

GDP and beyond

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OUTLINE

THE NEED FOR A SYSTEM OF WELL-BEING MEASURES

THE INTERNATIONAL DEBATE

THE ITALIAN BES INITIATIVES

BES AND SDGs: DIFFERENCES AND SIMILARITIES

THE MAKSWELL PROJECT

GDP AND WELL-BEING

ECONOMIC GROWTH IMPROVES LIVING STANDARDS

GDP HAS LONG BEEN USED AS PROXY INDICATOR FOR WELL-BEING

GDP MEASURES THE OUTPUT WHICH INCLUDES ACTIVITIES HARMFUL TO THE ENVIRONMENT AND WELL-BEING

“THE WELFARE OF A NATION CAN SCARCELY BE INFERRED FROM A MEASUREMENT OF NATIONAL INCOME AS DEFINED BY THE GDP”

GDP AND WELL BEING

MISTER HIGH AND MISTER LOW GDP

A famous strip by the New York Times



Source: The New York Times

MEASURING WELL BEING

«WHAT WE MEASURE AFFECTS WHAT WE DO»

IN A FACT BASED DECISION MAKING PROCESS INDICATORS HAVE A HUGE POWER

THE NEED FOR A MEASURE OF WELL BEING

WIDE INTERNATIONAL DEBATE

INTERNATIONAL DEBATE: KEY STEPS

1990 - UNITED NATION HUMAN DEVELOPMENT INDEX

2007 - OECD INSTANBUL DECLARATION

2009 – STIGLITZ SEN FITOUSSI COMMISSION

2010 - GDP AND BEYOND EUROPEAN COMMISSION

STIGLITZ-SEN-FITOUSSI KEY RECCOMENDATIONS

INCOME AND CONSUMPTION RATHER THAN PRODUCTION

DISTRIBUTION-RELATED ELEMENTS

HOUSEHOLD PERSPECTIVE

SUBJECTIVE PERSPECTIVE

ENVIRONMENTAL, SOCIAL AND ECONOMIC SUSTAINABILITY

THE ITALIAN “BES” INITIATIVE

b

Benessere (WELL-BEING): multidimensional analysis of relevant aspects of quality of life.

e

Equo (EQUITABLE): focus on distributional aspects of the determinants of well-being.

s

Sostenibile (SUSTAINABLE): sustainability for future generations.

DIMENSION OF ITALIAN WELL-BEING

1 HEALTH

2 EDUCATION AND TRAINING

3 WORK AND LIFE BALANCE

4 ECONOMIC WELL-BEING

9 LANDSCAPE
AND CULTURAL HERITAGE

10 ENVIRONMENT

5 SOCIAL RELATIONSHIPS

6 POLITICS AND INSTITUTIONS

7 SECURITY

8 SUBJECTIVE WELL-BEING

11 RESEARCH AND INNOVATION

12 QUALITY OF SERVICES

THE PROCESS

STEERING COMMITTEE AND PUBLIC CONSULTATION → DOMAINS

SCIENTIFIC COMMISSION → INDICATORS

CRITERIA ADOPTED TO SELECT THE INDICATORS

EXAMPLE OF DOMAIN

1

HEALTH

14 INDICATORS

Outcome

1. Life expectancy at birth
2. Life expectancy in good health at birth
3. Physical Component Summary (PCS)
4. Mental Component Summary (MCS)

Life cycle phases

5. Infant mortality rate
6. Mortality rate for traffic accidents (15-34 years old)
7. Mortality rate for cancer (20-64 years old)
8. Mortality rate for dementia and related illnesses (65 and over)
9. Life expectancy without activity limitations at 65 years of age

Risk factors

10. Overweight or obesity
11. Smoking
12. Alcohol consumption
13. Sedentariness
14. Nutrition (fruit and vegetables consumption)

EXAMPLE OF DOMAIN

2

EDUCATION AND TRAINING

10 INDICATORS

Formal education

1. Participation in early childhood education
2. % of people aged 25-64 having completed at least upper secondary education
3. % of people aged 30-34 having completed tertiary education (ISCED 5 o 6)
4. % of early leavers (aged 18-24) from education and training
5. % of people aged 15-29 not in education, employment, or training (NEET)

Lifelong learning

6. % of people aged 25-64 participating in formal or non-formal education

Skills

7. Level of literacy in the II classes of upper secondary education
8. Level of numeracy in the II classes of upper secondary education
9. Percentage of people aged 16 and over with high level of ICT competencies

Cultural participation

10. Synthetic indicator of the level of cultural participation

LOCAL LEVEL



BES EVOLUTION

NEW DATA SOURCES: QUESTIONS ADDED TO TRADITIONAL SURVEYS

SWITCH TO ADMINISTRATIVE DATA AND BIG DATA

REVISION OF CALCULATION

IMPROVEMENTS TIMELINESS

WELL-BEING IN THE ECONOMIC AND FINANCE DOCUMENT

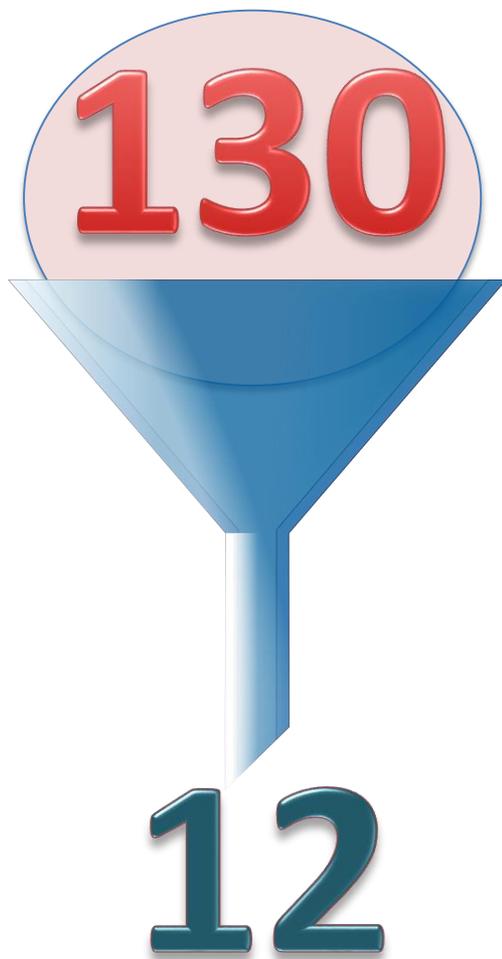
WELL-BEING IN THE ECONOMIC AND FINANCE DOCUMENT

HIGH LEVEL COMMITTEE → INDICATORS

TREND AND POLICY EVALUATION

INCREASE DATA TIMILINESS

SELECTION CRITERIA



SENSITIVITY TO PUBLIC POLICY

PARSIMONY

PRACTICABILITY

TIMELINESS, EXTENTION AND
FREQUENCY OF THE TIME SERIES

TRANSPARENCY AND ACCURACY

12 INDICATORS

| | | | |
|---|--|---|--|
| 1  MEAN ADJUSTED INCOME (PER CAPITA) | 2  INCOME INEQUALITY | 3  INCIDENCE OF ABSOLUTE POVERTY | 4  LIFE EXPECTANCY IN GOOD HEALTH (AT BIRTH) |
| 5  OVERWEIGHT AND OBESITY | 6  EARLY SCHOOL LEAVERS | 7  NON-PARTICIPATION IN EMPLOYMENT | 8  EMPLOYMENT RATE OF WOMEN AGE 25-49 WITH/WITHOUT PRESCHOOL CHILDREN |
| 9  PREDATORY CRIMES (ROBBERY, BURGLARY AND MUGGING) | 10  MEAN TIME LENGTH OF CIVIL JUSTICE TRIALS | 11  CO₂ AND OTHER GREENHOUSE GAS EMISSIONS | 12  ILLEGAL BUILDING |

WELL-BEING AND SDGS

UN 2030 AGENDA → 17 SUSTAINABLE DEVELOPMENT GOALS

17 GOALS – 169 TARGETS – 244 INDICATORS



WELL BEING AND SDGS FRAMEWORKS



12 DOMAINS OF WELL-BEING

130 INDICATORS



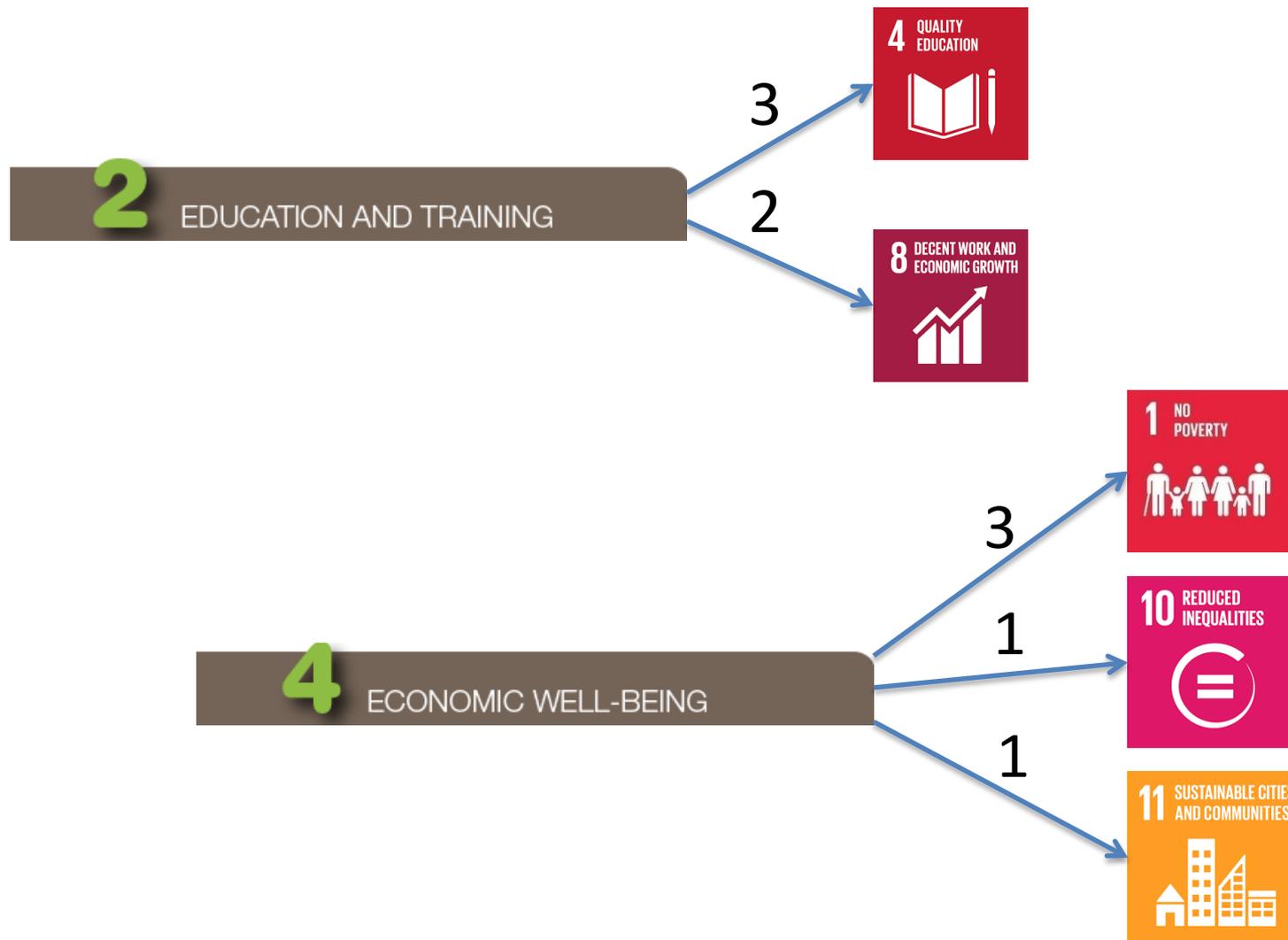
17 GOALS

169 TARGET

244 INDICATORS

40 OVERLAPPING
INDICATORS

SIMILARITIES AND DIFFERENCES



THE MAKSWEL PROJECT

- Analysis of the frameworks on wellbeing and sustainability at national and international level for policy making
- Extend the actual set of information available on well-being and sustainability to including coherent new data sources (eg. big data) able to derive local indicators
- Regional poverty measurement as a prototype for modern indicator methodology
- Provide time series and multivariate methodology including nowcasting to be applied to well-being indicators and SDGs
- Pilot study for integrated frameworks at different territorial levels and measurements for policy making
- Dissemination and Communication activities of project results

FUTURE AGENDA

CLOSER INTEGRATION BTW WELL-BEING AND SUSTAINABILITY FRAMEWORKS

STRENGTHEN THE POLICY EVALUATION EXERCISE