

with efforts to preserve the environment, attitudes towards global warming, level of concern related to environmental issues compared to other socio-economic issues and so on.

### Measures of resilience and vulnerability

In many countries, many individuals while not deprived in terms of their current conditions may fall into poverty in the event of adverse contingencies (e.g. losing a job, becoming sick, etc.).

The OECD is developing an “assets-based” framework for the identification of indicators of people’s resilience to various risks. As assets are the stock of wealth (tangible or intangible) used by households and individuals to generate well-being, those people who can count on one or more assets are less sensitive to risks and more resilient to the negative outcomes of a shock, i.e. they are less vulnerable. A broad view of assets is needed to assess people’s vulnerability, including: economic capital, human capital, social capital and shared assets (public services and social support).

## Sustainability

Sustainability of well-being over time can be assessed by looking at the set of key economic,

social and environmental assets transmitted from current to future generations, and whether these assets will allow people and their children to meet their needs in the future. The OECD is working to better capture the broad notion of economic, social and environmental sustainability through some of the initiatives listed below.

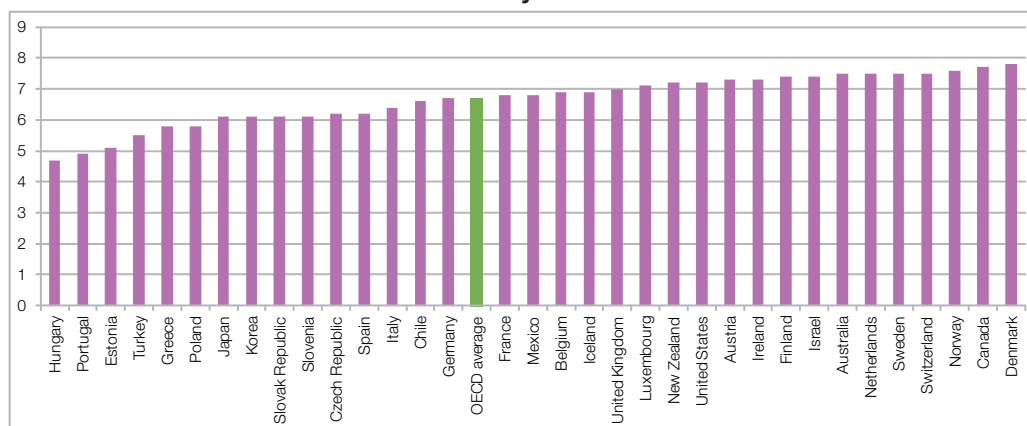
### Monitoring key natural resources

One critical element of a society’s asset base is provided by its natural resources. The OECD is developing indicators to monitor the stock of natural resources (both its quantity and quality) and assess the productivity of various natural resources as part of its work on the development of Green Growth Indicators (GGI). A related goal of this initiative is to analyse the impact of economic production on the available stock of natural resources.

### Estimates of carbon-emissions embedded in consumption

Carbon dioxide emissions are typically measured on the basis of what countries produce but the consumption of the associated products often occurs elsewhere. Measures that focus exclusively on production within national boundaries therefore only reveal one part of the picture. And because a country’s production of emissions may fall through,

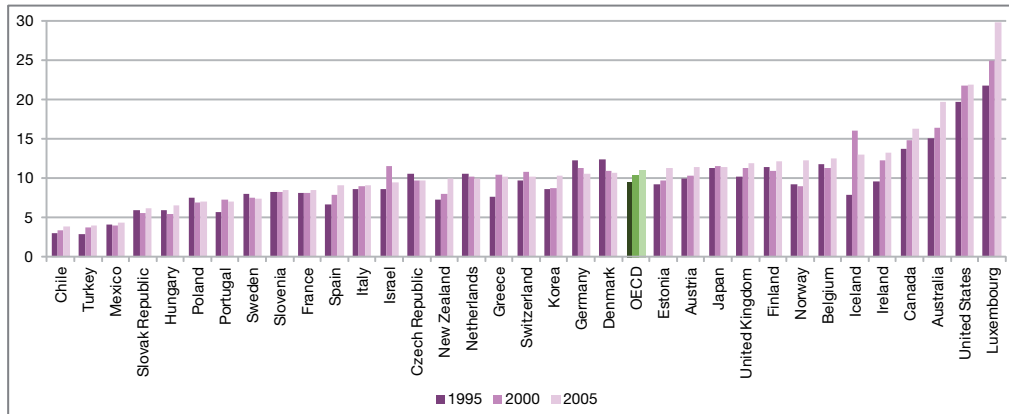
Figure 2. Life Satisfaction  
Average self-evaluation of life satisfaction, on a scale from 0 to 10  
2010 or latest year available\*



\*Estonia: 2009, Iceland: 2008, Israel: 2009, Norway: 2008, Switzerland: 2009  
Source: Gallup World Poll



Figure 3. CO<sub>2</sub> emissions from consumption (tonnes per capita)



Source: OECD, Input-output database; OECD, STAN Bilateral Trade database; IEA (for CO<sub>2</sub> emissions)

for example, the off-shoring of domestic production or through higher import penetration, they may also paint a misleading picture of sustainability. Other things equal, consumption-based measures that embody all the CO<sub>2</sub> emissions generated in the production of a good or service are unaffected by such changes in the locus of production and provide a broader measure of sustainability, particularly in a global context. The objective of this project is to create national estimates of CO<sub>2</sub> emissions that reflect consumption, as supplements to the more conventional measures based on production. This project is also part of the work on GGI. Figure 3 shows estimates of CO<sub>2</sub> emissions per person due to consumption.

### Measuring human capital

Sustainable well-being is directly linked to changes in all of a country's resources, including those that are not traded in market, such as human capital (i.e. the stock of competences, knowledge and skills embodied in people). The OECD is working to develop monetary estimates of human capital, to complement existing indicators of human capital based on years of schooling or levels of competencies. Monetary estimates of the stock of human capital are useful as they can be easily compared with stocks of physical capital. In addition, these estimates allow one to assess how monetary stocks of human capital are changing over time, so as to understand what countries need

to do to improve education and skills and their use in the labour market.

## Dissemination: The OECD Better Life Initiative

The OECD Better Life Initiative, launched in May 2011 on the occasion of the OECD 50th Anniversary under the theme "Better Policies for Better Lives", brings together several strands of the OECD's work on measuring well-being and progress. It includes an interactive tool, *Your Better Life Index* ([www.oecdbetterlifeindex.org](http://www.oecdbetterlifeindex.org)), which enables users to compare well-being across 34 countries,

based on 11 dimensions, listed in the OECD framework shown on page 2, by giving their own weight to each of the dimensions. It also includes a *Compendium of OECD well-being indicators* ([www.oecd.org/document/28/0,374,en\\_2649\\_201185\\_479\\_16764\\_1\\_1\\_1\\_1,00.htm](http://www.oecd.org/document/28/0,374,en_2649_201185_479_16764_1_1_1_1,00.htm)) which serves as background documentation for *Your Better Life Index*.



The choice of indicators was inspired by the OECD framework which focuses on individuals' and households' outcomes (rather than drivers and inputs) and on both objective and subjective features of well-being. A number of statistical criteria were taken into account when selecting the indicators for the 11 dimensions mentioned above: relevance (e.g. validity, depth, policy relevance), high-quality data (e.g. most indicators come from National Statistical Offices and official sources) and comparability across OECD countries. In addition, indicators were discussed with National Statistical Offices of the OECD member countries.

A more comprehensive publication, called *How's Life?*, will be released in October 2011; this publication will gather and analyse a range of indicators on the well-being of individuals and households in OECD and selected non-OECD countries. This publication will also provide information on inequalities in the various dimensions, as well as present selected indicators of sustainability.

The OECD Better Life Initiative website: [www.oecd.org/betterlifeinitiative](http://www.oecd.org/betterlifeinitiative)

## Key events

The OECD is continuing the dialogue on measuring well-being and progress through regional conferences and the OECD World Forum on "Statistics, Knowledge and Policies". These conferences aim to deepen the on-going reflection on how to measure well-being and the progress of societies, enhance the relevance of measures and analysis for addressing key policy issues, and lead to concrete outputs, such as establishing frameworks for future work.

### Regional conferences

Several regional conferences are being organised in the lead up to the 4<sup>th</sup> OECD World Forum. These events are jointly convened with National Statistical Offices and leading national and regional actors in different regions, in collaboration with

the OECD Development Centre and the PARIS21 Secretariat. The first regional conference took place in Latin America (Mexico City, May 2011). Preparations are underway for conferences in Asia, Africa, and Europe.

### OECD World Forums on "Statistics, Knowledge and Policies"

The OECD World Forums on "Statistics, Knowledge and Policies" gather decision makers, policy actors, social leaders, statisticians and academics to discuss how best to measure and foster the progress of societies. The 4<sup>th</sup> OECD World Forum on "Statistics, Knowledge and Policies" will take place in New Delhi, India in October 2012. The previous OECD World Forums took place in Palermo (2004), Istanbul (2007) and Busan (2009). The outcomes of regional conferences will feed into the Delhi Forum whose goal is to share results and lessons learned from work on progress measurement by the OECD, other international organisations and countries in the different regions and to give impetus to concrete measurement programmes based on existing national and regional statistical capacities, mechanisms and tools.

## Related Initiatives



[www.wikiprogress.org](http://www.wikiprogress.org)



[www.wikigender.org](http://www.wikigender.org)



[www.wikichild.org](http://www.wikichild.org)



## Further reading

- » OECD (2011) *Compendium of OECD well-being indicators*, [www.oecd.org/document/28/0,3746,en\\_2649\\_201185\\_47916764\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/28/0,3746,en_2649_201185_47916764_1_1_1_1,00.html)
- » OECD (2011), *Towards Green Growth: Monitoring Progress: OECD Indicators*, OECD Green Growth Studies, OECD Publishing, [www.oecd.org/document/56/0,3746,en\\_2649\\_37425\\_48033720\\_1\\_1\\_1\\_37425,00.html](http://www.oecd.org/document/56/0,3746,en_2649_37425_48033720_1_1_1_37425,00.html)
- » Boarini R., G. Cohen, V. Denis and N. Ruiz (2011) “Designing Your Better Life Index: methodology and results”, *OECD Statistics Working Papers*, OECD Publishing (*forthcoming*)
- » Boarini R., M. Comola and C. Smith (2011) “The determinants of subjective well-being in OECD countries”, *OECD Statistics Working Papers*, OECD Publishing (*forthcoming*)
- » Boarini R., M. Comola and C. Smith (2011) “Well-being patterns around the world: new evidence from the Gallup World Poll”, *OECD Statistics Working Papers*, OECD Publishing (*forthcoming*)
- » Liu G. (2011) “Measuring the stock of human capital for comparative analysis: an application of the lifetime income approach to selected countries”, *OECD Statistics Working Papers*, OECD Publishing (*forthcoming*)
- » Scrivens K. and C. Smith (2011) “Measuring Vulnerability and Resilience in OECD Countries”, *OECD Statistics Working Papers*, OECD Publishing (*forthcoming*)
- » Ahmad N. (2011) “Embodied carbon dioxide emissions: domestic consumption and trade”, *OECD Statistics Working Papers*, OECD Publishing (*forthcoming*)
- » Johnstone N. (2011) “Individual and Contextual Determinants of the Perception of Air Quality: Evidence based on Micro-Data”, *OECD Environment Working Papers*, OECD Publishing (*forthcoming*)
- » Johnstone N. (2011) “Air Quality and Subjective Well-Being: Evidence based on Micro-Data”, *OECD Environment Working Papers*, OECD Publishing (*forthcoming*)
- » Trewin, D. and J. Hall (2010), “Developing Societal Progress Indicators: A Practical Guide”, *OECD Statistics Working Papers*, 2010/06, OECD Publishing. <http://dx.doi.org/10.1787/5kgzhxp6k7g0-en>
- » Hall, J., E. Giovannini, A. Morrone and G. Ranuzzi (2010), “A Framework to Measure the Progress of Societies”, *OECD Statistics Working Papers*, 2010/05, OECD Publishing. <http://dx.doi.org/10.1787/5km4k7mnrkzw-en>

### Measuring Well-being and Progress

The brochure is published by the OECD Statistics Directorate. It can be downloaded from the OECD website at [www.oecd.org/measuringprogress](http://www.oecd.org/measuringprogress)

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