the erosion of social cohesion (e.g. by increasing inequality or by placing pressures on community ties) and the higher prevalence of different types of "disease of affluence" (e.g. mental health problems, obesity, hypertension, diabetes, etc.); and

- does not always lead to an increase of the quality of governance and of public institutions, as well as to improved equal opportunities for all (UNDP, 2013).

Since GDP and, more generally, all macro-indicators of economic performance do not offer an adequate picture of whether people are experiencing higher well-being and society is progressing in the right direction, a broader measurement perspective to development is needed. This broader perspective should focus on measuring the whole range of costs and benefits that are associated to economic growth and start from the consideration of the elements that shape people's lives.

In addition to highlighting the limits of GDP for monitoring people's well-being, and the capacity of economic growth to improve the outcomes that really matters to them, the "Beyond GDP" debate has also stressed the inadequacy of GDP in capturing the sustainability of

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development and progress over time. Indeed, GDP is a measure of the flow of goods and services produced by residents and non-residents of a given country over a period of time (typically, one year); as such, it does not inform us about future patterns of economic production, and *a fortiori* well-being, over time. These shortcomings have underpinned discussion on "Sustainable Development" since the 1970s, and have led to initiatives to measure the sustainability of well-being beyond GDP (see, for instance, the recommendations by the UNECE-Eurostat-OECD Taskforce on Sustainable Development, UNECE, 2004).[5] In general, there is considerable agreement that understanding and measuring the sustainability of well-being over time requires examination of a range of indicators that track changes in four types of collective goods and resources upon which well-being outcomes of future generations depend: economic, human, environmental and social capital.

More importantly, extending and refining tools to better measure people's life is not an end in itself but has the potential to better inform the decisions of governments and people, as well as improving policy design and implementation processes. Well-being measures provide important information on the progress achieved by countries and can help to keep the development path more in line with what citizens need and want. In doing so, these measures can contribute to improvements in the quality of governance processes, where it is important that policy efforts take better account of the interests of a broad constituency of stakeholders (McGregor, Camfield and Woodcock, 2009). Because efforts to monitor well-being are focussed around those outcomes and processes that matter to people's lives, a systematic use of well-being measures has the potential to bolster democratic processes and ultimately strengthen the legitimacy of the development experience. As Hall and Rickard (2013) point out, an important spin-off of policies that aim at improving people's lives is to increase people's engagement with institutions and policies, which can generate a positive cycle of improvements in the quality of politics and policy.

Measuring well-being is also important from the perspective of working out what *better policies for development* might look like. Indeed, a multidimensional understanding of development, which focuses on what people value, can provide a powerful tool for assessing the drivers of development over time, as the following considerations show.

In most countries, people are the key "engine" of economic growth. Their labour and enterprise, alongside invested capital, are integral to successful development: the recent surge of start-up high-tech companies in Latin America is a good example of this. Further, whether in the formal or informal sector, most people spend a large proportion of their time working: there is much evidence that improving the well-being of workers can improve their productivity and creativity (Robertson and Cooper 2011) while, conversely, low quality jobs work can have

5 Elaborating on the principles set out in the Brundtland report (WCED, 1987), a recent report on Sustainable Development indicators argues that measuring sustainable development requires considering what matters for human well-being of the present generation in one particular country – "here and now" –, what matters for the well-being of future generations – "later" – and what matters for the well-being of people living in other countries – "elsewhere" (UNECE, 2014).

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adverse effects on workers' well-being and health (both physical and mental), lowering their productivity and hampering firms' bottom-line. In developing countries, the numbers of people with jobs in the formal sector is typically low in relation to those employed in informal sector jobs such as trading, small scale production, subsistence agriculture or resource extraction. This means that many workers in developing countries are beyond the reach of workplace legislation or regulation that might support or protect their well-being. Difficult working conditions and relationships also mean that many workers in these countries experience a high degree of economic insecurity. Because of these factors, bringing people into "good" jobs in the formal sector has been historically an important ambition for development policies.

But economic growth is not just about jobs, it is also requires consideration of the opportunities for entrepreneurship. Micro-finance initiatives over the past two decades provide illustration of the positive relation between people's well-being and entrepreneurship. For example, the Grameen Bank started from the recognition that the exclusion of poor people from financial markets was a serious constraint on their ability to do productive work and to achieve a good life. The experiences from countries around the world show that, when poor people are enabled to save and invest in their own enterprises, through a combination of supporting organisations and an appropriate savings and investment infrastructure, they can both improve their well-being and play a role in reducing poverty and delivering economic growth. While these experiences do not imply that all development problems can be solved by such approaches, they show that providing the right kind of support to people is an important driver of both economic success and well-being.

Although poverty reduction has been a global priority for a number of decades now, the current focus on income measures of "extreme poverty" fails to provide a sufficient understanding of the complexity of poverty. Assessing poverty in terms of income and/or consumption may be helpful for some policy purposes, but does not capture either the range of different outcomes associated to poverty or give much insight on how economic, social and political processes interplay with each other to generate poverty and vulnerability. As such, these measures provide only limited support to the design of effective poverty reduction strategies. A common thread of multi-dimensional poverty analysis is that poverty is not adequately explained by income alone, and that "fear, insecurity, dependency, depression, anxiety, tranquillity, shame, hopelessness" affect the decisions that poor people make (Narayan, 2000). This perspective implies that policies must be more comprehensive – or "joined-up" – in dealing with poverty reduction.

A long tradition of research has recognised the significance of the psychological and cognitive aspects of poverty. For example, Oscar Lewis's work on the "culture of poverty" in the 1960s illustrated how low aspirations and impoverishing practices are part of a trap that is embedded in a way of life. This approach to understanding poverty has recently been given renewed vigour by Appadurai's work on a "poverty of aspirations" (Appadurai, 2002). When people are incapable of aspiring to change their lives for the better, they are likely to underutilise the resources that are available to them. Other traditions in poverty debates have also highlighted that poverty often entails the denial of dignity and the destruction of self-esteem. All

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of these perspectives underline the importance of paying attention to the "experience" of poverty, which requires including a subjective dimension in our understanding of poverty.

A large body of evidence also shows that countries with more effective and transparent institutions, both government and non-government, perform better in a range of dimensions of human development and social cohesion (OECD, 2012). A narrow economic approach to development champions an individualised notion of well-being, where governance matters only so far as it shapes the conditions for economic growth. However, a conception of human well-being that embodies the concern for how institutions contribute to a broader notion of development recognises that people's voice, and the existence of accountable and responsive institutions, matters as such for development success. The importance of effective governance for successful development, mediated by pro-development and pro-well-being institutions, is well recognised in academic and policy debates (Rodrik, 2000; Kaufmann et al., 2010). Effective governance provides the rules and institutions that govern relationships and make economic and social development possible. Effective governance is also a process which makes individuals feel that they are part a community, a nation-state and a member of a wider global community. Aside from the formal consultative processes entailed in a well-being focus that are described above, a systematic focus on human well-being provides a basis for understanding how relationships and institutions can work either to improve or to inhibit an effective development process.

Many of the foundations of successful societies and economies are hidden in the detail of how communities organise themselves (Hall and Lamont 2009). A key element of these foundations is how children are raised and educated. The focus on human well-being as a yardstick for progress puts emphasis on the important role that childcare plays in producing successful development. Apart from the everyday efforts that seek to ensure that adults are healthy, educated and skilled to contribute to development, the acknowledgement of the importance of care work is also founded in the recognition that well-nurtured and flourishing children are the basis of future development. This is partially recognised by the importance assigned to education and child health in development policy, but it cannot only be the responsibility of ministries of health and education. Concern for the caring and nurturing of children is unevenly reflected across the different departments and levels of government. Thinking more systematically about children's well-being when putting in place a wide range of policies for development would significantly increase the chance that future well-being in a country will be higher and more sustainable.

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III. MEASURING WELL-BEING IN OECD COUNTRIES: THE OECD *BETTER LIFE INITIATIVE*

Building on the recognition that GDP fails to provide a sufficiently comprehensive view of economic development and to appreciate the complexity of people's lives, the OECD has devoted efforts over the past ten years to develop an international statistical and policy agenda on measuring well-being and progress. Building on the early efforts put in place under the OECD Global Project, the OECD launched its *Better Life Initiative* in 2011 on the occasion of its 50thAnniversary. The *Better Life Initiative* aims to measure people's well-being across OECD countries through a rich set of well-being indicators.

The OECD well-being framework (described in Figure 1) distinguishes between current and future well-being. Current well-being is measured in terms of outcomes achieved in the two broad domains: material living conditions (income and wealth, jobs and earnings, housing conditions) and quality of life (health status, work-life balance, education and skills, social connections, civic engagement and governance, environmental quality, personal security and subjective well-being). The prospects for future well-being is taken into account in the framework by looking at some of the key resources that drive well-being over time and that are persistently affected by today's actions: these drivers can be measured through indicators of different types of "capital", i.e. economic, natural, human and social capital.

Reflecting earlier work on the meaning of development and deliberations on the nature of human well-being, the OECD framework has four distinctive characteristics:

First, it focuses on ***people*** (i.e. individuals and households), their situation and how they relate to others in the community where they live and work. Focusing on people, rather than on the economy, is important since, as we have noted, there are often differences between the economy-wide assessment of a country and the well-being experiences of individuals and households.

Second, it concentrates on well-being ***outcomes*** as opposed to well-being inputs or outputs because outcomes provide the best direct information on people's lives.[6] For instance it focuses

[6] The distinction between "outcomes" and "drivers" acknowledges the debates over what are "means" and what are "ends". Most outcomes listed in the OECD framework will also be drivers of another and future outcome, in particular when considering outcomes experiences earlier in the life of the same individual (e.g. violence towards children may affect their health, education and labour market prospects later in life). However, inputs and outputs, in particular those used or produced by firms

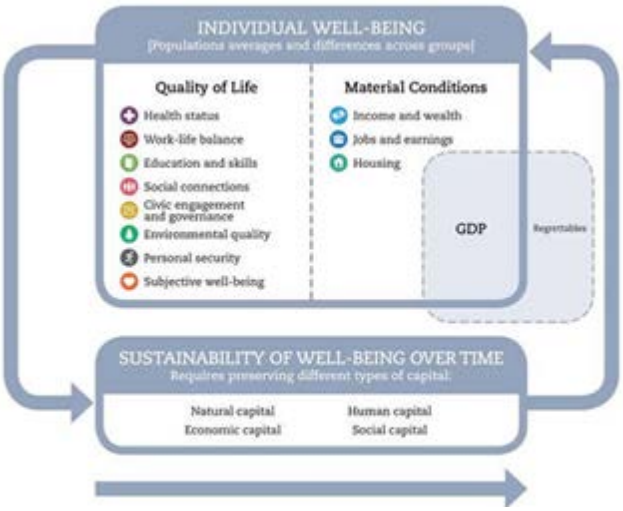
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on people's satisfaction with water rather than how much has been spent on providing clean water or how many miles of water pipe have been laid.

- Third, it considers the ***distribution*** of well-being in the population alongside average achievements; this allows the exploration of disparities across age groups, gender and individuals' socio-economic backgrounds.

- Lastly, it looks at both ***objective*** and ***subjective*** aspects of well-being because personal experiences and assessments of life circumstances provide important information alongside more objective measures of these circumstances.

Figure 1. **The OECD Well-Being Framework**



Source: OECD (2011), *How's Life? Measuring Well-Being*, OECD Publishing, Paris.

The eleven dimensions included in Figure 1 to measure well-being outcomes today are intended to be globally relevant, (i.e. relevant to all people and in all societies irrespective of their level of socio-economic and human development). However, the objective pursued in this paper is to assess the extent to which these dimensions are truly universal; to explore what characteristics of the dimensions contribute to well-being in different contexts; and to consider how these might be monitored with different indicators depending on the level of human and statistical development in the country in question. It is important to emphasise that the OECD framework has been conceived as a tool rather than as a straightjacket, and that it can be adjusted to reflect societal preferences that may vary across countries and groups. The next section elaborates on how the framework underpinning the OECD *Better Life Initiative* might be adapted and generalised in such a way as to resonate more with the aspirations and development priorities of countries at all stages of development.

and institutions, should be regarded as having only instrumental value in producing well-being outcomes experienced by people.

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IV. NATIONAL INITIATIVES TO MEASURE WELL-BEING AND PROGRESS

What is noteworthy is that despite what appear to be important differences in conceptual definitions of well-being, the implementation of these definitions in the design of well-being measurement initiatives shows a good deal of consensus around the identification of the main dimensions or components of well-being (see for instance Glatzer et al., 2013; Guillen-Royo et al., 2013; McGregor et al., 2009; McGregor et al., 2007). Many authors have documented that, since the start of the "Going Beyond GDP" movement, there has been an evident convergence amongst the frameworks that have been developed by national statistical offices, international organisations and academic researchers working in this field.[7] This convergence is visible not only in countries with a comparable level of human development but also across regions of the world with very different economic and social backgrounds (see Annex for a collection of Country Reports). In addition, these frameworks share the view that one cannot promote well-being and development today without worrying about development and well-being tomorrow and "elsewhere" (i.e. well-being of people living in other countries) – a fundamental pillar of the policy coherence for development put forward by the OECD development strategy.[8]

Beyond the similarity of some of the measurement features of these initiatives, there is also important common ground in the methodology that has underpinned these various national initiatives. Many of the initiatives have been put in place using the following steps:

- Adoption of a general well-being framework, which is used to orient specific deliberations on how to populate the framework.
- Consultation of stakeholders and the population at large around this reference framework, on what matters the most for the well-being of people in a particular society.
- Analyses of the findings of the consultation, which involves iterations with experts to reach agreement on a set of well-being dimensions.

7 See, for instance UNECE 2014; OECD 2013b; and the conclusions of the 4th OECD World Forum (OECD, 2013d).

8 www.oecd.org/pcd/towardsanoecdstrategyondevelopment.htm

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- Identification of which existing data can be used to bring light on these dimensions, as well as consideration of what new data might be required and how they might be gathered.

- Formulation of country-specific questions on well-being for use in either dedicated surveys or in existing household surveys.

- Analysis of these data and reporting to different audiences on the progress achieved in terms of human well-being within a given constituency, and on how this compares to those achieved in other countries and regions.

- Changing policy priorities in light of the identified well-being challenges and priorities.

The real test of these measurement initiatives lies in whether they change the direction of policies and development strategies, and ultimately whether they make a positive difference to people's lives. While most of the initiatives described above are at too early a stage to discern whether they have led to any policy change, these initiatives have clear policy implications. Hall and Rickard (2013) believe that the effects of these well-being initiatives reach beyond those directly associated with the indicators that they produce. The consultative methodology that is being used in a number of countries to develop new measures of well-being is specific to each society, and offer the possibility of untangling some of the complications of deciding what should be the priorities for development policies and resource allocation. In doing so, they provide a more transparent basis for public deliberations about what types of needs and wants will be met and which will not (McGregor et al, 2009). Judgments about those aspects that will be affirmed and sanctioned as development priorities are political decisions made in particular contexts. When their potential as part of a deliberative approach to policy is understood, then the information generated by well-being measurement initiatives can assist in distinguishing between competing and sometimes contradictory claims, and to recognise where claims are unsustainable for other people, either in the present or for future generations. The integration of these "bottom-up" human well-being methodologies into a development strategy may help avoid the worst excesses of "top-down", paternalistic approaches, which tell people what they need the most and what they are going to be given by policy-makers to address these needs. Engaging in participatory consultations comes with challenges, but the approach is not unfamiliar in developing countries. Many countries have undertaken extensive participatory consultations as part of their preparation of Poverty Reduction Strategy Papers, and participatory methods are well understood by large numbers of staff in government departments and civil society organisations.

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V. TAILORING THE OECD FRAMEWORK TO THE REALITIES OF DEVELOPING COUNTRIES

In highlighting the importance of focussing on well-being to capture the human experience of development, this paper strives to tailor the OECD framework for measuring well-being to the conditions of countries at different stages of development. The framework described below is proposed as a starting point for discussions with policy makers and statisticians and is intended as a resource to identify ways to develop measurements of well-being in developing countries. Frameworks are tools that countries need to adapt and own, according to their own priorities and specificities. Indeed, the framework put forward in this paper does not aim to capture in an exhaustive manner all things that are of importance in the lives of people in these countries. Rather, the exercise seeks to explore the universality of the OECD framework and to adapt it in an effort to reflect and synthesize the thinking and practices arising from ongoing efforts to develop measures of well-being in developing countries (see Annex). It is also informed by a review of the wide and growing literature on well-being in developing countries that has been conducted by scholars in recent years, as well as by consultations held during a series of regional conferences on Measuring Well-Being carried out between 2010 and 2012 in the context of the preparation of the 2012 OECD World Forum on "Statistics, Knowledge and Policies".[9] These consultations continue to be undertaken through the on-line platform Wikiprogress and particularly in its regional networks, with the aim of continuously informing the public debate on measuring progress in these countries. The framework advanced in this paper builds on the consensus that these various consultations have generated over the most recent years.

Before presenting the framework for measuring well-being proposed in this paper, this section takes stock of the literature on measuring development outcomes; this review aims at highlighting the dimensions or domains of well-being that have been proposed as the most important for people in developing countries. Building on this review, the section then presents the set of well-being domains that are included in the new framework and then proposes a set of indicators that might be used to monitor and benchmark performance in these fields. In doing so, the framework put forward in this paper retains the distinction between current human well-

[9] A series of OECD regional well-being conferences in Latin America, Asia-Pacific and Africa, jointly organised with the OECD Development Centre, have taken place in 2011-12. According to the OECD "The outcomes of these conferences have informed the agenda of the 4th OECD World Forum by identifying regional priorities and concerns, and helped to develop a shared sense of common purpose and direction towards a core set of well-being dimensions and where improved metrics are both important and feasible" (OECD, 2013).

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being (i.e. well-being today) and the sustainability of well-being over time (i.e. well-being tomorrow). An overview of this framework, and of how it compares to the framework used by the OECD for its member countries, is provided in Table 2.

Taking stock of the literature on measuring development outcomes

There is a large literature on the measurement of development outcomes. Alkire (2002) addresses the question of how to measure human development by looking at a variety of approaches in social sciences that tried to establish what are the ultimate *human ends.*[10] Alkire defines human development as "human flourishing in its fullest sense – in matters public and private, economic and social, political and spiritual". Other studies have highlighted the universality of the concept of a "good life" (Skidelsky, 2012). A summary of the approaches commonly discussed in the literature is presented below:

- The "capabilities approach" defines development as an expansion of people's capability, *i.e.* a person's or a group's freedom to promote or achieve valuable functionings. While the intellectual father of the capabilities' approach, Amartya Sen (1999), has insisted that any selection of key capabilities is a value judgment that needs to be agreed in a process of public debate and deliberation, Martha Nussbaum (2001) proposed a set of ten "central universal capabilities", arguing that they should be protected by constitutional guarantees. This list identifies capabilities that "have value in themselves" (rather than being instrumental to other goals) and are necessary for a dignified human existence anywhere. Nussbaum's list of central capabilities include*: i) Life; ii) Bodily Health; iii) Bodily integrity; iv) Senses, Imagination, Thought*[11]*;v) Emotions*[12]*; vi) Practical reason*[13]*; vii) Affiliation*[14]*; viii) Concerns for other species*[15]*; ix) Play*[16]*; and x) Control over one's Environment.*[17]

10 These perspectives were summarised in one of the conceptual papers (Alkire, 2009) prepared for the Stiglitz-Sen-Fitoussi commission.

11 For instance, being able to use the senses, to imagine, to think and reason; being able to use imagination and thought in connection with experiencing and producing self-expressing works and events of one's own choice, religious, literary, musical, etc.; being able to use one's mind in ways protected by guarantees of freedom of expression with respect to both political and artistic speech, and freedom of religious exercise; being able to search for the ultimate meaning of life in one's own way.

12 For instance, being able to have attachments to things and persons outside ourselves; to love those who love and care for us, to grieve at their absence; not having one's emotional development hampered by overwhelming fear and anxiety, or by traumatic events of abuse or neglect.

13 For instance, being able to form a conception of the good and engage in critical reflection about the planning of one's own life.

14 For instance, being able to live for and towards others; to recognise and show concerns for other human beings, to engage in various forms of social interactions; to feel and express empathy; to have the capability for both justice and friendship; having the bases for self-respect and non-humiliation, etc.

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- The "basic human values" approach, proposed by John Finnis (1980), defines such basic values as the "reasons for acting which need no further reason". Finnis suggests that these values are "self-evident" (i.e. potentially recognizable by everyone); "incommensurable" (i.e. all of the desirable qualities of one are not present in the other, and there is no single denominator they can be completely reduced to) and thus "irreducible"; and "non-hierarchical" (i.e. *any* dimension can be seen as the most important). The seven basic reasons for actions identified by Finnis are**:** *i) Life, knowledge and aesthetic experience; ii) Some degree of excellence in work and play; iii) Friendship; iv) Self-integration; v) Self-expression or Practical Reasonableness*[18]*; and vii) Religion or Spirituality.*

- The "matrix of human needs" approach, proposed by Manfred Max-Neef (1989) identified as the most important human needs: *i) Subsistence; ii) Protection; iii) Affection; iv) Understanding; v) Participation; vi) Leisure; vii) Creation; viii) Identity;* and *ix) Freedom*. These needs can be satisfied at different levels (i.e. of the individual, the social group, or the environment) and with different intensities.

- The study "Voices of the Poor" by the World Bank (Narayan, 2000) surveyed over 60 000 poor people in many countries of the world, concluding that poor peoples' views and experiences of poverty are multi-dimensional. From these interviews, the report identifies the following eight components of their experiences: i) *Material Well-Being* (i.e. having enough food, assets, work); ii) *Bodily Well-Being* (i.e. health, appearances and physical environment); iii) *Social Well-Being* (i.e. being able to care for, bring up, marry and settle children); iv) *Self-respect and Dignity*; v) *Peace, Harmony, Good Relations in the Family/Community; vi) Security* (i.e. civil peace, a physically safe and secure environment, personal physical security, security in old age, confidence in the future)*; vii) Freedom of choice and action*; and *viii) Psychological Well-Being* (i.e. peace of mind, happiness, harmony including a spiritual life and religious observance).

- A review of many theoretical and empirical studies on subjective well-being led Robert Cummins (1996) to identify seven Quality of Life categories out of the 173 values domains identified by his review: *i) Material Well-Being; ii) Health; iii) Productivity; iv) Intimacy/friendship; v) Safety; vi) Community; and vii) Emotional Well-Being.*

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15 For instance, being able to live with concern for and in relation to animals, plants and the world of nature.

16 For instance, being able to laugh, to play, to enjoy recreational activities.

17 This environment is both political (e.g. being able to participate effectively in political choices, having the right of political participation, protection of free speech and association) and material (being able to hold property not just formally but in terms of real opportunity, being able to work as a human being, exercising practical reason and entering relationship of mutual recognition with other workers.

18 For instance being in harmony with one's judgments, choices and performances.

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- Based on a large number of works analysing psychological needs, Maureen Ramsay (1992) proposed six summary categories: *i) Physical Survival; ii) Sexual Needs; iii) Security; iv) Love and Relatedness; v) Esteem and Identity;* and *vi) Self-realization*.

- The "Theory of Human Need" proposed by Doyal and Gough(1991) defined universal needs as those "preconditions for social participation which apply to everyone in the same way". Doyal and Gough identify two basic needs (Health and Autonomy)[19], but then develop a longer list of eleven intermediate needs that must be met if these two basic needs are to be met. These are: *i) Adequate nutritional food and water; ii) Adequate protective housing; iii) A non-hazardous work environment; iv) A non-hazardous physical environment; v) Appropriate health care; vi) Security in childhood; vii) Significant primary relationships; viii) Physical security; ix) Economic security; x) Safe birth control and child-bearing;* and *xi) Basic education*.

- Skidelsky and Skidelsky (2012), base their view of the "good life" on the experience of developed countries. According to them the elements of the "good life" must be those that satisfy the criteria of being universal (i.e. "they belong to the good life as such, not just some particular local conception of it"), final ("they are good in themselves, and not just as means to some other good"), *sui generis* (i.e. "they are not part of some other good") and indispensable (i.e. "anyone who lacks them may be deemed to have suffered a serious loos or harm"). Based on these criteria, they identify seven "basic goods": *i) health; ii) security; iii) respect; iv) personality; v) harmony with nature; vi) friendship; and vii) leisure.*

While these different contributions use very different methodologies and are founded in different academic traditions (some philosophical, others empirical, others relying on both theory and observed facts), they propose broadly similar lists of dimensions that must be attended to if we are to understand and measure well-being and development. Table 1 maps the dimensions identified by the various studies described above against the well-being dimensions included in the OECD framework.

19 Health is seen as encompassing both physical and mental health, while autonomy encompasses both autonomy of agency and critical autonomy.

Table 1. **Overview of the well-being dimensions or domains identified in the some of the key contributions to the development literature**

Studies assessing development outcomes	Dimensions of the OECD well-being framework covered by selected development studies								
	Income and Housing	*Health*	*Work-life balance*	*Personal security*	*Subjective Well-Being*	*Education*	*Social connections*	*Civic engagement and governance*	*Others*
Nussbaum (2001)		Bodily Health;	Play	Health, Bodily integrity	Emotions	Senses, imagination, thought; practical reason	Affiliation;	Control over one's environment	Concerns for other species
Finnis (1980)			Play	Life	Religion or Spirituality	Knowledge and Aesthetic Experience	Friendship,	Self-integration	Some degree of excellence in work
Max-Neef (1989)	Subsistence		Leisure	Protection		Creation	Affection, Understanding	Participation, Freedom, Identity	
Nayaran (2000)	Material well-being	Bodily well-being		Security	Psychological well-being; Self-respect and dignity; Freedom of choice and action		Social well-being; Peace, Harmony, Good relations in the Family/Community	Freedom of choice and action	
Cummins (1996)	Material well-being	Health		Safety	Emotional Well-Being		Intimacy, friendship; community		Productivity
Ramsay (1992)	Physical Survival			Security	Esteem and Identity; Self-realization		Love and relatedness		Sexual needs
Doyal and Gough (1991)	Adequate nutritional food and water; adequate protective housing; economic security	Appropriate health care; safe birth control and child-bearing		Non-hazardous working environment; non-hazardous physical environment; security in childhood; Physical security		Basic education	Significant primary relationships		
Skidelsky and Skidlesky (2012)		Health	Leisure.	Security	Respect personality		Friendship		Harmony with nature

Source: Adapted from Alkire (2002) and Skidelsky and Skidlesky (2012).

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Core dimensions of current well-being in developing countries

The dimensions listed above have in common the recognition that the experience of human well-being, even in the poorest countries, encompasses not only material living conditions but also many other non-material dimensions that shape the quality of life. This broad approach to well-being gives a better understanding of the human experience of development and corresponds with the view expressed by the people in developing countries (Narayan-Parker, 2000). In turn, the dimensions that are included in the OECD Framework can be related to the dimensions highlighted by the various contributions to the literature that have been reviewed above and can be reframed in ways that are likely to resonate more with the actors engaged in discussions about development. From a measurement perspective, the different dimensions of current well-being that have been identified in the development literature can be grouped under three broad domains (Material Conditions; Quality of Life; Sustainability) that have been used in the OECD framework and entail the following headings. Each of these domains and dimensions matter, but the weight attached to some of them will vary according to countries' specificities.

Material Conditions

- **Consumption possibilities.** These refer primarily to people's ability to consume an adequate amount of sufficiently nutritious food, but also highlights personal; consumption needs that are important for people to be able to function and participate in society (for example, clothes). These basic consumption requirements are identified in many of the approaches reviewed in the previous section (e.g. Max-Neef, 1989; Nayaran, 2000; Cummins, 1996), but are particularly highlighted in contributions where the authors are aware of the possibility of some people not being able to meet even the most meagre of these needs.[20] Consuming adequate food and clothing usually involves earning an adequate income to do so, and/or having assets that can be used to generate the things that will satisfy consumption needs. Without a minimum level of consumption to meet these needs human beings suffer physiological harm. Income and consumption expenditures (the items identified in the OECD framework) are important in all countries, but in many developing countries only a small proportion of the population has a readily reportable "income"; in these countries, most economic activity involves production for own-consumption or barter exchange, and consists of multiple small and irregular income-generating activities. In these cases, the "income" of an individual or household becomes very difficult to measure. For this reason, many surveys in developing countries focus on measures of consumption rather than income. Similarly, in developing country contexts, the form of assets and wealth may be quite different from that observed in more developed economies. For example, while some people in developing countries may have savings in bank accounts, other important forms of wealth include land, tools, jewellery and livestock. The primary characteristic

[20] For example, well-being assessments in developing-country contexts often reveal that parents are concerned that their children are suitably dressed for going to school and that they feel ashamed and diminished if they are unable to send them without adequate clothes and footwear (McGregor, 2010b).

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of these "assets" is that they are "stores of value" which can be turned into cash or goods in order to enable consumption to meet material needs during times of economic difficulty. The specific forms of wealth will vary from country to country and while these types of assets are inherently more difficult to measure than financial ones, their measurement has been extensively pursued through household surveys.[21] Further, in addition to privately owned assets, common pool resources (e.g. forests, ponds) can often be an importance source of subsistence items (e.g. fuel, fodder, fuels) for poor people, with the problems of measuring their contribution to consumption indicating a further complexity in respect to measurement on this dimension.

- **Housing and infrastructure.** Access to shelter, the quality of housing and related infrastructures – including the supply of clean water and sanitation, transport, electricity and communications connectivity – are all important aspects that underpin material living conditions. In OECD and other more wealthy countries the basic features of adequate shelter and adequately functioning infrastructures are often taken for granted. In many developing countries, however, both rural poverty and rapid urbanization makes housing and its related infrastructure a particularly critical consideration in peoples' assessment of their well-being (e.g. poor quality housing, inadequate sanitation provision and poor transport infrastructure). In addition, overcrowding (i.e. too many people in the same rooms or sharing the dwelling with another family) and an unhealthy living environment (caused by poor quality floor materials, damp or lack of ventilation, smoke from basic cooking facilities) affect both the health and well-being of many people. Housing is very important intrinsically in terms of providing for privacy, intimacy and ensuring some personal space to the person and members of the family, but it also affects other well-being outcomes. A house is often instrumentally important for a person's livelihood, while its location and connectedness may be important in respect of finding work, and in determining access to health care and education). Good housing and its related infrastructures are key to enhancing some capabilities of people and this may be especially so in a context of rapidly growing towns, cities and megacities.

- **Work.** Many workers in developing countries are not in the formal sector of the economy and their workplaces are beyond the reach of legislation or regulation that might seek to support or protect their well-being. Most workers may be employed in

21 For example, in highland Peru one of the most important forms of livestock is the llama, while in parts of Ethiopia it is the camel. In both countries having a large, productive livestock asset is important but llamas and camels are different: they differ in terms of what and how they contribute economically, in what they need to be sustained, and in their social and cultural significance for well-being. In poorer contexts, it is also important that minor forms of asset are not overlooked as even small asset-holdings may be important for coping with adversity. In Bangladesh, for example, it is easy to overlook ownership of small numbers of chickens and ducks, particularly because these are seen as "women's assets", despite the fact that being able to sell one or two chickens may be important in order to meet small but unpredictable expenditures such as on medicines.

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enterprises in the informal sector or be self-employed. In both forms of employment, difficult working conditions and relationships often mean that people may experience a significant degree of physical and/or economic insecurity. Bringing people into "good" jobs in the formal sector has been historically an important ambition for public policies in all countries, and highlights a particular challenge of reducing "open" unemployment and under-employment in developed countries. Certainly for many people in developing countries having a stable and regularly paid job is an important foundation on which to build a good life. The concept of "decent work", as articulated by the ILO, includes opportunities for productive employment that bring adequate income, security in the workplace, social protection for the families of workers, as well as freedom of association and rights at work. It also considers aspects such as leisure-time and the capacity to decide upon time-use. Decent work matters for human dignity and shapes human identity and its social perception. Decent work also matters instrumentally to guarantee a stable and adequate standard of living, to sustain a family and to develop one's own skills and competencies. Decent work also comprises the capacity to balance work and family life, since the lack of leisure-time or the presence of time poverty are important challenges to a good quality of life in both developed and developing countries.[22] This dimension captures many of the elements present in the review of the development literature described in the previous section, notably the importance of leisure and play (e.g. Nussbaum, Finnis and Max-Neef) but also excellence in work (Finnis) and productivity (Cummins).

Quality of Life

- **Health.** Good health is identified as a core element of well-being in all of the frameworks reviewed above (Table 1). Being in good health has great intrinsic value for most people around the word (as highlighted by the many surveys where respondents rank it at the top of people's personal priorities for a good life) and it has instrumental value in enabling a person to work. Health is a well-established element of the development agenda and is also closely connected with other dimensions of well-being. Diseases and injuries are major barriers to the ability to work in all countries but are more prevalent and potentially more damaging for well-being in developing countries. Ill health restricts the ability to be productive and can also have negative consequences for psychological well-being, as it undermines a person's ability to feel competent, be autonomous and take control over their own lives. Historically much of the health-focus in the development discourse has been on the "diseases of poverty": transmittable diseases and the consequences of malnutrition and stunting. However, while these forms of ill health are still a major concern, many developing countries now also face

22 See for instance the national initiatives described in the Annex. More generally, leisure allows caring for others (e.g. children, the unwell and the elderly) as well as engaging with others in society. As Rojas notes, "... leisure time allows for the production of relational goods, which have been found to be important for well-being and which are time-intensive in their production. Fostering long-lasting friendships requires time" (Rojas, 2009).

increasing levels of incidence of the "diseases of affluence" (i.e. heart conditions and diabetes).[23] Given that a well-being framework must be concerned with the health and well-being of the whole population, this suggests that a broader range of health conditions must be monitored. In developing countries data requirements for measuring health remain challenging, as comprehensive systems of vital statistics are not yet in place in many countries. Beyond aggregate mortality-based measures, patterns in prevailing causes of death differ significantly between developing and developed countries, and may require monitoring through more specific indicators (e.g. deaths as result of what are regarded as the diseases of poverty, such as those due to inadequate food and infective diseases). Health Statistics that can chart the reduction of child mortality and under-nutrition will be particularly important as a yardstick of progress for countries as they develop. Comparative morbidity measures are difficult to collect in many countries. Other health-factors that may require greater consideration in such a framework, but which have hitherto received little attention, are mental health problems that follow severe shocks and conflicts. In respect of all of these conditions it is clear that a critical factor to consider in respect of the quality of life of people in countries at different levels of development will be the quality and accessibility of healthcare services.

- **Education and Skills.** Education and literacy are crucial elements of human capabilities (as outlined in the previous section and notably by Nussbaum, 2000; Finnis, 1980, Max-Neef, 1989 and Doyal and Gough, 1991), and they interact with other dimensions of well-being such as health, work, social interactions and participation in society. As in the case of health, education and skills has long been recognised as a critical underpinning of development, with much of the focus on improving literacy and access to primary education (e.g. in the MDGs). The level of education and skills that people bring to their efforts to achieve well-being are important in countries at all levels of development and as countries develop attention moves to higher levels of the educational system. While much of the attention in statistical data collection thus far has been on the "quantity" of education, there is increasing recognition that the contribution of education and skills to well-being and to national economic performance also depends on the quality of the competencies gained in schools and beyond. Beyond traditional attainment data, which can be implemented through population censuses and representative household surveys, an adequate monitoring system in this field should also include measures of the quality of the competences learned in school, as implemented in several countries around the world through the OECD Programme for International Students Assessments (PISA), which is currently being adapted to the context of less-developed countries through the programme "PISA for Development" (OECD, 2014a). While, in principle, an assessment of the population's skills and competences should look beyond schools, implementing a reporting system in this field will be much more demanding in a developing-country context, as the acquisition of

[23] These may exist in communities and populations alongside each other and particularly so in rapidly urbanising contexts, where traditional diets may be replaced by more modern ones.

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skills is likely to be affected by the importance of informal education and of the skills gained in the informal economy.

- **Social connections**. Social connections refer to the ability to have relationships within a community, society and economy that can contribute to the achievement and maintenance of well-being. They feature as critical elements of all the studies reviewed in the previous section (Table 1). Social connections are important in most societies not just for meeting material needs but also in maintaining resilience at the level of the individual and community: they play a vital role in fulfilling both social and psychological needs. Many observers have argued that social connections are perhaps even more important for poor people in developing countries, where formal organisations and institutions may be weaker. Considerable support can be gained through family, friends and neighbours, while a lack of social connections is in itself an important indicator of impoverishment and isolation, which can have adverse physical and psychological effects. Social relationships provide the care and affection that are important for the most personal level of human well-being, but they are also important at broader societal levels. In an instrumental sense, networks of personal relationships provide the connectivity required for successful economic activity while, at the societal level, they provide the basis for social cohesion and effective governance. However, this is an area in which traditional statistical collection has been weak in both developed and developing countries.[24] Selecting indicators on social connections is difficult since, even in communities with strong social capital, not everyone may have access to it, and some people may suffer as a result of exclusion and stigmatisation (for instance because they belong to ethnic minorities). As such, although some assessment of the level of social capital is important,[25] it is also important to assess the differences between individuals and households in whether these connections contribute to their well-being or otherwise.

- **Empowerment and participation.** Empowerment and the need for autonomy and freedoms are profoundly related to the notion of capabilities that underpins the OECD well-being framework. Although with diverse nuances and interpretations, they are also present in many of the approaches for measuring development outcomes discussed in the previous section (and notably in Nussbaum, 2001; Finnis, 1980, Max-Neef, 1989 and Nayaran, 2000. In the case of Doyal and Gough, 1991, these are important facets of "critical autonomy"). Empowerment refers to the ability of citizens to participate in, negotiate with, influence and hold accountable formal or informal institutions that affect their lives. Formal institutions include state, markets, civil society, businesses, and supranational entities. Informal institutions include discriminatory social norms,

24 For recent efforts to improve this see the UK ONS Personal Wellbeing Survey or the Sponsorship Group on Measuring Progress, Well-being and Sustainable Development created in the context of the European Statistical System (ESSC, 2011).

25 This is dealt with in the framework under the "sustainability" dimension of the approach and a more general measure of social capital must be assessed at a level above the individual.

exploitative relations, and bad governance. Empowerment matters intrinsically because of its contribution to subjective well-being but also translates into and is reflected in higher levels of social participation. Greater levels of empowerment and participation may contribute instrumentally to better economic performance but also contribute to better social integration and cohesion. At the level of society as a whole, they may provide a driver for or source of demand for higher quality institutions. The development process is in part a struggle to achieve more effective and stable forms of governance, with progress in well-being hampered when people are excluded from governance processes, where transparency and accountability are lacking, and where elites dominate systems of governance. A similarly negative effect on well-being is induced by low trust in the governing system and the political class. A specific challenge in this field is to define measures that capture the legitimacy of public institutions from the perspective of people while not necessarily resting on the liberal-democracy model prevailing in developed countries.

- **Vulnerability.** People around the world indicate that exposure to risks (such as food insecurity, income insecurity, job loss, illness, environmental catastrophes, crime, physical violence and war) is a matter of major concern. The experience of shocks that can take place at different levels of scale can have a direct impact on different dimensions of life that important for people and create a sense of vulnerability which in itself has negative impacts on subjective well-being. In this respect, the existence of formal or informal relationships of social support may affect people's ability to cope with the impacts of shocks and reduce the experience of vulnerability.

  – The issue of *economic insecurity* is especially salient in most developing countries and it is one that has been discussed extensively by the literature on development (e.g. Nayaran, 2000; Doyal and Gough, 1991). There is much evidence that a lack of economic security may trigger a spiral of well-being failures. Krishna (2010), for example, explains how the absence of formal systems of economic security mean that vulnerable families in developing countries are often plunged into impoverishment by a single unforeseen event, such as an illness of a family member or the loss of an important productive asset. In order deal with economic insecurity, households often enter into informal relationships of support, for example with friends and neighbours or with moneylenders or patrons who can provide loans or employment or support in time of need. But while some of these relationships may be benign others can be the cause of further impoverishment and stress (Rojas, 2011; Camfield et al., 2012). Specific indicators for economic security might include: whether people have a formal job contract that grants a degree of employment security; whether people have access to social security in times of need; whether they have access to health care at reasonable cost; and whether they have a bank account or can borrow money in times of need.

  – The issue of *personal physical security* is a critical one in many developing country contexts and particularly in contexts that are fraught with violence and conflict.

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Physical security is mentioned as a key capability or human need in all the approaches reviewed in the previous section. The threat of physical insecurity is especially pervasive when we consider how many countries around the world are regarded as "fragile states". In these contexts, formal police and justice systems are often non-existent, while in others they are weak or corrupt to the extent that they can become a contributor to heightened levels of physical insecurity. Threats to personal physical security are particularly high, especially for women and girls, and can contribute to a failure in their well-being and act as a barrier to them making an effective contribution to development. A lack of personal security often means that people have to invest in their personal security, which is drag on already scarce resources. Both the actual experience of physical violence and the fear of it have negative effects on both individual well-being and on social cohesion. In many developing countries, a key obstacle to women's empowerment is sexual harassment in schools and violence within the family and in public places.

- **Environmental conditions**. Throughout the world, participatory poverty assessments indicate that people's well-being is inextricably tied to their environmental context (e.g. Nayaran, 2000). The well-being of people in all countries is closely related to the environmental conditions in which they live and work, but these may be particularly important for countries as they develop. The development process itself may degrade and overexploit ecosystems that provide a wide range of important services for human functioning (for production, consumption, health, leisure etc.). Poor environmental conditions have important adverse implications for health, productivity, security and public health. This applies to people living in both urban and rural contexts. Unplanned and rapid urbanisation may lead to high-density living, a degraded living environment and encroachment on and destruction of green spaces. In rural areas, people tend to live closer to nature and are often particularly dependent on the resources that it provides; in these conditions, access to a resilient natural environment is critical for material well-being as well as the quality of life. Data collection in both contexts is challenging: where rapid urbanisation is underway, there may be difficulties in data collection keeping pace with the process, and in both rural and urban locations the positive services that healthy ecosystem provide are often not recognised and are difficult to measure.

- **Life evaluations, feelings and meaning.** Life evaluations, feelings and meaning are the three aspects of subjective well-being identified by the measurement guidelines recently developed by the OECD (OECD, 2013c). Although sometimes dismissed as a concern for rich countries, the measurement of subjective well-being is no less relevant for developing countries. It is by now widely acknowledged that knowing how people evaluate, experience and give sense to their lives are important both for understanding how people behave and for the processes of governance. The importance of measuring the different aspects of subjective well-being align closely with the view, which is

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common in development discourse, that people are the best judges of how their lives are going,[26] as reflected by many of the works reviewed in the previous section (Table 1).

– *Life satisfaction and evaluations* provide important information on the quality of peoples' lives, capturing the importance of factors that are not mediated by markets. The measurement of life evaluations by statistical offices has become more common in developed and emerging countries, providing a wealth of information for public policy. Measures of this type yield important insights for policy makers and professionals, not least that above a modest threshold greater consumption does not yield greater happiness. The tradition of listening to the "voices of the poor" has made an important contribution to reshaping the development agenda and continues to do so. These "voices" have shown how varied the elements are that make life worth living not only for the poor but for all people in developing country contexts. Issues such as dignity, shame and frustrated aspirations all become more evident when subjective well-being assessments are undertaken; at a more instrumental level, there is considerable evidence showing that higher life satisfaction has other economic and social pay-offs. For example, workers who are more satisfied tend to be more productive while, in both developing and developed countries, higher levels of self-reported well-being are associated to higher social connections (Calvo et al., 2012). Most of the measures of life evaluations that are currently available are produced by non-official statistics (Helliwell et. al., 2013). However, this situation is rapidly changing, and by 2015 most OECD countries are expected to have official statistics in this field based on surveys that will ensure cross-country comparability and meaningful breakdowns across the population (OECD, 2013c).

– *Feelings.* Measures of people experience of their life (i.e. positive affect, such as joy, contentment, and pride; and negative affect, such as fear, fatigue and anxiety) capture the immediate effects of many activities on people's experienced well-being. Because they are less affected by memory-biases and map more directly into people's daily activities (e.g. commuting, caring, paid and unpaid work), they provide information that complements that provided by life evaluations. Measures of people's feelings are typically collected through time use surveys and through general household surveys that ask respondents about their experience of different types of affect in their recent past (e.g. yesterday).

[26] Measures of subjective well-being are different from the subjective evaluations of items across the various well-being domains (e.g. health satisfaction, job satisfaction, etc.) as it refers to a notion that is *intrinsically subjective* and not necessarily observable by a third party, i.e. the experience of life. The dimension "life evaluation and feelings" comprise two aspects of this experience: i) a reflective assessment of how things go as a whole ("life evaluation"); and ii) several measures of people's feelings or emotional states that are typically measured with reference to a particular point in time. Subjective evaluations of well-being may also be seen as a cross-cutting way of operationalising measures for specific dimensions through people' self-reports.

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– *Meaning*. Many of the studies reviewed in the previous section point out that having a purpose in life matters significantly and universally. The inclusion of "meaning" in an assessment of quality of life acknowledges the work carried out by social psychologists on notions of "flourishing" and "eudaimonia". In this sense, this component of well-being not only gives us insight into how well people are doing in the present, but also on whether they are likely to do well in the future whether in terms of their own psychological position. Meaning is closely associated with notions of autonomy, sense of purpose, resilience and engagement, and international guidance for its measurement already exists (OECD, 2013c). Further, studies in developing countries have highlighted that beliefs and spirituality are particularly important as a source of meaning for many people in many countries. Belief systems are often an important part of peoples' day-to-day life and are something from which they draw strength to cope with the many challenges they face. While meaning, beliefs and spirituality are closely connected to one another, they are often treated separately. Meanings and beliefs do not necessarily have a spiritual connotation, while spirituality (a broad concept that does not depend upon a collective or organisational context (Zinnbauer et al., 1997) should be distinguished from religion (which is used to refer to formal religious institutions).[27] Some studies have found that people who have a sense of purpose in life report lower levels of depression and better general psychological health (Kleftaras and Psarra, 2012). In addition, research in developing country contexts reveals that the ability to hold beliefs, to act in accordance with them and to publicly celebrate spiritual or religious beliefs are important for how people live their lives. Measures of spirituality have also been collected through non-official surveys such as the World Values Surveys and the International Social Survey Programme.

Sustainability

The notion of sustainability links current well-being outcomes to development processes that sustain those outcomes over time. The seminal Brundtland report (WCED, 1987) defined sustainable development as a process that "meets present needs without compromising the ability of future generations to meet their own needs". This approach highlights that the well-being of future generations cannot be separated from the well-being of current generations: in other words that development and sustainability are inextricably bound up with each other, and that this link holds at both local and global levels. As a consequence, a key aspect of development policy is to ensure that the key sets of economic, socio-cultural and environmental resources are built and maintained so as to ensure that achievements in the many dimensions of human well-being are maintained from one generation to the next.

As more and more countries engage in the development of sustainable development plans that explicitly embrace the concept of well-being, the urgency in thinking about measures of the

27 Research finds that religious involvement is associated with better health outcomes (McCullough et al., 2000).

sustainability of well-being has become more prominent. Below, we propose a list of three core dimensions that can be used to monitor the sustainability of current well-being. This list is based on a stocktaking of various initiatives for measuring sustainable development (e.g. RIO+20, Sustainable Development Solutions Networks, the Sustainable Economic Development Assessment, Social Progress Imperative) and notably by the recommendations by UNECE-Eurostat-OECD Taskforce on Measuring Sustainable Development (UNECE, 2014).

There are three systems that are essential for the maintenance and promotion of people's well-being over time. These are:

- **The Economic System.** Sustainable well-being requires an effective and resilient economic system. This involves the preservation and renewal of economic capital, addressing macroeconomic imbalances and foreign indebtedness, securing the transparency and stability of the financial system, an effective system of contract and ownership law, and ensuring adequate tax resources to finance the provision of public goods and public investment.

- **Social and Cultural Systems.** The importance of social and cultural systems in the dynamics of human well-being is well established (Helliwell and Putnam, 2005). Social and cultural systems interact to support and build both social and human capital. They provide the framework of meanings, rules and institutions that either support or inhibit people in their efforts to achieve well-being. Countries that have inclusive and cohesive social systems tend to do better in terms of education and health outcomes (Wilkinson and Pickett 2009) both today and tomorrow. Cultural heritage, pluralistic social norms and language diversity are other components of societies are also conducive to human well-being (World Commission on Culture and Development 1994). Social systems and cultural norms interact to produce responsive and legitimate institutions which encourage the rule of law, the upholding of shared values, freedom of speech and the media, open political choice, access to justice, accountable government and public institutions.[28]

- **Ecosystems.** As has already been discussed ecosystems provide a range of services that are important for individual human well-being. However, it is also important to consider the role of the ecosystem at a broader systemic level. Economic, social, cultural and natural environmental systems interact to produce the broad context that can drive development in ways that either sustain and promote human well-being or detract from it. This shifts attention away from just considering the conditions of particular ecosystems in particular locations (e.g. a wetland or a fishery), towards consideration of the whole ecosystem. The health and resilience of a national and global ecosystem plays an important role in whether a balance between the well-being of current and future generations can be reached and maintained. Climate change and biodiversity loss are

[28] "A new Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development", Report by the High-Level Panel of Eminent Persons, 2013.

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examples of major systemic aspects of the natural environment that represent threats to future human well-being. In bringing this down to the level of national policy-making the sue of indicators on broader ecosystem health provides a means for policy-makers and populations to consider their roles and actions in relation to issues of deforestation, desertification, loss of biodiversity, threats to the natural landscape and heritage.

While measuring the "sustainability" at the systemic level is challenging (more so than in the case of measuring people's material conditions and quality of life at a point in time), significant progress has been made in putting in place statistical standards for developing indicators of sustainability (UNECE, 2014; OECD, 2013b).

Differences between the framework advanced here and the one used in the OECD Better Life Initiative

The dimensions of current well-being and its sustainability over time that have been presented in the previous section conform to the same logic as that which underpins the framework used for the OECD *Better Life Initiative* and implemented in the *How's Life?* reports. When considering the findings from the range of well-being measurement initiatives being pursued around the world, some of which are reported on here, alongside the increasing number of studies on well-being and quality of life in developing countries (e.g. Gough and McGregor 2007, McGillivary and Clarke 2006), it is apparent that there is nothing about this framework that would limit its application to developing country contexts. All of the dimensions that are included in the OECD framework are relevant for the hopes, aspirations and efforts of people in developing countries. The specific adaptations proposed above mainly aim to add specific considerations that have particular significance for different economic and cultural contexts, and to reformulate some dimensions in ways that better resonate with policy-makers and practitioners in countries at all levels of development.

Nevertheless, a number of considerations need to be kept in mind when considering how to operationalise this framework for developing-country contexts. These include:

- Continually checking that the framework is not overlooking factors that contribute to well-being but which are taken for granted in different country contexts (and therefore are not being highlighted in national well-being consultations). For instance in the consultations conducted in OECD countries, having a supply of clean water is seldom mentioned as being important for well-being, because it tends to be taken for granted by most citizens. Clearly this does not apply, and cannot be taken for granted, in many development contexts, where access to clean water is frequently ranked highly amongst well-being needs. The same care needs to be applied to other aspects of what contributes to having a good life: for example, having sufficient clothing, food security and adequate nutrition, enjoying human, civil and political rights (e.g. freedom of thought, conscience, to practise a religion), having good contacts with friends, family and neighbours.

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- Acknowledging that data context for this kind of work in developing countries is typically much more challenging. Much of the relevant data may not be readily available because a large amount activity may take place in the informal economy which is beyond the scope of institutionalised channels of data collection. Efforts to develop statistical capacity in this field may also compete with other statistical priorities. Finally, it is important to recognise that the resources available to governments may also limit the capacity of statistical services to produce and manage comprehensive data on many aspects of the framework.

These considerations have weighed in the choice and definition of the dimensions (and related issues) included in the framework proposed in this paper. In particular, the following differences with the original *How's Life?* framework have been proposed.

- First, enjoying a work-life balance that allows the achievement of a rounded sense of well-being, while relevant for people in all countries has a number of particular characteristics in developing country contexts. Where many workers are self-employed or have jobs in the informal sector, they may either be required or choose to spend long, unregulated hours at work and without any entitlements to holidays or breaks. In many developing countries, long and arduous commutes to work are the norm; the need to migrate long distances away from family and friends is accepted as a given, and most women routinely experience the "double day" of having to do productive work outside the household while also being required to cook and care for children or the elderly and menfolk. These factors suggest the need to shift the emphasis in this domain onto the quality of work. Because of these considerations, the two OECD dimensions of "jobs and earnings" and "work-life balance" have been merged into a more encompassing category labelled "work". Following the lead given by the "Decent Work" initiative of the ILO, the focus here is on the *de facto* quality of work (both paid and unpaid). Because of the large extent of informality, the absence or weakness of contracts, regulations and employment-related welfare systems, the assessment of the *de facto* quality of work becomes a vital consideration when assessing people's ability to achieve adequate well-being. While having a job of whatever kind is important both for the instrumental reason of providing income and for the intrinsic importance of the sense of purpose and satisfaction that it can bring to the worker, poor quality jobs can be destructive and demoralising. While the *How's Life?* framework specifically identifies the importance of mental health and psychological well-being in the workplace, the issues of occupational safety and health are here incorporated into the assessment of whether a job or work in the developing country context can be described as "work" (see ILO, 2011).

- Second, the analysis of some of the core challenges facing countries as they develop highlights the importance of improving governance and associational life in society such that people are able to express their voice to governments. While the *How's Life?* dimension of "civic engagement and governance" draws attention to the more formal organisational aspects of governance, we propose to re-label this dimension as "Empowerment and Participation" to better reflect the dynamics of change and the

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challenges that are inherently part of the development process. This reformulation places the accent on the importance of empowering individuals and groups to live their lives in ways that contribute to more effective governance. As part of this adjustment of the framework, the previously labelled domain of "Governance" is now interpreted more broadly as part of Social and Cultural Systems. This adjustment does not imply that developing countries represent a special case, but rather the need to better distinguish between well-being "flows" (which are relevant for current well-being) and "stocks" (which matter for sustainability).

- Third, the *How's Life?* dimension "Personal Security" has been expanded in scope and redefined as "Vulnerability". The latter term seeks to capture a broader notion of insecurity that recognises the interplay of economic and physical insecurity. Unexpected events such as loss of employment, illness, or death of a family member can have devastating effects on the well-being of individuals and household; because formal mechanisms of insurance, social protection and widespread universal health-care are often lacking, in developing countries "vulnerability" is a special threat to the well-being of people in those societies. This revised domain also encompasses the issue of physical safety (as in the *How's Life?* Framework), since vulnerability also takes account of the extent to which people and women in particular are affected by situations of violence, conflict, and environmental hazards such as floods, storms and drought.

- Fourth, from the review of studies of well-being and quality of life in developing countries and from the issues identified as important for people's well-being in the various new measurement initiatives the dimension of "Subjective Well-being" in the *How's Life?* framework has been relabelled "Life evaluation, feelings and meaning" to highlight the special importance of meaning is most development contexts, and of beliefs and spirituality as means of achieving it. Since spirituality and having a deeper sense of purpose recurrently emerge as being key factors that shape identity and values in most societies, and particularly in ones that retain strong religious traditions, the specific reference to "meaning" is considered as adding to the flexibility of the framework and improving its universality. It should be noted, however, that operationalising this dimension with specific indicators is likely to be challenging, since the gathering of data on this set of issues has largely been overlooked by official agencies and as such it is likely that there will be a paucity of comparable information.

- Fifth, as part of a general process of adjustment to the realities of developing country contexts, some dimensions of the original framework have been re-labelled or slightly redefined. For instance, income and wealth have been re-labelled "Consumption possibilities", partly because consumption is more universal than income and wealth, which are in effect just proxies for the ability to consume, and partly because income and wealth are often difficult to measure where large parts of what people do is either in the informal economy or is unremunerated in financial terms. Consumption possibilities is a more appropriate label since it can encompass the goods and services produced by households, which represent is a sizeable component of total consumption in lower-

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income countries. The original OECD dimension "housing" has also been retitled "housing and infrastructure" because housing related infrastructure such as the supply of water, sanitation, electricity and so on are crucial to everyday well-being and also because they are often a crucial bottleneck in the development process in many countries.

- Finally, the original OECD framework proposed that four types of "capital" be considered as a way of assessing the sustainability of well-being. In the framework proposed in this paper, these have been re-labelled to better capture the notion of a dynamic "systems" as opposed to that of "capitals". While the constitutive elements of these systems are collective goods and resources, the accent is put on the interdependencies across these various types of resources (for instance, the fact that in a globalised world a country's financial vulnerability may depend on another country's financial position) and the fact that most of these resources are both national and global public goods (i.e. their future value depends on people's *joint* consumption both within and beyond the nation, as opposed to something that is only individually-owned and therefore only valuable for what it brings to the individual.

Table 2 provides a summary comparison between the well-being dimensions used in the *How's Life?* Report and those proposed in this paper highlighting, for each of the dimensions suggested here, some of issues that are likely to have special salience in developing countries.

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Table 2. **A well-being framework tailored to the contexts of developing and emerging countries**

	How is Life? framework	Framework put forward in this paper	
	Dimensions	**Dimensions**	**Issues**
Human well-being (today)	Income	Consumption possibilities	Household income/consumption, poverty, ownership of assets and durables, self- reported satisfaction of living standards
	Jobs Work-life balance	Work	Lack of employment, informality, hours of paid and unpaid work, free time, wages, job satisfaction
	Housing	Housing and infrastructure	Quality of housing, occupation density, indoor pollution, access, use and distance from water and sanitation services, connection to electricity grids, transport
	Environment	Environmental conditions	Pollution of air, water contamination, noise, green space
	Education and skills	Education and skills	Illiteracy, school enrolment and graduation, measure of child, adolescents and adults competencies, access to education
	Health	Health	Longevity, morbidity (infectious and chronic diseases), disability, malnutrition, access to health care
	Personal security	Vulnerability	Risky behaviours, violence and criminal victimisation, accidental injuries, protection against social and economic risks, living in disaster prone areas (coastal areas, flooding, seismic areas, and industrial hazard, etc.)
	Social connections	Social connections	Quantity and quality of social interactions, social and economic support, social isolation
	Civic engagement	Empowerment and participation.	Civil and political rights (e.g. minority), access to accurate information, responsive and accountable institutions, discrimination, voice, sense of empowerment, cultural identity (e.g. language), tax morale
	Subjective well-being	Life evaluation, feelings and meaning	Life evaluations and affective states; sense of meaning and purpose in life; attachment to or regard for things of the spirit
Sustainability of well-being (tomorrow)	Economic capital	The Economic System	Economic capital, macroeconomic imbalances, foreign indebtedness, transparency and stability of the financial system, tax mobilisation
	Natural capital	Ecosystems	Deforestation, desertification, loss of biodiversity, natural landscapes and heritage
	Human capital Social capital	Social and Cultural Systems	Human capital, preserving cultural heritage (e.g. languages, traditions), social norms, cultural and language diversity, rule of law, effective, open and inclusive institutions

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VI. OVERVIEW OF POSSIBLE INDICATORS

Once a set of well-being domains has been identified that resonate with countries at different levels of development, the next step is to identify indicators to measure performance in these domains. In order to measure well-being along the dimensions described above, the analyst will have to select relevant indicators, assess available data sources for these indicators, and identify open measurement challenges.

Examples of indicators that might be suitable for such well-being measurement analysis are presented in Table 3. This table is not exhaustive and provides an illustration of the type of statistical evidence that is suitable to measure the dimensions included in Table 2. These illustrative indicators include quantitative, objective measures of the monetary and non-monetary dimensions of well-being, as well as indicators based on people's self-reports. Objective indicators are traditionally used to measure well-being outcomes in dimensions such as consumption opportunities, housing and infrastructure, work, health status, education, or environmental conditions. In turn, self-reports are often proposed or added to complement objective indicators when it comes to measure dimensions of well-being such as job satisfaction, empowerment, social connections, life evaluation, feelings and meaning. Ultimately, the choice of indicators will need to reflect needs and aspirations that can differ across countries, although international benchmarking requires using similar indicators.

The variety of data sources than can be mobilised for measuring well-being in developing countries is also presented in Table 3. These data sources include national accounts data collected centrally by statistical agencies or central banks, administrative data stored in management information systems of sectoral ministries, individual or household-level data gathered through surveys, as well as international databases that compile well-being indicators at country level and which are meant to be comparable across countries. While different types of data sources will be needed to collect relevant well-being indicators, household surveys represent a unique opportunity to collect information on objective and subjective dimensions of well-being.

Besides the selection of indicators and the identification of data sources, other important issues are the frequency of data collection and the level of disaggregation of indicators. The possibility of measuring progress over time depends on having access to data that charts progress for these indicators over time. Ideally, data should refer to the same individuals or households followed over time (panel data) but some analysis can also be conducted when two or more cross-section surveys are available (repeated cross-sectional surveys). Some of the countries that are currently undertaking "measuring progress initiatives" have integrated new questions into established and routine data gathering exercises (e.g. Mexico), while others have

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initiated new surveys (e.g. Morocco). The usefulness of the data also partly depends on the extent to which well-being measurement can disaggregate indicators at adequate levels so that they can inform the design of specific policies and programmes. While aggregate, country-level indicators are useful, as they give a broad overview of the status of well-being in a given country in comparison with others, they can hide important differences across socio-demographic groups and among sub-national regions. In order to design better policies and programmes that contribute to progress in well-being for all, a disaggregate picture is needed that presents a view of trends in the distribution of well-being across gender, location, and groups.

The development of new well-being measures will be challenging for countries with limited statistical resources and competing statistical demands, requiring international cooperation and dedicated resources. At the same time, a window of opportunity may be provided by the ongoing process to develop indicators for monitoring the Sustainable Development Goals and targets agreed to by the UN Generally Assembly by September 2015, an objective which will require significant investment in statistical capacity in developing countries, including through international cooperation.

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VII. HOW TO USE THE FRAMEWORK FOR MEASURING WELL-BEING IN DEVELOPING COUNTRIES

Measuring well-being and progress in developing countries has important implications for OECD work and engagement with non-member countries. The well-being framework presented above can be used to strengthen national development policy processes and to promote more effective statistical capacity building in a number of ways:

- It can be used and applied in the OECD Multi-Dimensional Country Reviews, a new instrument put in place by the OECD Development Centre to assess countries' development path and support their development strategies.

- It can inspire and sustain measurement efforts by countries that envisage embarking (or have already started) national initiatives on measuring well-being and progress (see the Annex).

- It can be used as a concrete instrument to implement some of the key objectives of the Busan Action Plan for Statistics,[29] such as strengthening and re-focusing national statistical strategies to produce the data that support country-level development priorities.

These applications are discussed in turn.

An important tool proposed by the OECD to support national development processes and help partner countries to build more inclusive societies are the Multi-Dimensional Country Reviews (MDCRs) being undertaken by the OECD Development Centre.[30] These Reviews look at

29 The Busan Action Plan for Statistics is a joint initiative by PARIS21 and the World Bank launched in 2011. This initiative aims to: i) fully integrate statistics in decision-making, in particular to develop capacities to produce data relevant to users' priorities; ii) promote open access and use of data; and iii) increase resources for statistical systems. The plan also aims at strengthening and re-focusing national strategies to produce the data that support country-level development priorities; improving accessibility of statistics and implementing standards enabling full public access to official statistics; developing programmes to increase the knowledge and the skills needed to use statistics; ensuring that outcomes of global summits and high-level forums specifically recognise the need for statistical capacity development and ensuring that financing for statistical information is robust.

30 MDCRs have already been conducted for Myanmar, Uruguay and the Philippines. Reviews are currently planned for Morocco, Panama, Peru, Côte d'Ivoire, Costa Rica and Kazakhstan.

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development in a multi-dimensional way and, as such, their philosophy is consistent with the adoption of a well-being framework such as the one proposed in this paper. The MDCRs build on the premise that well-being is part of development and that serious underperformance in terms of a range of well-being outcomes may act as a binding constraint on more sustainable economic growth. The first few MDCRs carried out by the OECD Development Centre have been guided by the original *How's Life?* framework. However, for future reviews, the framework proposed here could be used to make the reviews more suited to the specificities of particular developing country situations.

Table 3. **Examples of well-being indicators and indicative data sources**

Issues	Example of indicators	Indicative Sources
	Human well-being (today)	
Consumption possibilities	GNI per capita (or GDP), mean household disposable income; National poverty rates (absolute and relative); International poverty rates ($1.25 - $2 per day); income/consumption inequality measures (GINI, inter-quintile ratios); mean and median household wealth (CS); share of rural households (individuals) without key assets (land, machinery, livestock); share of all households (individuals) lacking basic durables (refrigerators, television).	▪ System of national accounts; ▪ World Development Indicators (WDI); ▪ Household budget, expenditure, income surveys; ▪ Living standard and measurement surveys
Work	Employment and unemployment rates; share of workers time-underemployed (ILO) or working excessive hours (ILO); share of workers with no written contract or without social protection (attached to job); share of children (aged 5-15) engaged in child labour; share of workers affected by work-related diseases (physical or mental) or injuries; share of employees enrolled in trade union or other professional association; NEET; average net wage in main job; prevalence of working poverty.	▪ Key Indicators of the labour market (KILM); ▪ Labour force surveys; ▪ Multi-topic household surveys ; ▪ Living standard and measurement surveys; ▪ Administrative systems
Housing and infrastructure	Share of households (individuals) living in dwellings without basic housing services (water, sanitation, electricity, heating, gas); distance from basic community services (schools, health centres).	▪ Household budget, expenditure, income surveys; ▪ Living standard and measurement surveys
Environmental conditions	Share of households lacking waste water treatment and waste disposal; share of households using dirty fuel for cooking and eating; PM10 concentrations in urban centres; measures of water quality; share of households satisfied with air and water quality.	▪ Living standard and measurement surveys; ▪ Demographic and health surveys; ▪ Satisfaction surveys; ▪ National environmental action plans, state of the environment report
Education and skills	Enrolment rates of pupils of the official age in pre-primary, primary and secondary education (ISCED); rates of out-of-school children; drop-out rates (primary and secondary); mean years of schooling; expected years of schooling; adult literacy rates; students' scores (PISA).	▪ Administrative systems; ▪ Multi-topic household surveys; ▪ Living standard and measurement surveys; ▪ PISA; ▪ UNESCO Institute for Statistics (UIS) Indicators; ▪ PISA Indicators

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Table 3. **Examples of well-being indicators and indicative data sources *(cont.)***

Issues	Example of indicators	Indicative Sources
	Human well-being (today)	
Health status	Infant, under-5 and maternal mortality rates; share of children with below-standard heights and weights; adolescent birth rate; life expectancy at birth and at 60; individuals affected by HIV, malaria and other transmittable diseases.	▪ Administrative systems; ▪ Demographic and health surveys; ▪ WHO Indicator and Measurement Registry (IMR)
Vulnerability	Prevalence of substance abuse (alcohol, drugs, tobacco); incidence of unsafe sex practices; prevalence of domestic violence against women and children; crime rates (homicides or assaults); share of households with only one employed working age member; share of individuals with no access to social protection; share of unemployed (ILO) not receiving unemployment benefits; share of people of pension-age not receiving a pension.	▪ Demographic and health surveys; ▪ Multi-topic household surveys; ▪ Labour force surveys
Social connections	Share of individuals relying on private networks to find jobs; share of private transfers in total income; share of single headed households; share of people reporting they have someone to rely in case of needs.	▪ Household budget, expenditure income surveys; ▪ Multi-topic household surveys; ▪ Labour force surveys; ▪ Specific surveys
Empowerment and participation	Share of people who trust institutions and local governments; share of people satisfied with basic services; share of people awareness about condom use as a means of HIV/AIDS prevention; out-of-pocket expenditures in health care and education; summary measures of rights and governance (e.g. rule of law index, social progress imperative; political rights....), attitude towards tax evasion.	▪ Demographic and health surveys; ▪ Household budget, expenditure income surveys; ▪ Governance data base (World Bank); ▪ Gallup Survey; ▪ Transparency International; ▪ Freedom House; ▪ World Values Survey
Life evaluation, feelings and meanings	Share of individuals satisfied with their life; share of individuals experiencing various positive and negative feelings (e.g. fear, stress, sadness, happiness); share of individuals with high life meanings.	▪ International Social Survey Programme (ISSP); ▪ Gallup Survey; ▪ Specific surveys; ▪ World Values Survey; ▪ Specific surveys
	Sustainability (of well-being tomorrow)	
Economic Systems	Stock of net foreign liabilities (as a share of GDP); external debt service as a percentage of exports of goods and services; stock of produced assets (tangible and intangible, as a share of GDP); stock of net public and private debt (as share of GDP); measures of illicit flows and tax evasion; indicator of infrastructure capital.	▪ System of National Accounts; ▪ Trade statistics; ▪ Budgets
Ecosystems	Terrestrial and marine areas protected to total territorial area, percentage; Rate of deforestation; Rate of reforestation; Climate change indicators.	▪ Millennium Development Goals Indicators; ▪ World Development Indicators (WDI)
Social and Cultural Systems	Measures of human capital stock based on estimates of life-time income; indicators of adequacy and efficiency of health and education systems; Measures of discriminatory social institutions; Indicators of voice and accountability, political stability and absence of violence, government effectiveness, regulatory quality, rule of law, control of corruption.	▪ Administrative systems; ▪ Governance data base (World Bank); ▪ Transparency International; ▪ Freedom House; ▪ The Social Institutions and Gender Index (SIGI) and Indicators

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Future MDCRs might make a more systematic attempt to assess well-being along the dimensions proposed in here, and in respect of the three types of systems that underpin the sustainability of well-being over time. In terms of the specific indicators used, the MDCRs could start by reviewing whether the suite of indicators suggested in Table 3 are available in the particular country being reviewed, and identify what other indicators are needed to provide information on performance in respect of the 11 dimensions of well-being presented in Table 2. An important question here relates to benchmarking (i.e. which countries other than the one under review should be used by MDCRs as comparators for cross-country analysis). While in principle nothing prevents using a large set of countries if data are available, at a minimum comparators would include countries which are geographically and culturally similar to the one being reviewed.[31] In this respect, an important although ambitious extension of this work could be to establish a single data-set of comparable well-being indicators that could serve the purpose of benchmarking.

Beyond offering a practical tool to evaluate well-being and development progress in countries at different levels of development, an important innovation that this framework introduces is that it raises the possibility of using well-being assessment as a starting point to identify a country's development challenges. Indeed, while in past MDCRs well-being was one of the topic studied, this paper suggests that well-being provides an overarching umbrella concept that fits well with the post-2015 sustainable development agenda and which could be used to diagnose a country's development lags. Identifying the areas in which the country is underperforming could then suggest some of the priorities that policy needs to address to unlock the country's development potential, as well as of the possible synergies to be found in policy areas that could benefit from joint investment (e.g. in the relationship between health and education). There are of course limitations that have to be borne in mind when applying this framework to understand policy needs in the area of development. First, the framework can only be indicative of the well-being domains where the country is lagging behind, without necessarily suggesting the reasons or causes for this lag. Secondly, and related, the framework is not conceived as a tool that would directly suggest the specific policy programmes that would work to address underperformance in these areas; this may be gleaned from more detailed comparison between countries that show different results having used the framework to assess progress, but that is beyond the scope of framework itself. Finally, there may be barriers to development that are not elucidated by the framework (for example, the extent of entrepreneurialism and innovation or more hidden barriers to effective economic performance) and that could hamper progress in well-being outcomes in some dimensions.

Another use of the well-being framework may be in the context of the national well-being measurement initiatives that some countries are already undertaking or have expressed a strong interest to undertake in the next future. As an example of the former, the Annex describes a range of countries' projects that, while sharing the philosophy of the framework presented in this

31 In this respect for instance, the MDCRs of Myanmar compared Myanmar's well-being conditions to those of Bangladesh, Cambodia, India, Indonesia, LAO PDR, Malaysia, Nepal, Philippines and Viet Nam.

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paper, could benefit from furthering converging towards the international measurement standards for well-being that this framework would like to promote. Apart from the existing initiatives, there is an increasing demand from other countries (e.g. some Gulf countries, some South-American ones) for putting in place a national process to measure societal progress. The framework could therefore guide this process, while leaving to national statistical authorities ample room of action for applying the framework to the specific needs of the country.

Finally, the framework could help supporting statistical capacity building, along the lines set by the Busan Action Plan for Statistics. The plan recognises the importance of refocusing national statistical strategies around the data that may support country-level development priorities, an equally critical endeavour of the well-being agenda. The framework outlined in this paper could be a concrete tool that countries could use to organise these statistical strategies. In this respect it is important to highlight that the full operationalization of this framework, i.e. building the indicators that would make it specific and relevant to the country in question, will take time and resources especially for those countries where many well-being data are not collected routinely or are produced outside the national statistical systems. However, some of these efforts could be undertaken within their National Strategy for Development of Statistics (NSDS) whose aim is to match as much as possible data supply and demand in a context of limited resources and increasing international and national data needs.

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VIII. CONCLUSIONS

The OECD has been increasingly focusing its analysis on designing policies aimed at improving people's life, and on helping countries implement these policies, with measurable results that are directly associated to dimensions of well-being. The OECD *Better Life Initiative* is a prominent example of this approach. This paper proposes an extension and adaptation of the OECD framework so as to make it more relevant to the realities of countries at different levels of development.

Following other recent contributions to the improved measurement of progress and development, we identified 10 dimensions of current well-being and 3 types of systemic drivers of the sustainability of well-being over time that cover the major aspects of current and future human development. For each dimension, the paper also presents examples of indicators that could be drawn from a variety of existing data sources. Ultimately, the choice of indicators would be driven by countries' needs and aspirations, together with the availability of data. The paper has also argued that this framework could be used to support OECD work on developing countries: the ongoing OECD *Multi-Dimensional Country Reviews* are an important tool which could be integrated with the framework in order to systematise the assessment of well-being outcomes and processes in developing countries. Finally, the paper has argued that the well-being framework is synergistic with much of the post-2015 agenda and could be used as a way of structuring support to National Statistical Systems in line with the goals of the Busan Action Plan for Statistics (OECD, 2014b).

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ANNEX: MEASURING WELL-BEING IN LOW AND MIDDLE-INCOME COUNTRIES: SELECTED CASE STUDIES

Mexico[32]

INEGI, Mexico´s National Statistics Office, started a process towards developing a set of indicators to measure national progress beyond GDP in 2009. This process involved three main steps:

- Promote discussion on the need to adopt a well-being framework: various seminars and conferences were organised with many stakeholders.
- Adoption of a dashboard of well-being indicators, building on the Better Life Initiative framework with adaptations that reflected relevant issues for Mexico. This set of indicators is used by INEGI to report on key trends in well-being and progress, either at the national or at the regional level. Most of the information on well-being indicators available on the INEGI website comes from information already available. New data collections were put in place in the case of subjective well-being, an area where INEGI relied on an experimental approach which included incorporating subjective well-being modules in various surveys.
- Consideration of feedback from relevant actors: to remain relevant, the indicators should be flexible and, above all, useful, where the evaluation of usefulness obviously rests on the users of the data. Feedback from policy makers, researchers and civil society will allow INEGI to continuously improve Mexico´s well-being indicators.

32 Based on a contribution by Gerardo Leyva Parra, Deputy Director General for Research, InstitutoNacional de Estadistica Y Geografia (INEGI).

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The Philippines[33]

The interest of the National Statistical Coordination Board (NSCB) in measuring performance beyond GDP is not new. Before 2007, the Philippine Statistical System (PSS), through an interagency collaboration spearheaded by the Commission on Human Rights and the NSCB, participated in the METAGORA project on the measurement of democracy, human rights, and governance with the Partnership in Statistics for Development in the 21st Century (PARIS21) hosted by the OECD. This experience was an eye opener for the NSCB, as it led to recognition that the relevance of a national statistical system would be greatly enhanced if official statisticians engaged in activities beyond the traditional roles of statistical offices.

The NSCB developed a methodology to construct a Philippine Happiness Index (PHI). The PHI is meant to measure well-being and happiness that can be combined with conventional economic indicators to provide a multi-dimensional measure of the progress of a society. The PHI uses a conceptual framework that is not normative and recognizes that different individuals have different sources or domains of happiness. Hence, NSCB proposes to ask individuals to identify domains of happiness from a list and assign weights to each domain in the process of deriving a happiness index" (Virola and Encarnacion, 2008; Bates and Winton, 2009).The basic data are collected through a survey.

For the medium-term, next steps involve a roadmap for the production and delivery of timely, relevant, and quality official statistics, so as to respond to the right to information of each citizen. The compilation of the PHI is included in the PSDP 2011-2017, specifically in Chapter 14 (Income, Poverty, and Hunger Statistics), which covers areas of statistical coordination and management, data production, and statistical capacity building among others. In the short term, with the objective of improving the compilation and monitoring of the PHI, the PSS will provide updates to the PHI, which were presented in October 2013 to the 12th National Convention on Statistics (NCS). The study (undertaken by Virola, Encarnacion, Casañas, and Pascasio) will focuses on how people can individually monitor their happiness, possibly through a monthly index.

33 Based on a contribution by Romulo A. Virola, former Secretary General of the National Statistical Coordination Board (NSCB) of the Philippines and Jessamyn O. Encarnacion, Director of the Social Statistics Office. The authors wish to thank Jose Ramon G. Albert, Anna Jean G. Casanas, Noel S. Nepomuceno Mr. Albert A. Garcia for their assistance in the preparation of the article. The views expressed in this section are those of the authors and do not necessarily reflect the views of the NSCB or the OECD.

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Chile[34]

The Chilean experience shows that support from a higher authority is critical to mobilise a well-being agenda. On 14 May 2010, at the launch of National Human Development Report on gender and equality, President Sebastián Piñera proposed that the next report should look at the determinants of people's happiness,[35] suggesting that public policy should do more to promote mental health, inner peace, healthy life styles, and strong families. The 2012 National Human Development Report took up this challenge. The report ("Subjective Well-being: The Challenge of Rethinking Development") analysed the meaning, distribution and determinants of happiness in Chile, building connections with the capabilities framework.

Taking a critical stance on this individualized notion of happiness, the report proposed a broader concept of subjective well-being, which encompassed both the individual and the social. Subjective well-being at the individual level was measured by indicators such as happiness, life satisfaction, positive and negative effects, and suffering. Subjective well-being at the social level was measured through a composite indicator based on questions on people's evaluations of the opportunities that the country gives to develop a list of valuable capabilities and of their trust in different institutions.

Based on a survey representative of the adult population in Chile, the report measured these capabilities and numerous indicators of subjective well-being. UNICEF contributed to the report through a representative survey of children attending school from 7th to 12th grade. Based on these results, and on a review of the international experience on public policy promoting subjective well-being, the report proposed that public policy promoting subjective well-being should: i) consider the impact that every policy can have on the full list of capabilities that influence subjective well-being through its design, implementation, or evaluation; ii) ask stakeholders what is most valuable for them, rather than deriving list of what is most valuable from abstract theories; iii) focus on people's life projects, so that the opportunities created make sense to, and are appropriated by, all citizens; iv) assure adequate participation and learning mechanisms to get timely feedback from citizens so as to optimize public policy functioning and impact; v) make specific efforts directed at the most valuable capabilities; vii) conduct social deliberations on the objectives of development; and vii) create political agreement to enable long-term horizons and credibility to achieve development objectives.

In parallel to the report, life satisfaction measures were included in two of the main surveys conducted by the Government of Chile. Subjective well-being and the capabilities shaping it have also being included as an explicit objective in public policy. For instance, the national mental health policy, which is built with strong stakeholder participation, has an explicit goal to improve mental well-being with a community based and network approach. During 2012, a national policy on positive aging was launched, which include as one of its three goals that of

34 Based on a contribution by Pablo González, Coordinator Human Development Report 2012, UNDP Chile, and Esteban Calvo, Associated Professor of Public Policy, Universidad Diego Portales

35 www.desarrollohumano.cl/informe-2012/Discurso%20Pdte_Sebastián%20Piñera_lanzamiento.pdf

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increasing the subjective well-being of older people, as well as promoting functional health and social integration. Another policy initiative launched in 2010, conducted by the first lady Cecilia Morel ("Choose to Live Well") promotes healthy life styles, outdoor activities, good eating and prevention habits.

Bhutan[36]

Bhutan's development philosophy and vision are embodied in the concept of Gross National Happiness (GNH). GNH is based on the belief that happiness is the ultimate desire of every human being. To assess progress towards this end, Bhutan uses a comprehensive index called the Gross National Happiness Index. The index is based on real life outcomes, and aims to align development outcomes with people's own aspirations for a happy life.

The GNH Index is a multidimensional measure which is linked with a set of policy and programme tools aimed to ensure its practical applications. The GNH Index, developed by the Centre for Bhutan Studies and GNH Research, provides an overview of performance across 9 life domains (psychological well-being, time use, community vitality, cultural diversity, ecological resilience, living standard, health, education, good governance).

The GNH index is built from data drawn from periodic surveys which are representative by district, gender, age, rural-urban residence, etc. Representative sampling allows its results to be decomposed at various sub-national levels, so that detailed information can be examined and understood by organizations and citizens for their use. In the GNH Index, the notion of happiness is understood as multidimensional – i.e. it is not measured only through questions on subjective well-being, nor is it focused narrowly on happiness that begins and ends with oneself. Rather, the pursuit of happiness is understood as a collective endeavour, though it is experienced personally.

The GNH Index is meant to orient people and the nation towards happiness, primarily by improving the conditions of unhappy people. The index can be broken down to see where unhappiness is arising from and who is most affected by it. From a policy perspective, the government and other stakeholders can increase GNH in two ways: either by increasing the share of people who are happy, or by improving the conditions of people who are unhappy. Because of the way in which the GNH Index is constructed, the index provides greater incentives for government and others stakeholders to improve the conditions of people who are unhappy, by mitigating the many insufficiencies that they face.

[36] Based on a contribution by Karma Tshiteem, Secretary of the Gross National Happiness Commission of Bhutan.

Thailand[37]

When the National Economic and Social Development Board (NESDB) of Thailand developed its 10th Development Plan (2007-2011), it proposed the Green and Happiness Index (GHI, in Thai "Well-being Index in Thai Society") to monitor social progress as well as its sufficiency. While the NESDB had emphasised the notion of a human-centred development since its 8th Plan, the 10th Plan introduced the concept of the sufficiency economy which requires a balance between individuals, communities, the economic system, the ecological system, the public administration and the happiness of the Thai people. The GHI consists of six domains: i) individual health; ii) a warm and loving family; iii) empowerment of the community; iv) economic strength and equity; v) good quality environment and ecological system; and vi) democratic society and good governance. Fifty one indicators were selected under each of the six domains.

The development plan adopted by NESDB in 2011aims to achieve "a happy society with equity, fairness and resilience" NESDB decided that the core indicators to be used for monitoring well-being progress adopt the GHI methodology until 2017. Other indicators such as income inequality and the ratio of workers in the informal sector with access to social protection were included in the indicator set.

Another important well-being measurement initiative undertaken in Thailand is the National Progress Index (NPI). The NPI is the joint undertaking of six organizations (i.e. the Health Promotion Foundation, the Thai National Statistical Office, the Department of Mental Health, the Thai Public Broadcasting Services, The Heart Foundation, and The Healthy Public Policy Foundation). The aim aims to drive Thai society to become a society with a culture of planning and evidence based decision making as well as to give decision makers a more complete picture of the well-being of the country.

The program to develop the NPI included conducting surveys and capacity building activities, providing support for the development of progress indicators at the local level as well as communicating with the public. The program has issued several reports and organised courses to create balance and self-immunity, in an effort to foster local and national development. In cooperation with National Statistical Office, the program has conducted two nationwide surveys to measure well-being. The first surveyed 106 620 people on what is important for Thai progress. The second surveyed 54 100 people on life satisfaction and happiness.

37 Based on a contribution by Yoshiaki Takahashi, Japan International Cooperation Agency

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Morocco[38]

Recognising the importance and complexity of measuring well-being, the High Commissioner of Planning (HCP) Morocco has developed measures of well-being and quality of life for the Moroccan population. This work is centred on the design, evaluation and monitoring of a new, single and composite indicator to inform social progress. The HCP approach to measuring the well-being of the population aims to : i) collect information on people's own view of their own well-being as it applies to their daily lives; ii) undertake actions to meet the expectations that people express in this area; and iii) identify the impact points that policies could target to promote well-being for all.

Three different approaches are employed to achieve the goals described above:

- Subjective well-being measures are used to assess well-being perceptions by asking respondents to indicate the level of their life satisfaction in general or in a specific domain. Measurement is based on population's responses to a set of questions about their well-being in the areas of working conditions, income, housing, health, education, social cohesion and trust, and human recreation and freedoms.

- Quality of life measures are used to assess the situation of a person in many aspects of their life and deducing whether they objectively lead a good life.

- Well-being is assessed through a range of simple or composite indices that measure the level of progress in socio-economic areas considered most important for the well-being of the Moroccan population. The identification of these areas is based on the perception that people have of the concept of well-being by asking them to self-identify the factors that determine their satisfaction with life.

The aim of this work is both to understand how the general welfare of the population has evolved in relation to the evolution of these components; and to capture differences in the pace of progress of each of the dimensions of well-being.

South Africa[39]

Since the abolition of apartheid, one of the key objectives of the South African government has been to reduce the level of poverty and improve the living circumstances of all South Africans. The strategies employed to fight poverty have evolved over the years. With the advent of democracy in South Africa, numerous changes have occurred in the manner in which poverty and inequality are fought through economic growth policies such as the "Reconstruction and

38 Based on a contribution Khalid Soudi, Observatory on the Conditions of Life, High Commission for Planning Morocco.

39 Based on a contribution by Nozipho Shabalala, Statistics South Africa.

Development Programme" (RDP), the "Growth, Employment and Redistribution" (GEAR) strategy, the "Accelerated and Shared Growth Initiative for South Africa" (AsgiSA), etc. The fight against poverty and inequality began with the implementation of the RDP in 1994. In 2011, the government released its National Development Plan (NDP), which is the current framework for ensuring pro-poor economic growth in South Africa. The NDP emphasises decent living standards for all. The plan maintains that a decent standard of living can be realised through a multi-prolonged strategy which begins by identifying the elements involved, such as employment opportunities, acquisition of quality education and skills, adequate nutrition, etc. The over-arching goal of the NDP is the reduction of poverty and inequality by 2030.

The national statistics office produces statistics towards monitoring progress on the projects and programmes highlighted by government to ensure that targets are met. Whilst most of the MDG targets as well as those highlighted in the NDP 2011 are at national level, progress is also assessed at provincial, district, municipal and ward levels.

Statistics South Africa embraces multi-dimensionality of poverty through conducting the IES and Living Conditions Survey (LCS) on an alternative basis of two and a half years. These surveys allow production of poverty indicators based on absolute, relative and subjective measures. The surveys entail collection of detailed income and expenditure data from households using a combination of diary and recall methods. The LCS also covers details about self-perceived economic well-being, access, quality, affordability and use of facilities and services. The surveys inform on who are the poor (subjectively, relatively and/or objectively), where they are located and what are their living circumstances in terms of education, health, communication, service delivery, crime, etc.

As a way of working more efficiently and improving relevancy and quality of information collected, Stats SA is integrating the collection of information on service delivery, crime, health, education, communication, poverty and inequality, etc. indicators from different surveys into one survey, namely the Continuous Population Survey (CPS). The CPS will be designed in such a manner that it allows the use of a permanent field force to collect all indicators outlined above in the form of modules that are rotated in and out of the survey, depending on the frequency in which they are needed. The CPS will also allow the annual production of indicators at national level, the production of indicators at district level once in two years, and at municipal level once in three years. The CPS will be implemented in January 2014.

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