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Measuring and fostering the well-being of European citizens

Report[1]
Committee on Social Affairs, Health and Sustainable Development
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Summary

Throughout Europe, there is now much public dissatisfaction with economic, social and political systems. These are considered to favour an artificial type of growth – one that depletes our natural resources, while leaving many people excluded or marginalised. This perceived gap between aspirations and delivery should be narrowed.

Well-being (in terms of needs and results) can be more properly assessed and fostered through indicators covering not only living standards (referring to income), but also to quality of life in a holistic way. To this end, measures of access to decent work, housing and public services, use of skills and educational attainment, environmental impact, health, social status and links with others, as well as freedom and human rights in the broadest sense are paramount.

Narrowing the gap between expectations and reality is a major task for politicians. They must link policies with tools and means for the benefit of present and future generations. Prominent global initiatives, such as the Better Life Index, the Happy Planet Index and the Human Opportunity Index, deserve strong support. Developing subjective measurements of individual well-being could help track collective progress. The report also advocates action to better align national strategic priorities with efforts to meet key global challenges, notably climate change, pollution, food security and the responsible use of natural resources.

1. Reference to committee: Doc.12567, Reference 3767 of 15 April 2011.

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A. Draft resolution[2]

1. Throughout Europe, there is now much public dissatisfaction with economic, social and political systems. These are considered to favour an artificial type of growth – one that depletes our natural resources, while leaving many people excluded or marginalised. This perceived gap between aspirations and delivery should be narrowed. Much more should be done to identify and respect the various needs and, through public policies, far greater efforts must be made to fulfil them.

2. The Parliamentary Assembly recommends the use of certain indicators. While they can enable better measuring of well-being levels, their clarity of focus also serves to foster well-being. Such indicators analyse the quality of life, the nature of disparities and the predictable directions which these may take. Key measures are those of access to decent work, housing and public services, use of skills, environmental impact and physical and mental health. Equally important are those of educational attainment, social standing and relationships with others, as well as of freedom and human rights.

3. The Assembly welcomes all attempts to measure well-being and life satisfaction. These include the existing work of the Organisation for Economic Co-operation and Development (OECD) on measuring progress and the Better Life Index, recommendations of the Stiglitz-Sen-Fitoussi Commission on the measurement of economic performance and social progress, pointers from the European Commission's communication on "GDP and beyond: measuring progress in a changing world", the Happy Planet Index and the World Bank's Human Opportunity Index. Finally, within selected European Union countries, the International Labour Organization recently carried out a project on "Monitoring and assessing progress on decent work".

4. The Assembly holds policy makers responsible for enhancing collective well-being for the benefit of present and future generations. Therefore, it urges the parliaments and governments of Council of Europe member States to:

4.1. develop proper frameworks and tools both for measuring well-being and fostering its progress by making use of current research, as listed above;

4.2. clearly define strategic long-term goals and policies for carrying these out;

4.3. co-operate with countries and relevant international bodies in order to deliver agreed commitments and meet global challenges such as climate change, pollution, food security and the responsible use of natural resources;

4.4. identify trends in inequalities of income and opportunity for different categories of the population, based on markers such as gender, age, family status and disability;

4.5. facilitate social mobility by:

4.5.1. monitoring the performance of essential public services;

4.5.2. adjusting and improving education, vocational training, life-long learning systems and preventive health care;

4.6. encourage national debate on well-being priorities and ways to achieve them, making use of online communication tools, surveys, social networks and media channels;

4.7. enable subjective measures of individual well-being to inform objective standards to be fostered and advanced within European countries;

4.8. seek to adjust policies through well-being indicators, noting how other countries do this;

4.9. consider well-being as a right which includes social, economic and environmental aspects as much as it does civil and political ones;

4.10. restore confidence in political structures through greater transparency and involvement by citizens.

2. Draft resolution adopted unanimously by the committee on 8 April 2014.

B. Explanatory memorandum by Lord Dundee, rapporteur

"Not everything that counts can be measured, and not everything that can be measured counts." Albert Einstein

1. Introduction: the challenge of inclusive, quality growth

1. As the world becomes more complex, how well is Europe doing? The answer is far from simple. That is certainly the case if measurements go beyond the purely economic ones such as that of gross domestic product (GDP), the traditional yardstick of national success. For a fuller picture, we should take into account other indicators, including the impact of human activity on the environment. To reflect peoples' lives, more accurate information is required. This can inform government policy and, as a result, national well-being will improve and better correspond to expectations.

2. At present, there is much dissatisfaction with our economic, social and democratic systems. These are perceived as too rigid and no longer serving society as they should. A mechanical type of growth is exhausting our human and natural resources, while leaving many people marginalised or excluded. This mismatch calls for a profound rethink about how society should be reorganised to achieve better balance.

3. The Council of Europe area – where the same values are shared – now comprises almost the whole continent. The European Convention on Human Rights (ETS No. 5) enables a citizen to challenge the State, thus putting State and citizen on an equal footing. This is an unprecedented and unique achievement for democracy and human rights. Previously, the State would always come before the citizen. Yet against the new background of parity between the two it becomes all the more possible for political planning to nurture the full aspirations of the citizen.

4. All aspects of the citizen's life can be addressed. Thus, not just his/her participation in civil and political, but also in social and economic affairs, as well as in matters concerning the environment. Taken together, citizens' reactions to these various aspects may reveal their general level of satisfaction or well-being. That barometer in turn also reflects a citizen's personal sense of purpose and dignity. In this respect, the European Convention on Human Rights and the European Social Charter (ETS Nos. 35 and 139) go hand in hand. A challenge is thus presented to politicians. This is how to match people's current aspirations while at the same time planning for the country's future and meeting international commitments.

5. In the first place, this report seeks to define what is meant by well-being, then to examine how it may be progressed in society. It highlights policies which link together values, rights and responsibilities. Regarding the three pillars of sustainable development – a sound economy, robust social cohesion and a healthy environment –, it considers how public policy can foster the aspirations of personal development while also advancing the consistent aims of equal opportunity and sustainability.

2. Link between policies and the quality of life: identification of what may induce well-being

6. Well-being is taken to mean quality of life. Here, it differs from "standard of living" which is an economic measure referring to income. For well-being goes wider than that. It may not just be induced by wealth, it might also derive from a variety of considerations. These include employment, use of skills, our environment, physical and mental health, education, social standing, relationships with others and, in connection with political democracy, freedom and human rights.

2.1. Well-being as a moving political target which is difficult to define

7. The fostering of well-being is an implicit policy aim. However, it is hard to define since it contains so many facets. As a result, politicians tend to focus only upon those which are easy to measure.

8. Persistent use of gross domestic product (GDP) is an example of this. Although this indicator provides useful standard comparisons between countries, it does not properly measure individual or collective well-being at all. That is hardly surprising: the focus of GDP is first and foremost confined to relative quantities of goods and services. It does not analyse the various ways in which the possession of wealth may help or hinder well-being. In different States, the GDP does not sufficiently reveal how environmental and social issues are handled, still less the results which may have been attained. It does not reflect informal work such as childcare or domestic and irregular employment. Nor whether or how resources spent may have improved living conditions. Many aspects of well-being are thus disregarded and unrecorded. Estimates from the British Office for National Statistics show that this amount is roughly the same size as the official GDP itself.

9. Therefore, two main reasons explain why additional and better measures should be developed. In the first place, to assess well-being, since in any case on its own GDP cannot do so. Secondly, to improve what it can and should do as an economic indicator. For at present, and as indicated above, it misses out as much economic activity as it includes.

10. The task of revision should not be too difficult. The challenge for us is now much more one of co-ordination than of fresh invention. For since the 1990s, a number of alternative measuring systems have already emerged. These include the Human Development Index, the Social Development Index, the Ecological Footprint and the Well-being Index.[3] Taken individually, these are too disparate, however. What is required is a considered synthesis of them. Within Europe, that in turn can facilitate a better and simpler model for measuring what matters most to its people.

2.2. Why do inequalities matter?

11. If in any case new measures are required to assess well-being, this is all the more necessary in adverse circumstances, such as those at the moment in Europe. Consequently, inequalities of wealth, income and opportunity in society have risen. With the economic crisis, income gaps have widened and in all countries life satisfaction levels have fallen. This feeds and reflects public resentment as it also reveals restricted opportunities for inclusive growth. International Monetary Fund (IMF) research shows that disparities are also harmful economically, because they slow growth, weaken resilience to crises and hold back investment in essential services, such as education, housing or health care.

12. The best-known measure of inequality is the Gini index, which presents income gaps as fluctuating between an average figure of 0 (perfect equality) and 1 (total inequality). Yet while this focus helps comparisons between countries and regions, it does not throw much light on the causes of imbalances within countries and between various population groups (in terms of age, sex, family status or ethnic background). Thus better analysis is required to assess the strengths and weaknesses of the welfare State so as to determine the scope for adjustment or reform.

2.3. A summary of key global and national initiatives

13. To measure something effectively, we need to know why measures are wanted and how they will be used to support policies. Three major initiatives are worthy of particular attention: a) the Measuring Progress work and the Better Life Index of the Organisation for Economic Co-operation and Development (OECD);[4] b) the Stiglitz-Sen-Fitoussi Commission recommendations which have recently inspired national programmes to improve measures of the quality of life; and c) the "happiness" index.

2.3.1. OECD programmes

14. The OECD's Better Life Initiative aims to give policy makers a broader picture of how society is doing. It looks at people's lives – addressing material conditions and less tangible aspects – in 11 dimensions. These cover income and wealth, jobs and revenues, housing conditions, health, balance between work and private life, education and skills, social connections, civic engagement and governance, environmental quality, personal security and subjective well-being.

15. These 11 measures can now assist the OECD's 34 member States (it is hoped that Brazil, Russia and other States will also benefit), which, depending on national policies and preferences, can pick and choose between them. These produce the Better Life Index which can be used as an adaptable tool. So far, the OECD's indicators come nearer than anything else to representing a new and consensual measuring approach which goes beyond that of the GDP. The OECD has also published guidelines for users[5] and in due course will issue further guidance to assist good practice.

3. Discussion Paper "A 'happiness test' for the new measures of national well-being: how much better than GDP are they?", Jan Delhey and Christian Kroll, Social Science Research Centre Berlin (WZB), 2012.
4. See www.oecdbetterlifeindex.org.
5. OECD Guidelines on Measuring Subjective Well-being, OECD Publishing, 2013.

2.3.2. Proposals of the Stiglitz-Sen-Fitoussi Commission

16. Set up by the French President, the Commission on the Measurement of Economic Performance and Social Progress comprised Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi – the former two were Nobel Prize winners in economics. In 2009, the commission published 12 recommendations, which fed into the OECD's Better Life Index:

– When evaluating material well-being, look at income and consumption rather than production.

– Emphasise the household perspective.

– Consider income and consumption jointly with wealth.

– Give more prominence to the distribution of income, consumption and wealth.

– Broaden income measures to non-market activities.

– Quality of life depends on people's objective conditions and capabilities. Steps should be taken to improve measures of people's health, education, personal activities and environmental conditions. In particular, substantial effort should be devoted to developing and implementing robust, reliable measures of social connections, political voice, and insecurity that can be shown to predict life satisfaction.

– Quality-of-life indicators in all the dimensions covered should assess inequalities in a comprehensive way.

– Surveys should be designed to assess the links between various quality-of-life domains for each person, and this information should be used when designing policies in various fields.

– Statistical offices should provide the information needed to aggregate across quality-of-life dimensions, allowing the construction of different indexes.

– Measures of both objective and subjective well-being provide key information about people's quality of life. Statistical offices should incorporate questions to capture people's life evaluations, hedonic experiences and priorities in their own survey.

– Sustainability assessment requires a well-identified dashboard of indicators. The distinctive feature of the components of this dashboard should be that they are interpretable as variations of some underlying "stocks". A monetary index of sustainability has its place in such a dashboard but, under the current state of the art, it should remain essentially focused on economic aspects of sustainability.

– The environmental aspects of sustainability deserve a separate follow-up based on a well-chosen set of physical indicators. In particular there is a need for a clear indicator of our proximity to dangerous levels of environmental damage (such as associated with climate change or the depletion of fishing stocks).

17. Already, 15 European Union member States have announced their intention to adjust current approaches and measures of well-being and sustainable development. Along with recommendations by both the OECD and the Stiglitz-Sen-Fitoussi Commission, they have also been influenced by the European Commission's communication "GDP and beyond: measuring progress in a changing world". To bridge gaps between politicians and the people, the United Kingdom has launched initiatives that give more power to local communities. Germany, Finland and Austria have been revising their systems to better assess and promote levels of well-being and sustainable development.[6]

2.3.3. The "happiness" indices

18. These national initiatives derive from objective analyses. Nevertheless, useful subjective indices have also been developed. The notion of "gross national happiness was first put forward by Bhutan.[7] This was taken up and endorsed in 2011 by the United Nations General Assembly. As a result, member States have

6. In Germany, the "National Welfare Index", composed of about 21 variables, is being developed with the support of a parliamentary enquiry committee. Finland has *Findicator* on some 100 facets of social progress and considers expanding its well-being metrics through a project on "New dimensions for the measurement of well-being". Austria assesses national welfare and well-being on the basis of Sustainable Development Indicators which cover the trio of economic, social and ecological spheres as they vary over time. See "National approaches to measure wealth and well-being in the context of sustainable development", ESDN Case Study No. 4, Nisida Gjoksi, December 2010.

7. The Bhutanese model of well-being and happiness uses 72 indicators for weighing progress in 9 domains: psychological well-being, ecology, health, education, culture, living standards, time use, community strength and good governance. These indicators are assessed every two years through a country-wide questionnaire.

been invited to measure subjective aspects of life satisfaction so that national policies can be better guided and designed. The Happy Planet Index,[8] published in 2006, compares and ranks countries for their respective results reflecting life expectancy, well-being and ecological footprint.

19. The World Happiness Report of 2013 (written by a group of independent experts),[9] while reviewing national trends, assesses the objective benefits of subjective well-being and their policy implications. In particular, it stresses how the proper maintenance of values and standards leads to personal well-being. This emphasis is also well supported by the Council of Europe; firstly, through its establishment of common standards and benchmarks for the 47 European States and their partners; secondly, through its deployment of measuring, monitoring and co-operation programmes; and thirdly, by the promotion of concrete results through specific projects proposed to national governments.

2.3.4. New alternatives for assessing inequalities

20. The World Bank estimates that inequality of opportunity holds back progress in society. It has developed two indicators. One measures inequality of economic opportunity. This is now deployed in roughly 40 countries. It considers disparities in ways that are normally overlooked (gender, race, birthplace, parents' education and jobs). Another set of measurements – "Human Opportunity Index" – seeks to gauge inequalities of obtaining basic services (education, water and sanitation, energy). By helping countries to improve their public spending policies, these indicators set out to prevent income inequalities from reducing opportunities.

3. Using information to improve policies and to involve citizens

21. Not least has demand for policy change been fuelled by the recent economic downturn. Confidence has suffered in three respects: public policies have failed to predict and arrest the economic crisis in the first place; such policies are not sufficiently able to restore the previous level of stability; and thus they are still less competent to address the aspirations and concerns of European citizens.

22. The Stiglitz-Sen-Fitousi team has called for debates at global, national and local levels. The purpose of these would be "to identify and prioritise those indicators that carry the potential for a shared view of how social progress is happening and how it can be sustained over time". The aim is to compare relevant similarities and differences. Such an approach corresponds to traditional wisdom: "Think globally, act locally." Some also argue that citizens' well-being would be even better served by policies arising from comprehensive changes to current systems and institutions,[10] along with Europe's 21st-century consensus on human rights which put State and citizen on an equal footing.

23. The key point is that for them to work effectively new systems and measures must first of all win people's trust and confidence. These can be tested through national debate where people may express their views on "what matters" for well-being via online discussions, surveys, social media networks or traditional media channels. It is then for politicians and experts to extrapolate from that process in order to revise policies. What we measure and treasure drives what we do.

24. Different approaches have been suggested and tested over recent years. These can be grouped into three main areas:

– The use of subjective measures of individual well-being (or happiness in the broader, personal sense) to track more objectively collective progress and the performance of government;

– The blending together of existing indicators can better address previously neglected aspects of people's lives;

– National accounts can be supplemented with the so-called satellite accounts which cover more accurately environmental, social and health capital, and their interactions over time.

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8. The Happy Planet Index is produced by the Centre for Well-being at the New Economics Foundation. It measures well-being through opinion polls and derives life expectancy data from the UNDP (United Nations Development Programme) Human Development Reports.

9. World Happiness Report 2013, edited by John F. Helliwell, Vancouver School of Economics, University of British Columbia, and the Canadian Institute for Advanced Research (CIFAR); Richard Layard, Director, Well-Being Programme, Centre for Economic Performance, London School of Economics; and Jeffrey D. Sachs, Director, The Earth Institute, Columbia University.

10. "Shaping a post-crisis world", Klaus Schwab, founder and executive chairman of the World Economic Forum, article in the *International Herald Tribune*, 28 January 2009.

25. The Ecological Footprint (measuring the weight of human activities on the planet's ecosystems) illustrates this point. Between countries which over-consume natural resources and those which under-use them, humanity's total Ecological Footprint is today estimated at 1.5 planet Earths. This shows that we use up nature's resources 1.5 times quicker than our planet can renew them. Polluters do not pay back or repair damages. Many large developed countries use up resources even faster – at the rate of 5 to 7 planet Earths. Thus, we are living beyond the means of our planet and globally damages to the public goods accumulate.

26. Both rich and poor countries are increasingly aware of such disparities and anomalies affecting the environment, national economies, as well as personal well-being within society. Constructive revision is thus required at all levels nationally and internationally. With globalisation, this responsibility for rebalancing development is shared by all – authorities, businesses and individuals.

4. Developing a comprehensive framework for measuring well-being and fostering progress

27. The longer we wait, the bigger the challenge and the response required. As indicated above, many European States, especially those in the European Union, seek to address the risks which we face and search for proper answers – collective where possible, country-wide as necessary. The picture in non-European Union countries is less uniform and the data more fragmented.

4.1. Europe in the loop on subjective well-being

28. The Eurofound analysis of November 2013[11] points to rises in well-being inequalities against the background of the economic crisis. As reported, although life satisfaction grew slightly between 2007 and 2011, levels of happiness and optimism have fallen and perceptions of social exclusion have increased. The study reveals that the lowest levels of subjective well-being are among the unemployed. It indicates relatively low well-being among Europeans affected by illness, disability, separation or divorce, as well as in the age group of 35-49 year olds. Increases in well-being chiefly apply to the highest income groups. The biggest well-being gaps are recorded in Bulgaria, Hungary, Slovakia, Cyprus, Romania, the United Kingdom and Austria.

29. The 2nd Life in Transition Survey was carried out jointly by the European Bank for Reconstruction and Development (EBRD) and the World Bank in 34 countries of mainly the former "eastern block" in late 2010. It shows "remarkable resilience in the face of huge personal sacrifices caused by the global economic crisis" and praises broad commitment to democracy and the free market despite material hardships. According to this study, 70% of households (in transition countries) affected by the crisis had to cut down on their basic food purchases and spending on health care. This was twice the level of comparable households in selected western European countries.

30. The study also demonstrates some antipathy towards immigrants and those of a different race. Moreover, despite widening gender differences and fewer women in paid jobs than previously, women appeared as satisfied with their lives as men and even more optimistic about the future. Regarding corruption, public resentment was particularly strong against traffic police, health-care officials and the civil courts. There was general satisfaction with public services. This remained fairly high even though it was still much lower than in western Europe.

31. These studies, despite being very different in scope and method, provide some useful insights for policy makers. Thus, those countries where people roughly share the same level of income and which have strong social protection systems (Scandinavia and the Netherlands) reveal the highest levels of life satisfaction. Low household debt levels emerge as an important protective factor affecting the more vulnerable population. The greatest perceived well-being gains apply to the most disadvantaged once their situations improve. Moreover, broad satisfaction with public services contributes to more favourable perceptions of the quality of life, even though it is noted that the reported prevalence of corruption in certain public services erodes trust in institutions and governance.

32. The OECD's "How's Life? 2013" review of well-being ranks the performance of 36 countries in four areas: the human costs of the financial crisis; well-being in the workplace; gender gaps in the quality of life; and measuring what matters in people's life. Selected European countries are thus compared with major

11. This analysis covers 34 European countries based on the report "Third European Quality of Life survey – Quality of life in Europe: Impacts of the crisis" of 29 November 2012 and a series of overviews on subjective well-being, social inequalitites, quality of public services and trends in quality of life in Europe over the period 2003-2012. Eurofound (the European Foundation for the Improvement of Living and Working Conditions) is a tripartite European Union agency.

global players. Denmark, Norway, Sweden and Switzerland feature along with Australia, Canada and the United States as top 20% performers; while Estonia, Greece, Hungary, Portugal and Turkey are among the 20% bottom performers next to Chile and Mexico. Other European countries[12] are in the middle range.

33. The study records a clear drop in life satisfaction when long-term unemployment went up and household disposable income declined strongly from 2008 to 2012. Housing conditions deteriorated across Eurozone countries: the share of households spending 40% or more of their income on housing increased considerably (from 6.5% to 9%). In parallel, trust in governments declined and in some countries, such as Greece and Italy, unmet medical needs rose due to financial constraints. Moreover, stress at work increased for half of Europeans in highly demanding employment with inadequate job resources, leading to work-related health problems.

34. Poverty among the working population is highest in Turkey (18%), Spain, Italy and Greece (11% to 12%), as well as in Poland, Estonia and Portugal (about 9%), – all above the OECD's average. Finally, gender pay gaps persist: despite a general improvement, gaps widened in Portugal, France, Italy and Poland. Across all OECD countries, women hold only 27% of seats in parliaments and a quarter of all women have been victims of violence from their partner. Policy choices in recent years, especially austerity, have bitten hard on perceived well-being. Within Europe and internationally, Nordic countries, notably Sweden, perform best in terms of both income equality (measured by the Gini index) and that of equal opportunities.

4.2. Linking subjective and objective measures with policies

35. Better measures for subjective well-being and using such information together with objective indicators to inform policies is no small challenge. It is only recently that policy makers have endeavoured to respond to what really matters to the population – the needs of the grassroots majority. Measuring subjective, often intangible and complex aspects of life is now an essential part of democracy.

36. National audits should be set up to monitor the implementation of social and environmental rights for different population groups (children, youth, adults, senior citizens). They should present both a general and a specific focus. These concern access to health care, decent employment, education and training, social protection and housing, as well as the quality of public services and the living environment (water, air, noise, food safety). These endeavours should match the benchmarks of the Council of Europe instruments, notably the European Social Charter (for social rights) and the European Convention on Human Rights (for the right to a healthy environment).

37. The Better Life Index published by the OECD already provides a comprehensive management tool for European State and it can be adapted to different national circumstances and requirements. The OECD will improve the model further which, within the analysis and fostering of well-being, will serve to explain more clearly the interaction between objective and subjective elements.

38. This approach enables States to move beyond GDP and consumerism to embrace aspects which matter to people. Those wider measures can then inform national leaders and politicians, who in turn may design policies which satisfy those needs. In so doing, they will avoid party politics altogether, as well as the extremes of left- or right-wing dogmas and doctrines. For the latter are the presumptions of politicians, while the former approach reflects the real needs of the people.

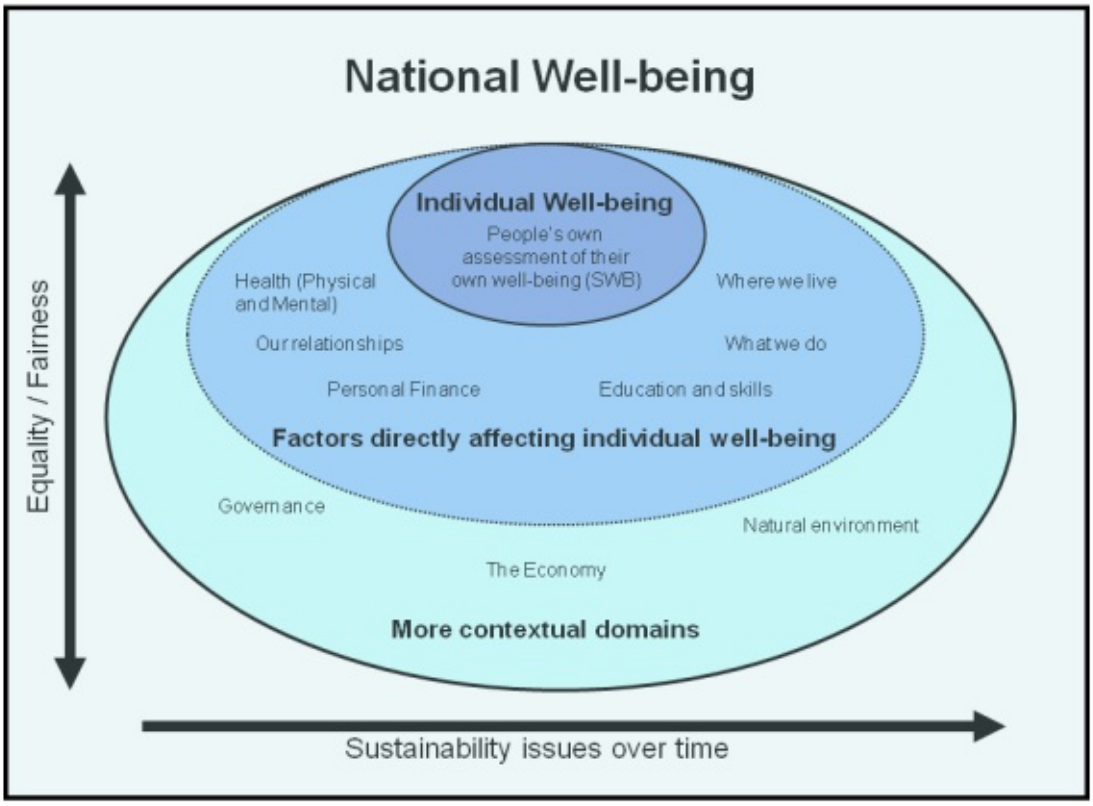
4.3. Case study: the British approach to measuring well-being

39. For British citizens, well-being priorities are health, personal relationships, job satisfaction and economic security. The United Kingdom Office for National Statistics (ONS) has presented ten areas of data: individual aspirations, relationships, health, education and skills, what we do, where we live, how we manage personal finance, and, in connection with national management, government, the economy and the natural environment (see figure below). The case study is built up from responses by people on how their own well-being is affected by each of these areas.

40. Future work will focus upon subjective well-being or happiness in a broader personal sense (see the appendix). There will also be a valuation of United Kingdom natural resources and human capital. Assessments of the latter will be over a five- or six-year period. These United Kingdom contributions towards well-being analysis have already provided useful guidance internationally.

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12. Austria, Belgium, the Czech Republic, Finland, France, Germany, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Poland, the Slovak Republic, Slovenia, Spain and the United Kingdom.



Source: The United Kingdom Office for National Statistics

5. Conclusions and recommendations

41. Successive downturns and widening gaps in prosperity expose the inadequacies of the current development model. For this fails to serve sufficiently people's wishes and needs, including that for enhanced well-being. Measures for national and local success must go beyond that of GDP and other narrow yardsticks if they are to reflect aspirations and sustainability properly. So far, too many considerations which matter to people are unrecorded and missing within national priorities. The human desire for well-being is too often neglected, as also are critical natural resources for sustaining the population now and in the future. In Europe and elsewhere, there is a growing mistrust of democracy and political leadership. Thus, to restore confidence, the key challenge to politicians is to understand what people want and to respond to those demands.

42. The Better Life Index, along with other relevant initiatives, can be strongly supported. The Better Life Index has already proved to work well in some parts of Europe and beyond. As a measuring tool it can address both economic performance and well-being aspects. To that extent, it incorporates both GDP and many existing well-being indicators without necessarily replacing them. It may be further developed to cover inequalities in income and opportunity, and could be promoted beyond the OECD member countries. Meanwhile, across Europe, and to the benefit of all, the challenge to countries and organisations is to measure, increase and protect well-being in a more balanced and holistic way.

Appendix – Proposed domains and headline indicators for measuring well-being in the United Kingdom[13]

Individual well-being	Overall satisfaction with life
Relationships	Satisfaction with family life Satisfaction with social life Proportion of people who trust other people in their neighbourhood Proportion of people who feel they belong strongly to the neighbourhood
Heath	Healthy life expectancy for men and women People not reporting a long-term limiting illness or disability Satisfaction with one's health Assessment of mental well-being (questionnaire GHQ12) Satisfaction with one's mental well-being
What we do	Employment and unemployment rates Population in employment working long hours Satisfaction with one's job (employed people) Satisfaction with use of leisure time Proportion undertaking any volunteering more than once a year
Where we live	Crime rate per capita Fear of violent crime Measure of access to and quality of the local green spaces Satisfaction with local area and neighbourhood Sense of belonging to local area
Personal finances	Proportion of individuals in households with below 60% of the median income Household wealth Satisfaction with the income of one's household Proportion of households which are entirely workless and/or face financial difficulties
Education and skills	Human capital – the value of individuals' skills, knowledge and competences in the labour market Possession of educational qualifications and certificates National situation within the Programme for International Student Assessment (PISA) Proportion of the population with no qualification
Governance	Proportion of registered voters who voted Proportion of those who have trust in national parliament and government Proportion of those who have trust in local council
The economy	Real household income per capita Real net national income per capita Total net worth of all sectors of the economy; public debt; inflation rate Research and development expenditure
The natural environment	Greenhouse gas emissions Air pollutants The extent of protected areas Proportion of energy consumed from renewable sources

13. The United Kingdom Office for National Statistics, "Measuring National well-being: A discussion paper on domains and measures", October 2011; and the first Annual Report "Measuring National Well-being: Life in the UK, 2012", November 2012.