



MEASURING WHAT MATTERS TO PEOPLE: BEYOND GDP GROWTH TO SOCIAL PROSPERITY

THE DOHA DATA FORUM

30 OCTOBER 2023

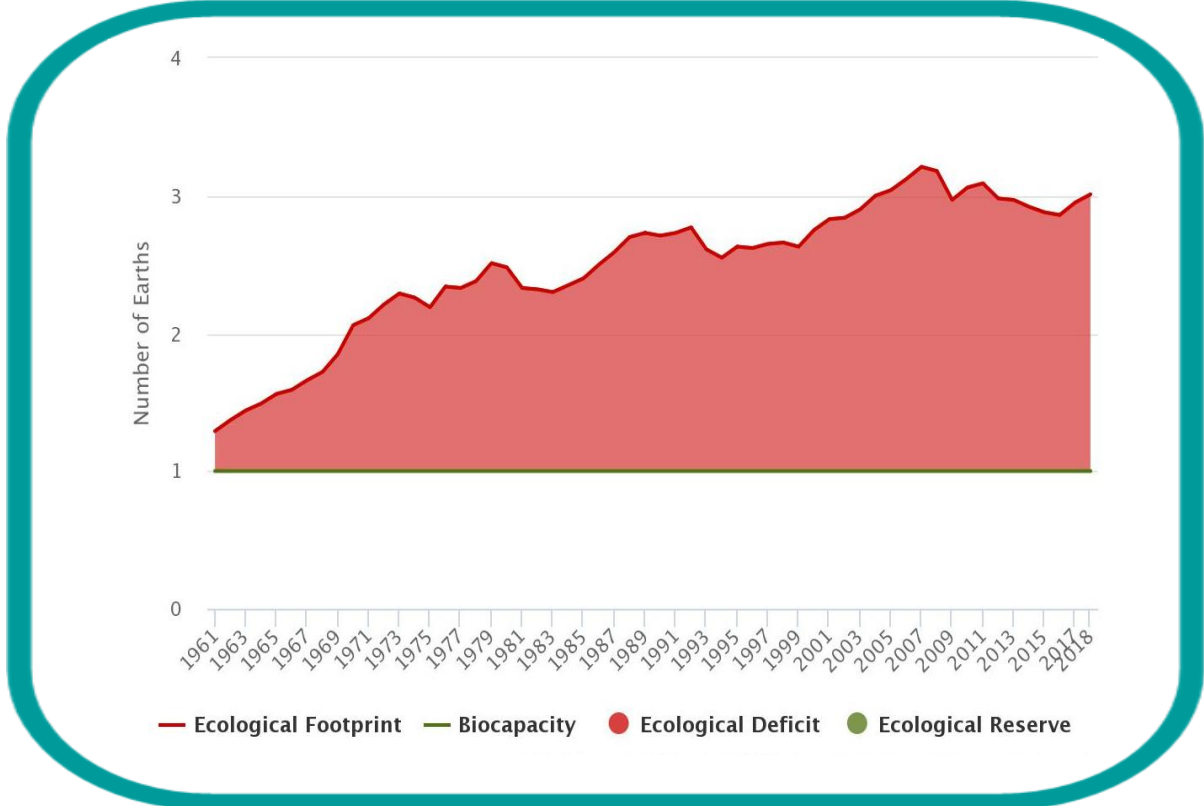
DR. ŽIGA ŽARNIČ

HEAD OF SECTION ON REVIEWS, SDGS & IMPACT MEASUREMENT

OECD WISE CENTRE

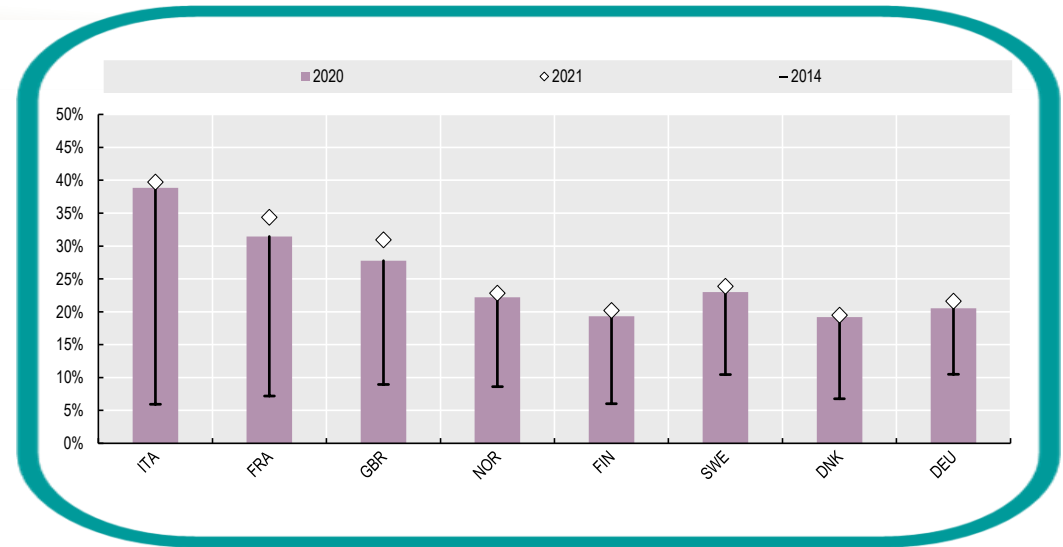
Today's Challenges Demand a Shift of Focus

Ecological footprint of Europe and the resulting ecological deficit (in earths)

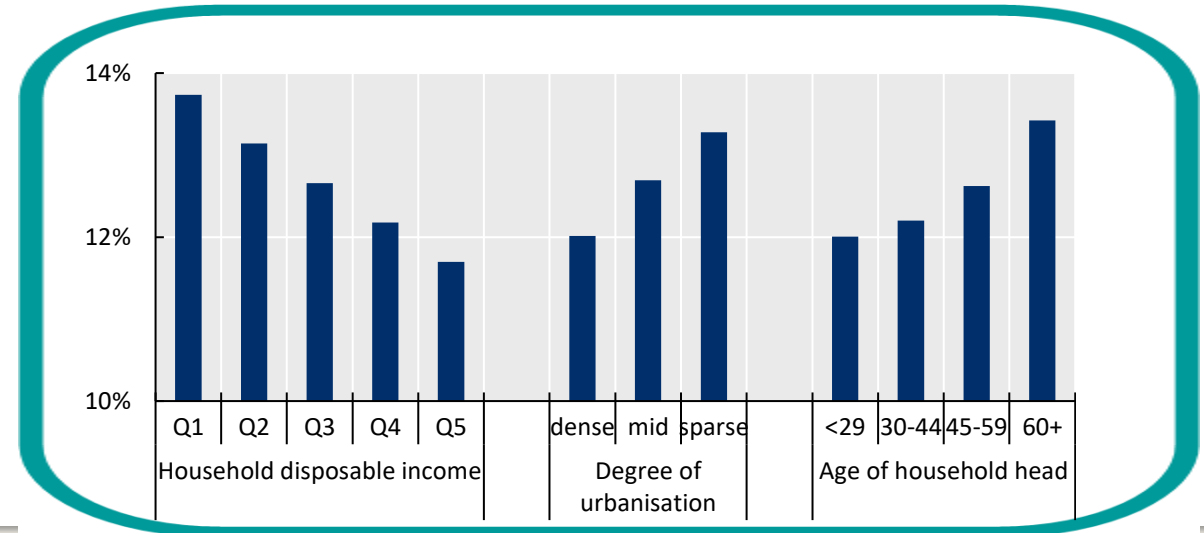


- Global Footprint Network (2022), National Footprint and Biocapacity Accounts.
- OECD (2023), *Measuring Population Mental Health*, OECD Publishing, Paris, <https://doi.org/10.1787/5171eef8-en>
- Caisl, J., et al. (2023), "The uneven impact of high inflation", *OECD Papers on Well-being and Inequalities*, No. 18, OECD Publishing, Paris, <https://doi.org/10.1787/59e2b8ae-en>.

Share of respondents at risk of depression, 2020 and 2021 vs. 2014



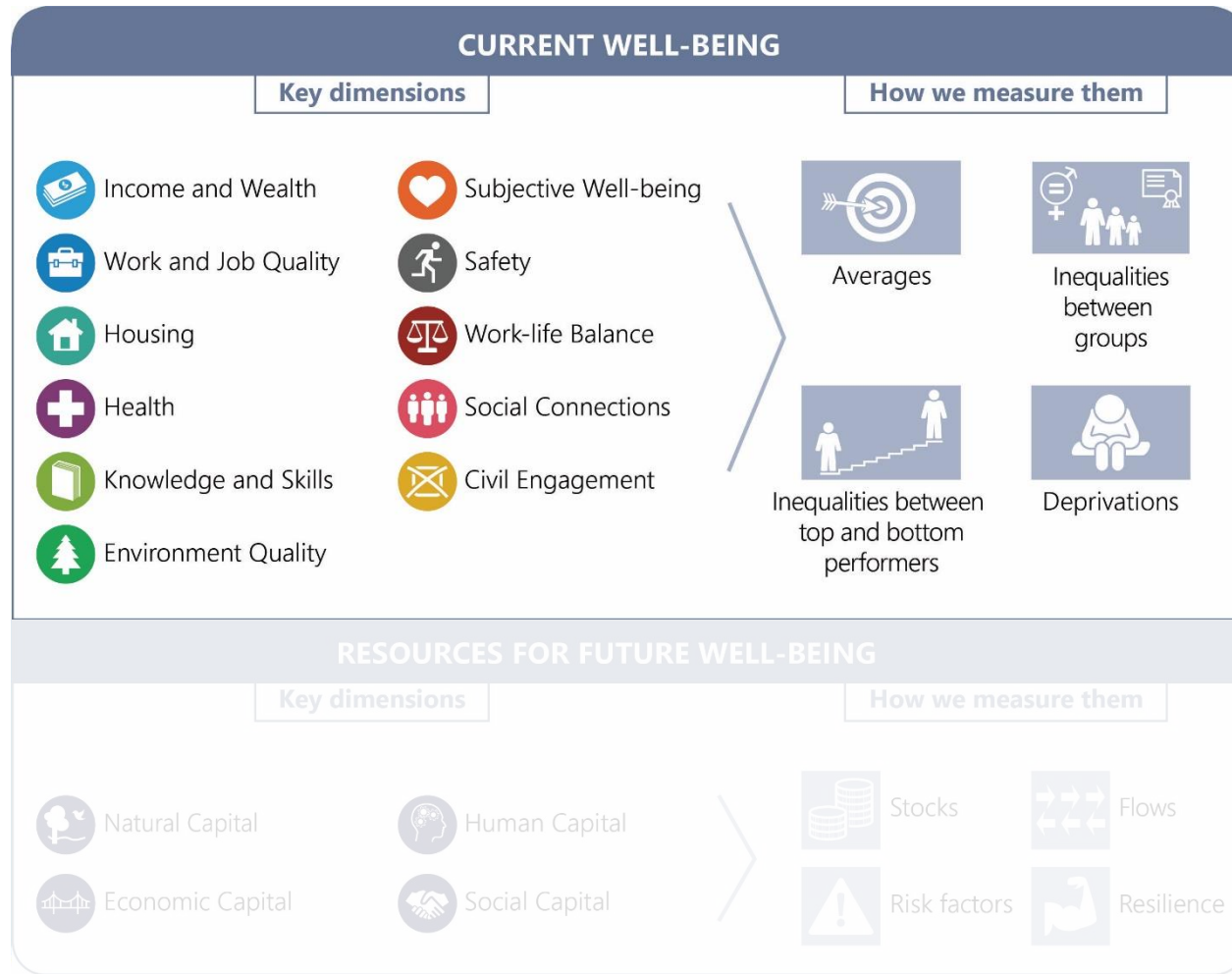
Average 12-month inflation rate in February 2023 by income quintile, degree of urbanization and age of household head



Measuring What Matters to People

Outcomes

Risk factors,
stocks, flows,
resilience



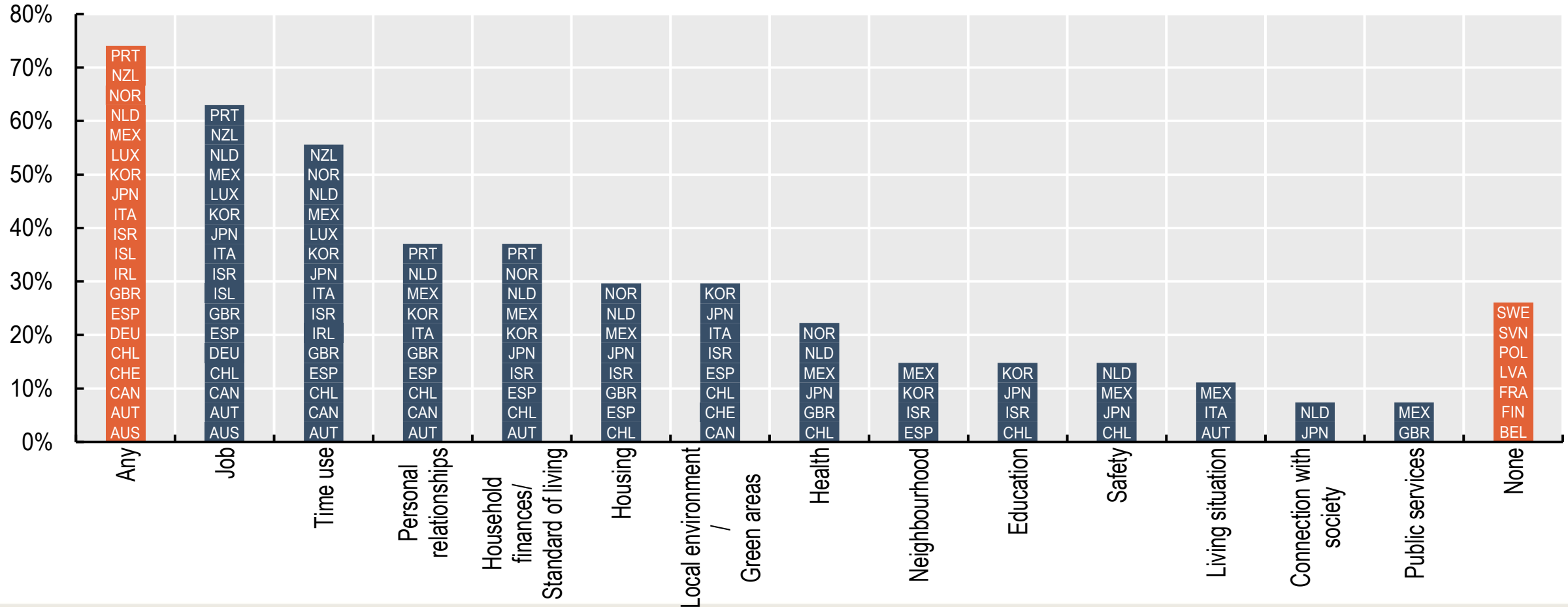
- A focus on **people** rather than the economic system or GDP
- Measures **outcomes** rather than inputs and outputs
- Examines both **averages** and **inequalities**
- Considers both **objective** and **subjective** aspects
- Concerned with well-being both **today** and **tomorrow**

Source: <https://www.oecd.org/wise/measuring-well-being-and-progress.htm>

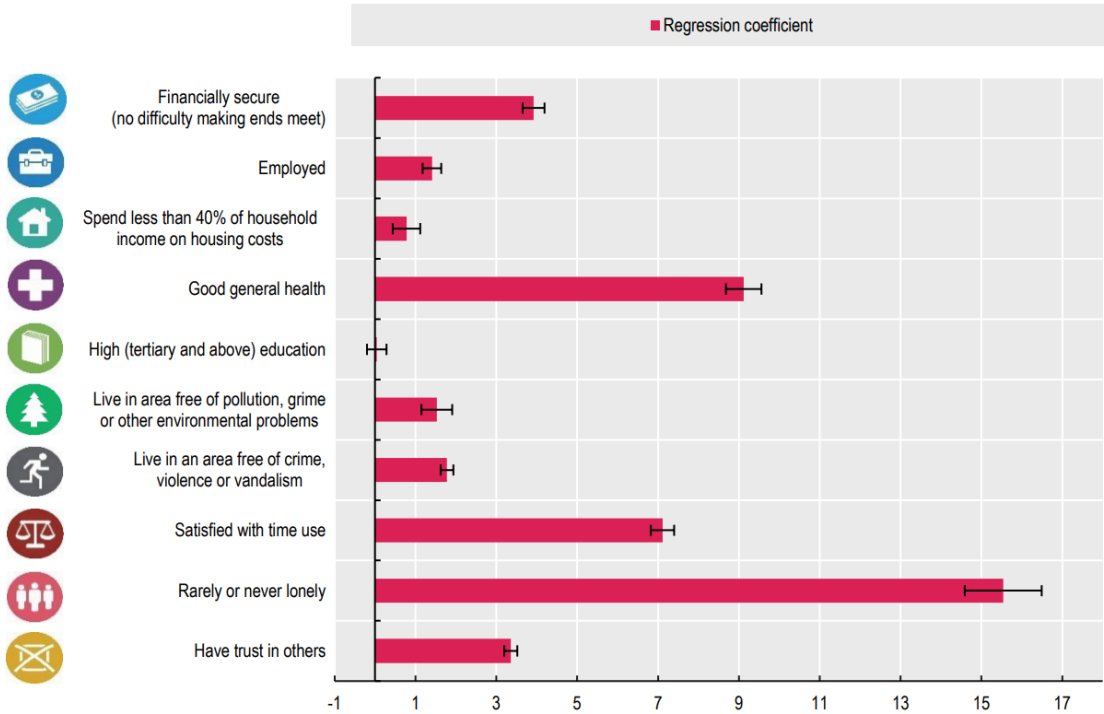


10 Years Since Publishing OECD Guidelines for Measuring Subjective Well-being

Share of countries who have developed a national well-being approach that includes life satisfaction indicators, following OECD Guidelines → Job and time use satisfaction are the most commonly-included domain satisfaction indicators



Subjective Measures: Good well-being outcomes can provide resilience against poor mental health



Using the OECD Well-being Framework to link people’s mental health with their economic, social, relational, civic and environmental experiences.

Note: The figure displays the multivariate regression coefficients when regressing the Mental Health Inventory 5 (MHI-5) score, which ranges from 0 (highest risk for mental distress) to 100 (lowest risk), on different well-being protective factors. Controls include sex, age and age-squared; country fixed effects are also included. Standard errors are clustered at the country level, and are displayed in the figure as high/low bars. Since the relationship between the mental health outcomes and the various well-being outcomes shown here is bidirectional, the regression coefficients shown here should not be interpreted as causal due to endogeneity – for this reason, the accompanying report relies on both a literature review that focuses on causal methods, as well as further analysis using a cross-lagged panel model to better understand some of the relationships. Refer to the report’s *Reader’s Guide* of (OECD, 2023^[11]) for full details of indicator definitions, and more details on cross-lagged panel models. Source: OECD calculations based on the 2018 *European Union Statistics on Income and Living Conditions (EU-SILC)* (n.d.), (database), <https://ec.europa.eu/eurostat/web/microdata/european-union-statistics-on-income-and-living-conditions>.



Timeliness is also important

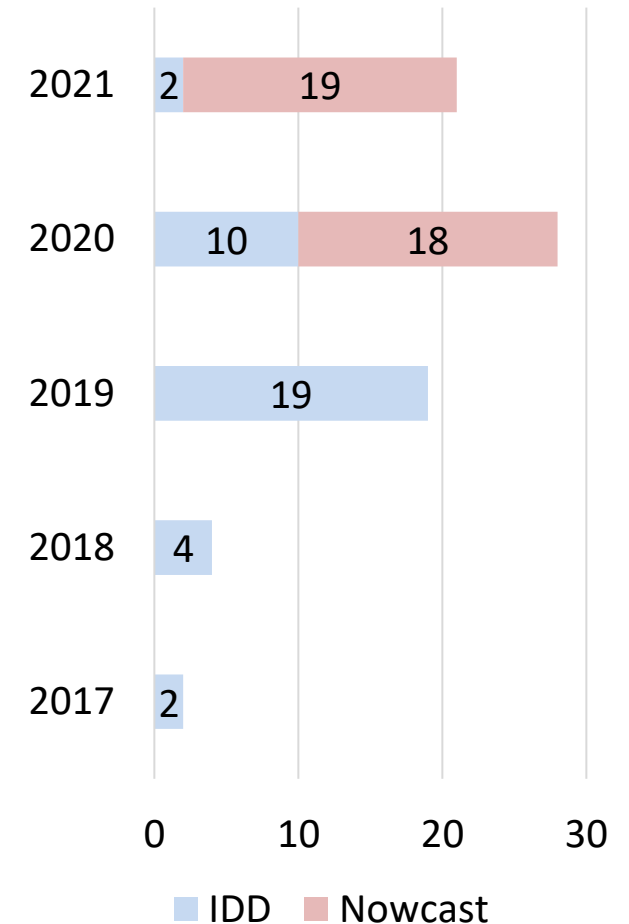
Inequality data is published with considerable delay

- Delay of typically 2 to 3 years.
- Growing public and political demand for timely inequality data

Nowcasting based on microsimulation

- Granular approach → other indicators beyond inequality (e.g. income, poverty, socio-economic groups).
- Assess impact of recent policy measures on household income and government budgets.
- Decompose impact of demographic, labour market and tax-benefit changes.

Latest Income Distribution Data (IDD, 27/10/2022) + Nowcast



Levy, H. (2023), "Nowcasting and provisional estimates of income inequality using microsimulation techniques", *OECD Papers on Well-being and Inequalities*, No. 12, OECD Publishing, Paris, <https://doi.org/10.1787/c0b88e7f-en>.



Exploring Interlinkages between Env. Sustainability and Social Prosperity

OECD Green Growth Papers
2021-01



The Inequalities-Environment Nexus

TOWARDS A PEOPLE-CENTRED GREEN TRANSITION

Policy Insights

Centre on Well-being, Inclusion, Sustainability and Equal Opportunity (WISE)



Unpacking public and private efforts on just transition

May 2023

KEY MESSAGES

- The concept of the just transition recognises that **social and environmental issues are interlinked** and broadens the debate around moving to a low-carbon economy. With this in mind, the OECD report, *The inequalities-environment nexus: Towards a people-centred green transition* (OECD, 2021[1]), has mapped inclusive and green policy packages, outlining the main challenges, and identifying possible solutions for achieving a just transformation of the economy.
- Just transition is becoming important in decision-making processes requiring governments, companies and other stakeholders to **systematically consider the interlinked, structural and transboundary impacts of their policies and actions** on the environment and society.
- **There has been significant progress by international organisations to harmonise and instill the concept of just transition** in activities and strategies of governments and companies, although **definitions and focus of activities still vary from one organisation to another**.
- **Increasingly more emphasis is placed on risks that people, companies and governments face** (e.g. affecting their wellbeing as well as material conditions or financial fundamentals) and damages that are being materialised.
- There is, however, still quite a bit of **heterogeneity in how countries and companies frame and implement their endeavours**, sometimes with no harmonised or unified goals as well as a lack of consistent metrics for assessing their impacts on the environment and society.
- **Businesses have become increasingly vocal on the need to adjust their business models** in pursuit of a just transition, responding to some degree to the increasing demand from clients, demographic shifts, and greater awareness of sustainability and environmental concerns.
- **Further analytical work and mapping of business-government approaches** is needed to facilitate the assessment of the social and political acceptability of the transition by policy makers and business leaders.

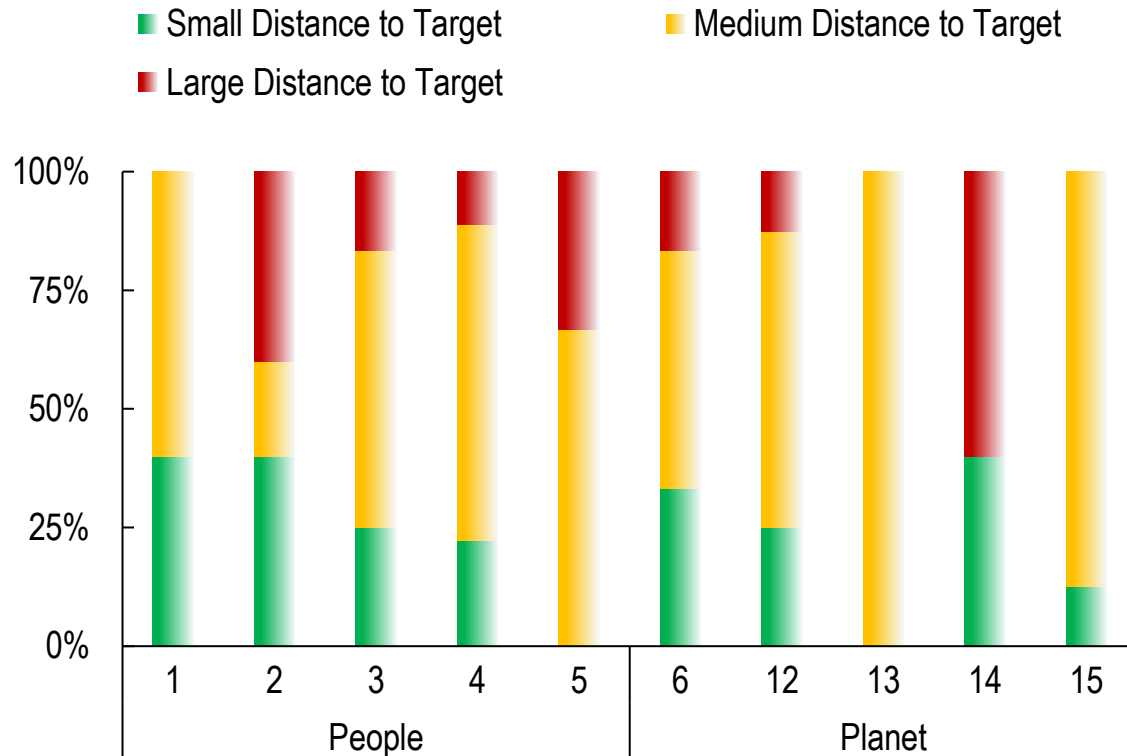
UNPACKING PUBLIC AND PRIVATE EFFORTS ON JUST TRANSITION © OECD 2023

- **Significant progress to harmonise** the concept of just transition in governments and companies, but definitions and focus of activities still vary from one to another.
- **Data and indicators that capture the intersectionality** of environmental and social challenges are needed for:
 - more accurate and timely information on how different demographic groups, workers and territories are affected by the environmental degradation;
 - better understanding of the types, incidence and extent of social impacts of the low-carbon transition;
 - measuring interlinkages and progress towards achieving SDG People- and Planet-related targets;
 - aligning public approaches with private-sector approaches to measurement, in light of climate and social risk disclosure standards for companies.
- OECD (2023), "Unpacking public and private efforts on just transition", *OECD Policy Insights on Well-being, Inclusion and Equal Opportunity*, No. 9, OECD Publishing, Paris, <https://doi.org/10.1787/cbd31b13-en>.
- OECD (2021), "The inequalities-environment nexus: Towards a people-centred green transition", *OECD Green Growth Papers*, No. 2021/01, OECD Publishing, Paris, <https://doi.org/10.1787/ca9d8479-en>.

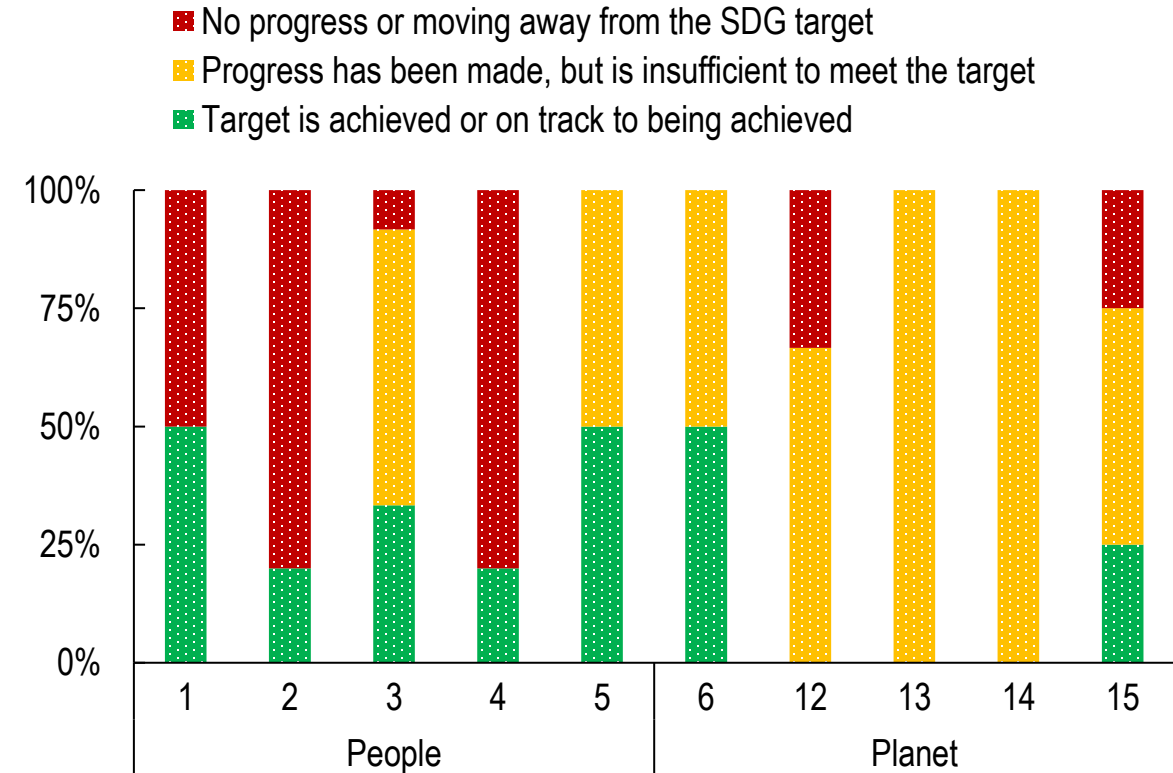


Progress on People-related SDG Targets is as Poor or Worse than Progress on Planet-related SDG Targets

Panel A. Distribution of current distance to Target (% of Targets), by Goal



Panel B. Distribution of trends (% of Targets), by Goal



Source: OECD (2022), "The Short and Winding Road: Measuring Distance to the SDG Targets", OECD Publishing, Paris.



Applying the Well-being Measurement Framework to Business

Within a **global framework for financial disclosures Social standards** is going to be the next frontier of ISSB work:
 → Cracking the “S” of the ESG framework is an area where the OECD-WISE Centre has been active.



Siegerink, V., M. Shinwell and Z. Zarnic (2022), “Measuring the non-financial performance of firms through the lens of the OECD Well-being Framework: A common measurement framework for “Scope 1” Social performance”, OECD Papers on Well-being and Inequalities, No. 03, OECD Publishing, Paris, <https://dx.doi.org/10.1787/28850c7f-en>.



Going Beyond GDP

OECD Environmental Performance Reviews, OECD Sustainable Development Reviews



OECD Better Life Initiative, Well-Being Framework, Better Life Index (BLI)

Beyond GDP



OECD Framework for Policy Action on Inclusive Growth

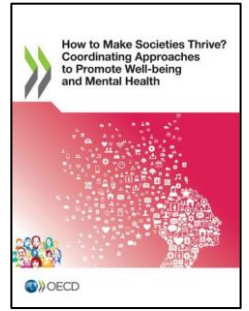
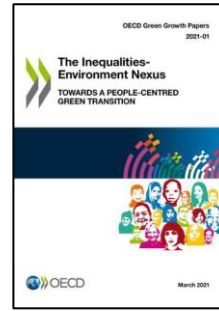
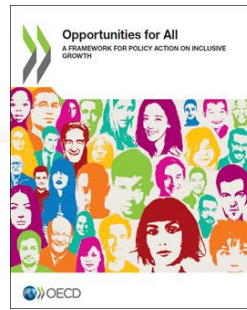
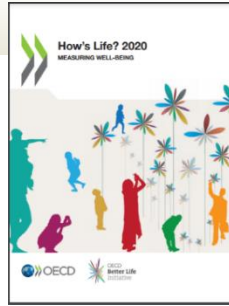


OECD WISE Centre



Measuring Progress towards Inclusive and Sustainable Growth in Japan

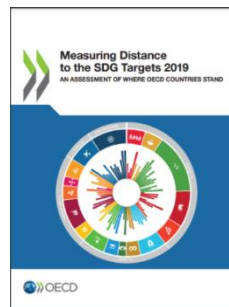
How to Make Societies Thrive? Coordinating Approaches to Promote Well-being and Mental Health



Club of Rome, OECD work on environmental and social indicators

OECD Green Growth Initiative
Growing Unequal

Measuring Distance to SDG Targets



How's Life in the Digital Age?

OECD COVID-19 Recovery Dashboard

Unpacking public and private efforts on just transition

OECD Observatory on Social Mobility & Equal Opportunity



Thank you!

More from the OECD WISE Centre:

<http://www.oecd.org/wise/>

Well-being Research:

<https://www.oecd.org/wise/measuring-well-being-and-progress.htm>

Measuring Distance to SDG Targets:

<https://www.oecd.org/wise/measuring-distance-to-the-sdgs-targets.htm>

Observatory on Social Mobility and Equal Opportunity:

<https://www.oecd.org/wise/observatory-social-mobility-equal-opportunity/>



Distance to travel to the SDG targets

Distribution of trends (percentage of targets) by goal, OECD average and a selection of countries

