



THE OECD BETTER LIFE INDEX AND BETTER LIFE INITIATIVE

A decorative background at the bottom of the slide featuring a field of stylized, colorful flowers. Each flower has multiple petals in various colors (red, orange, yellow, green, blue, purple) and is mounted on a thin, vertical stem. The flowers are scattered across the bottom half of the slide, creating a vibrant and lively atmosphere.

**Mark Keese
Head of Skills and Employability
Directorate for Employment, Labour and Social Affairs
OECD**

The OECD Better Life Initiative

- In 2011, the OECD launched the **Better Life Initiative** as part of its new agenda: **Better Policies for Better Lives**
- Aligned with several other “**beyond GDP**” initiatives:
 - **Stiglitz-Sen-Fitoussi** report (2009)
 - **EU 2020; Eurostat sponsorship**
 - **UN Resolution** calling for “holistic approach to development” to promote sustainable happiness and well-being
 - **Rio+20** and now the UN **Sustainable Development Goals**
 - Wide range of **national initiatives** for measuring well-being
- Goal is essentially **better data**: to build the evidence base on well-being, through **methodological work** (e.g. measurement guidelines) and regular **reporting and analysis** (e.g. How’s Life?)

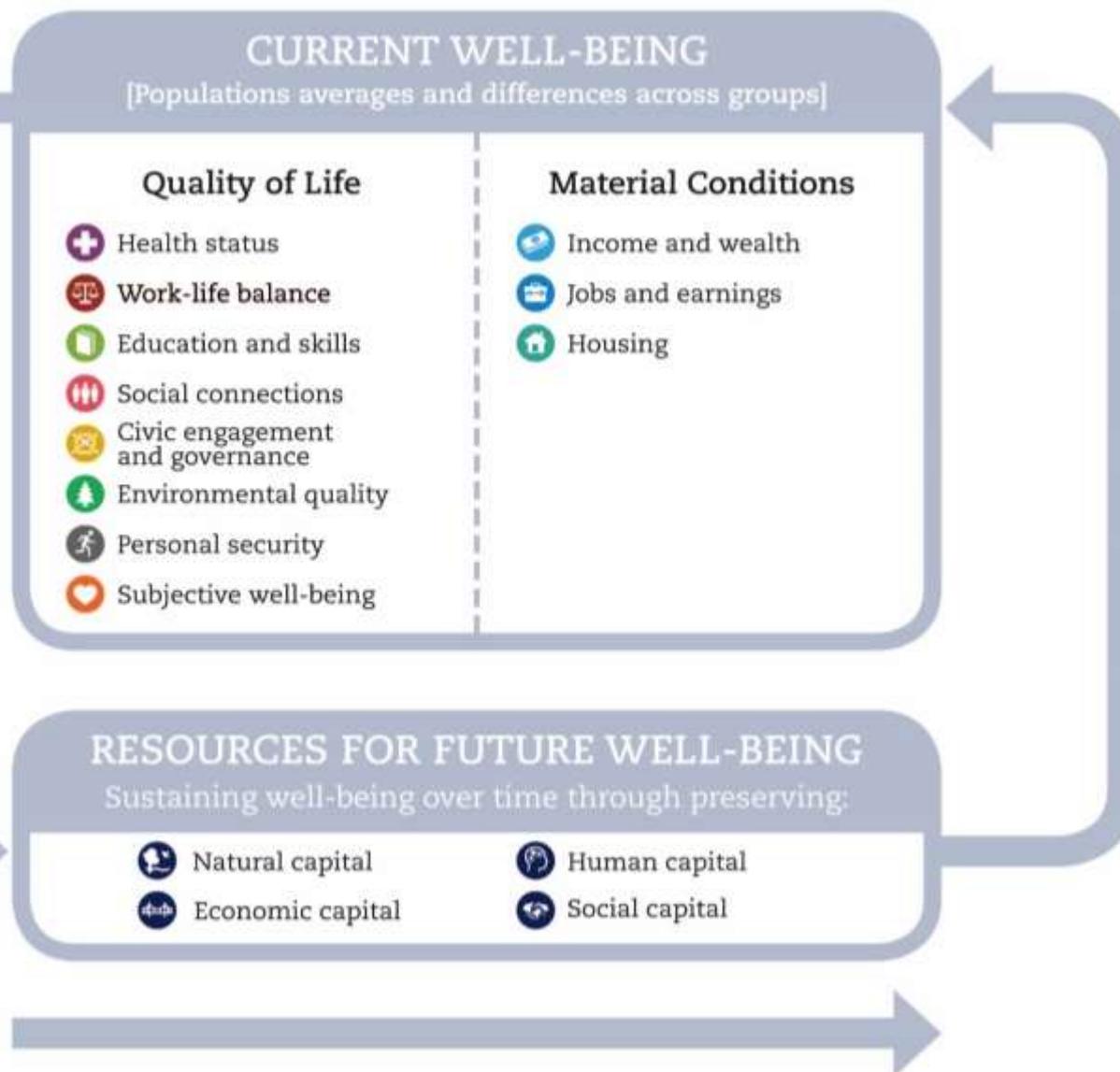
1. Building the statistical framework: choosing the life domains/dimensions

- Review of the literature (e.g. Alkire 2002, Stiglitz et al., 2009)
- Stocktaking of national practices
- Consultation with countries & other stakeholders

2. Populating the framework with indicators:

- Study of available indicators
- Selection of indicators through statistical criteria
- Consultation with National Statistical Offices

The OECD well-being framework



- **People** rather than economic system or GDP
- **Outcomes** rather than inputs and outputs
- Both **averages** and **inequalities**
- Both **objective** and **subjective** aspects
- Both **today** and **tomorrow**

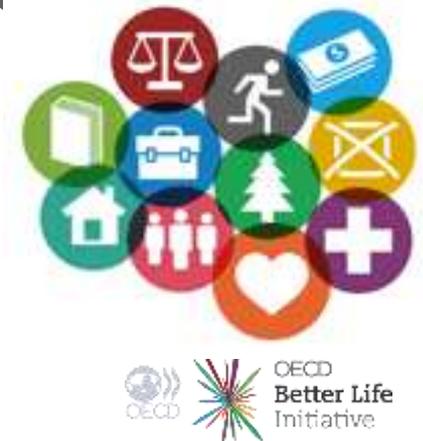
Indicator selection: guiding principles

Relevance

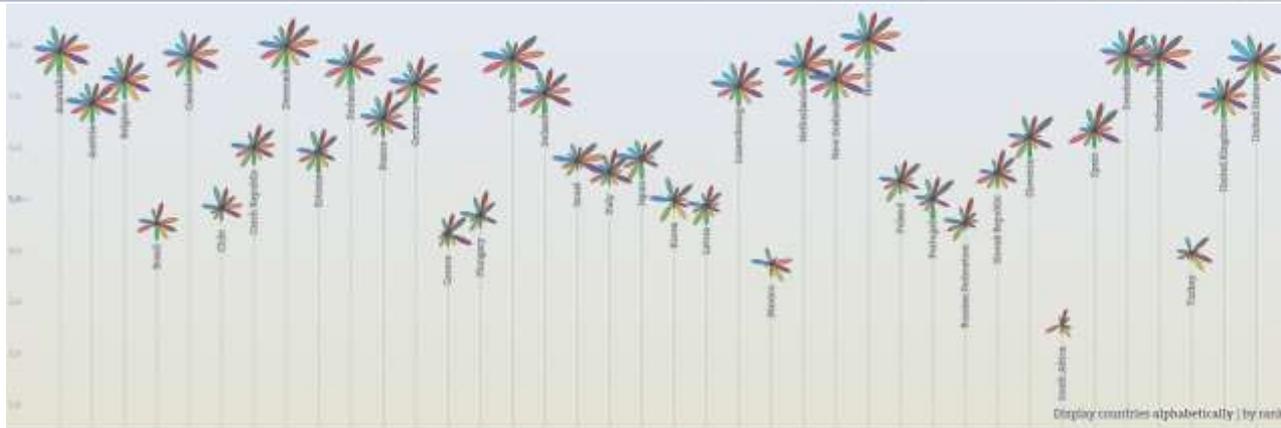
- face validity (capacity to capture what intended to be measured)
- easily understood (unambiguous interpretation)
- policy relevant (amenable to change & sensitive to policy interventions)

Data considerations

- official or established sources; non-official place_holders
- comparable/standardised definitions
- maximum country-coverage
- recurrent data collection
- can be disaggregated by population group



Methodology of the Better Life Index (part 1)



- 11 dimensions and 24 underlying indicators
- Data collection of harmonised/comparable values
- **Imputation** of missing values through *regression models* (*less than 7% of the data*)
- **Normalisation** at the indicator level
 - Min/max formula converts the original values into numbers ranging between 0 (for worst observed outcome) and 1 (for best observed outcome):
$$\frac{\text{original value} - \text{min. value}}{\text{max. value} - \text{min. value}}$$
 - When an indicator measures a *negative component* of well-being (e.g. LT unemployment) the formula used is:

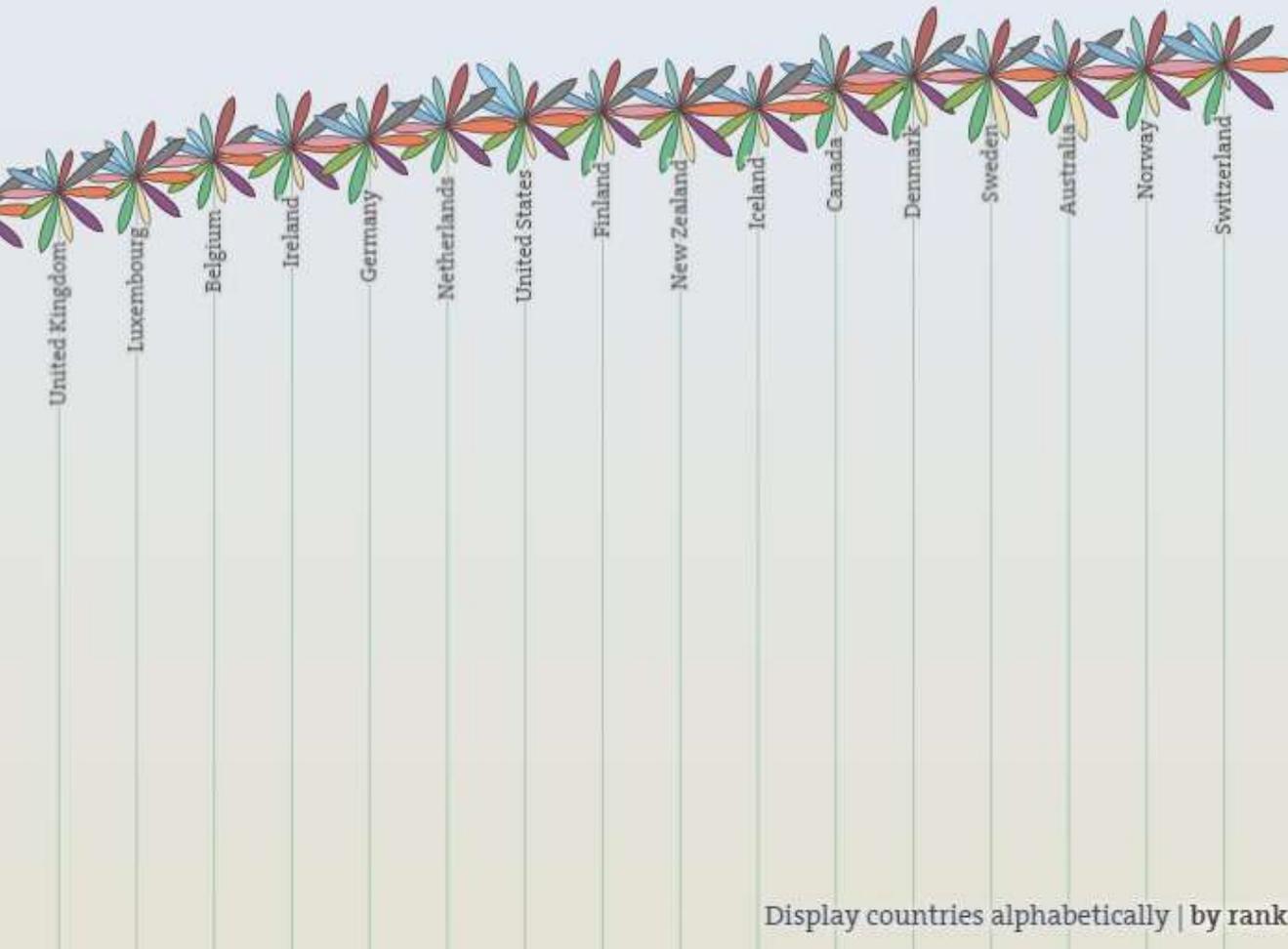
1 – normalised value

Methodology of the Better Life Index (part 2)

- Aggregation within dimensions based on **equal weights**
 - Example “Jobs and earnings” dimension for Australia:
(ER score + LTUR score + Earnings score + LMInsecurity score)/4

(0.68+0.92+0.79+0.89)/4*10=8.20
- Calculation of the “Your” Better Life Index on the basis of the weights given by the users on the website (not a synthetic index, not normative)

Choose your own recipe for well-being



Create Your Better Life Index

Rate the topics according to their importance to you:

	-	+
Housing	<input type="range"/>	<input type="range"/>
Income	<input type="range"/>	<input type="range"/>
Jobs	<input type="range"/>	<input type="range"/>
Community	<input type="range"/>	<input type="range"/>
Education	<input type="range"/>	<input type="range"/>
Environment	<input type="range"/>	<input type="range"/>
Civic Engagement	<input type="range"/>	<input type="range"/>
Health	<input type="range"/>	<input type="range"/>
Life Satisfaction	<input type="range"/>	<input type="range"/>
Safety	<input type="range"/>	<input type="range"/>
Work-Life Balance	<input type="range"/>	<input type="range"/>
Reset		Help
<input type="checkbox"/> Gender differences		
<input type="checkbox"/> Compare with others		
<input type="checkbox"/> Share your index		

Life satisfaction versus work



Indicators

Life satisfaction



Indicators

Job security



Personal earnings



Long-term unemployment rate

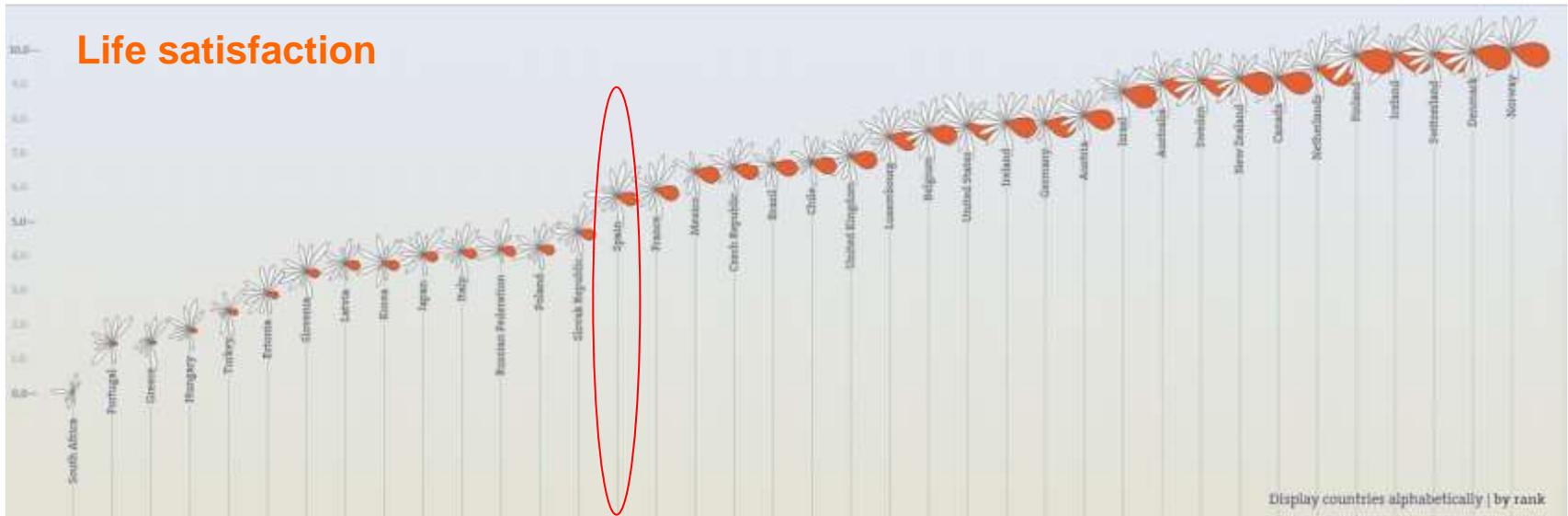


Employment rate



Country rankings are sensitive to weights

Life satisfaction



Jobs



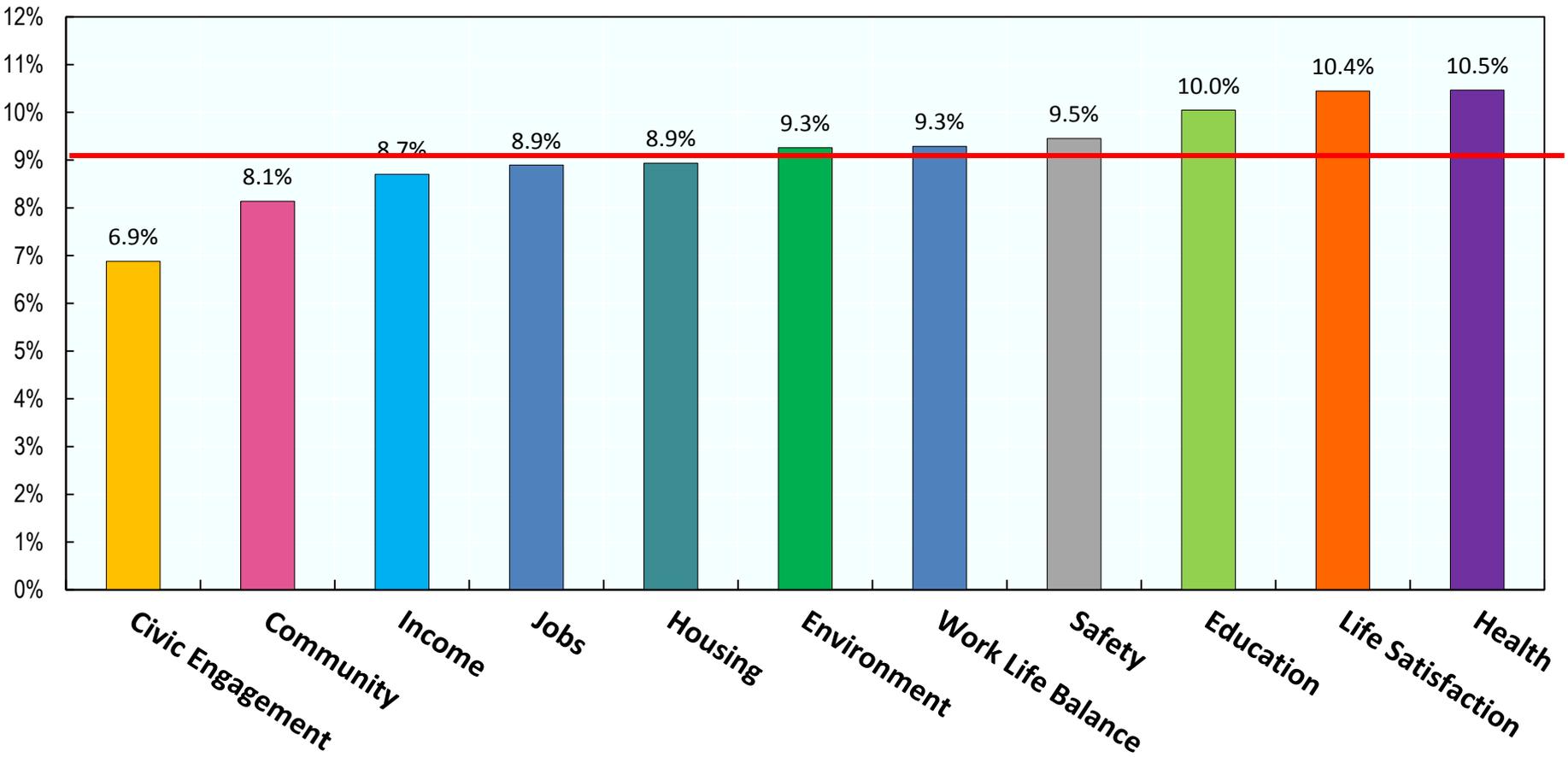
BLI as a tool to engage the public

- Aims to **engage a wide audience** in the debate about what matters most for well-being
- Was **not** designed as a policy tool (dashboards of disaggregated data provide a much richer picture for policy)
- Available in **7 languages** (English, French, German, Italian, Spanish, Portuguese, Russian)
- Over **10 million visits** since its launch in 2011
- BLI's users can choose to **share** information about their index weights with OECD: some analysis has been done on user responses, including by age, sex, and world region (NB: **not representative samples!**)

→ Balestra, C., R. Boarini and E. Toso (2018), "What matters the most to people? : Evidence from the OECD Better Life Index users' responses", OECD Statistics Working Papers, 2018/03, OECD Publishing, Paris

Well-being priorities among Better Life Index users

Relative weights assigned to domains, as shared by 73,761 people in OECD countries



Notes: Responses have been weighted ex post to correct for biases in the age and gender composition of the sample of users. Ratings are expressed as a percentage of the total ratings assigned; if users gave equal weights to all eleven dimensions, each would attract 9.09% of the total (this level is shown as the red line in the Figure).

Source: OECD (2015), *How's Life? 2015: Measuring Well-being*, OECD Publishing, Paris.
DOI: http://dx.doi.org/10.1787/how_life-2015-en

Continuous efforts to improve the data

- **OECD Measurement guidelines:**
(Subjective well-being, Household wealth, Joint distributions of income, consumption & wealth, Quality of the work environment, Trust)
- **Well-being in OECD data collections**
(e.g. PISA, PIAAC, TrustLab)
- **Supporting UN IAEG on SDGs**
(OECD data used in some cases)
- **Developing innovative methods**
(e.g. Trustlab experimental techniques; satellite data for environmental stats)
- **OECD Smart Data Strategy**



How's Life? – for a fuller picture on well-being

- **Fourth edition released November 2017**
- **Overview of levels and trends in well-being** since 2005 (current well-being, resources for future well-being)
- Three thematic chapters:
 - **Inequalities** in well-being
 - **Migrants'** well-being
 - **Governance** and well-being
- Detailed **country dashboards** for 35 OECD members and 6 partners



Drawings by Giulia Sagromola

Thank you

For further information:

