

# **Official Statistics on Wellbeing: Leading the change or just 'nice to have'?**

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# Overview – statistics in society

Many current initiatives to measure wellbeing and progress by more than GDP (UK government, Wales government, 200+ others, and not a new idea)

Measurement => policy informed by evidence

Focus (only?) on personal wellbeing rather than national wellbeing

The traditional goal of official statisticians: to produce statistics that 'speak for themselves'

Securing greater emphasis on use and on increasing usage

***“Government has the power to help improve well-being”***



***“From April next year we will start measuring our progress as a country not just by how our economy is growing, but by how our lives are improving, not just by our standard of living, but by our quality of life. ...”***

**David Cameron 25.11.10**

<https://www.gov.uk/government/speeches/pm-speech-on-wellbeing>

## The issue: how are we doing these days?

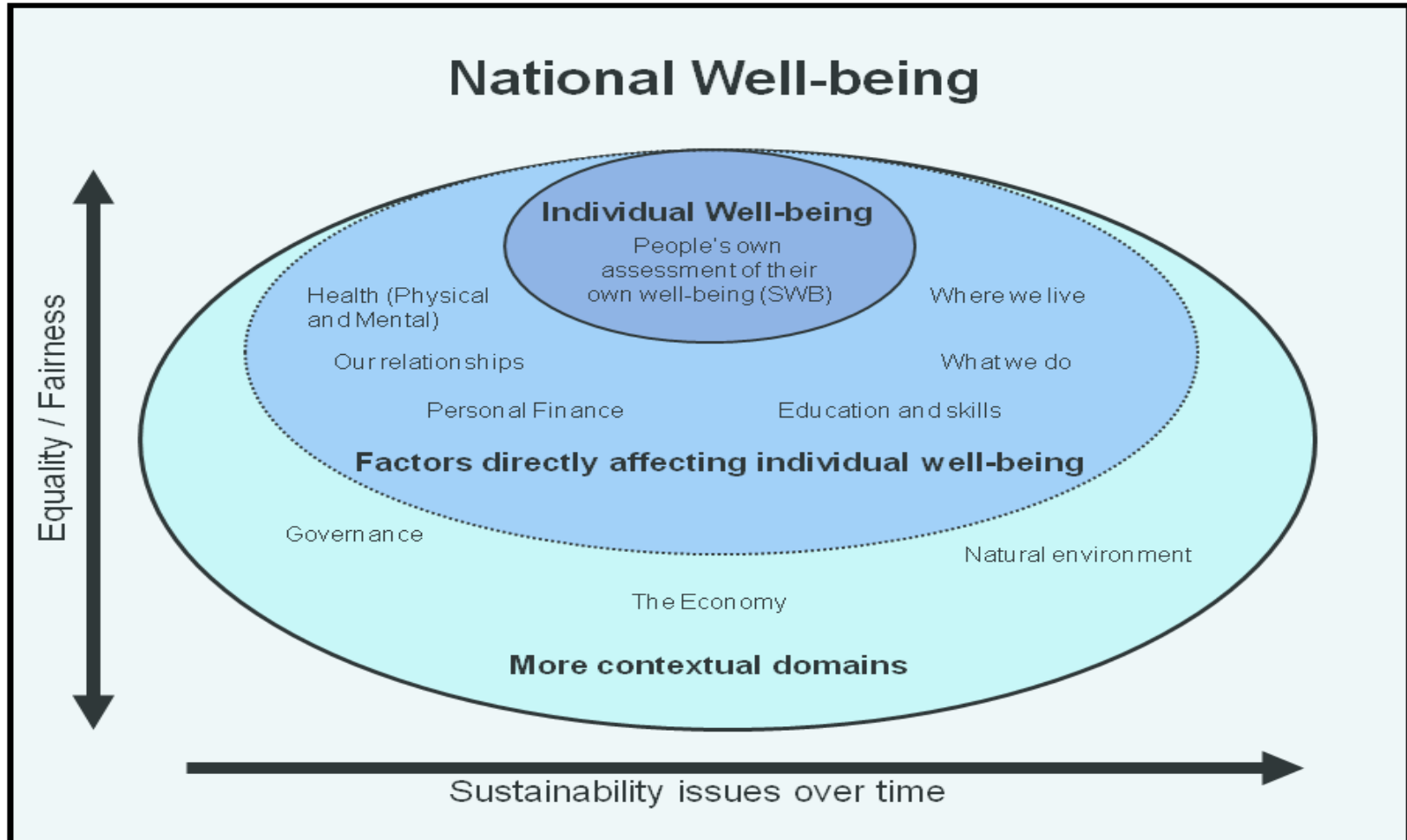
- GDP designed as headline measure of economic performance
- Taken as measure of wellbeing, social progress, sustainability
- We know why it does not measure those things (and how it could be improved)
- Are we 'ruled by statistics': by changing what is counted, will we also change what will count?

# To be used in same way as GDP?

These statistics “are among the most important, high profile statistics produced by the Office for National Statistics (ONS), providing some of the earliest **signals** about the health and momentum of the UK economy, including consumer and business confidence. They **inform decisions** that affect the daily lives of everyone in the UK, such as interest rates. They are used by a wide range of organisations and people for making and monitoring **economic policy**, and for informing **day-to-day and strategic decisions** ... More than most sets of statistics, this package of outputs speaks to a very wide range of audiences for a wide range of uses, from **guiding business decisions** to acting as **a general barometer** of the economy”

Source: UK Statistics Authority, Assessment of Short-Term Economic Output Indicators: Preliminary Estimate of GDP, and Indices of Production and Services, 2014

# How ONS measures *national well-being*



# Sharing a common cross-national goal

*Commission on the Measurement of Economic Performance  
and Social Progress*



OECD  
**Better Life**  
Initiative

Beyond **GDP**

Measuring progress, true wealth, and the well-being of nations

## Measurement => policy informed by evidence

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Measurement “does not in itself automatically translate into policy” (Mayer, 2013, p2)

United Nations Resolution 65/309 recognises this by explicitly calling for measures to guide policy: “*The General Assembly ... Invites Member States to pursue the elaboration of additional measures that better capture the importance of the pursuit of happiness and well-being in development with a view to guiding their public policies*”



## Use in wellbeing policy: so far so vague?

ONS report that “the statistics are used in the policy making process by Government and for the monitoring, evaluation and measurement of policy. In addition ONS has identified that the statistics are used for international comparison purposes and to provide evidence which enables a broader understanding of the nation’s progress and inform decision making by individuals and groups”

(UK Statistics Authority, 2014b, p5)

# Wellbeing policy developments

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Cost-benefit analysis extended to include monetarised evaluation of subjective wellbeing effects

Wellbeing policy infrastructure and support within government

Developments in devolved administrations

External support (Legatum, BRAINPOoL, etc)

But still early days

# Personal wellbeing as policy objective

Economists assume we maximise our utility (wellbeing) which is related to consumption and income.

This misses out so much of what makes life worth living.

One answer is to attempt to maximise subjective wellbeing.

Individuals make choices that might not be in their, or society's, long-term interest.

Hence a potential additional role for public policy – tackling behavioural 'failures'.

Governments, business and individuals to take account of personal and overall wellbeing.

(From 'Wellbeing and Policy', O'Donnell et al, 2014)

# Official statistics – the vision

According to UN Fundamental Principles for Official Statistics  
(1. Relevance, impartiality and equal access):

*Official statistics provide an indispensable element in the information system of a democratic society, **serving the government, the economy and the public with data about the economic, demographic, social and environmental situation.** To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens' entitlement to public information.*

<http://unstats.un.org/unsd/methods/statorg/FP-English.htm>

# What led to current developments?

*Emerging user requirements (relevance of official statistics)*

- Political interest – general wellbeing, quality of life as a new purpose for politics
- Policy interest in personal wellbeing economics
- Wider aspirations for alternative measures and ‘new economics’
- We must measure what matters

## Further drivers

*Official statistics ethos and fundamental principles*

- International developments, OECD and EU initiatives, Istanbul Declaration (*international coordination and statistical co-operation*)
- CMEPSP recommendations - good fit against existing developments and statistical resources (*cost-effectiveness*)

## Statisticians as producers of data

“Statisticians attempt to represent the data objectively so that the data speak for themselves”

Statistical outputs: politics free?

- Pre-announced release dates and times (invariably 0930)
- Pre-release access
- Description rather than analysis
- (for GDP etc) pre-release ‘lock in’ for journalists and news wires, leading to
- Instant coverage, decaying over the day (to chagrin of the Today Programme)

Or should we recognise that ‘the map is not the territory’?

- The difference between the world as we see it and the world as it actually is (*plenty to debate here!*)

## A process of national wellbeing accounting

- *Active identification of users and potential users* - in governments at all level, businesses, civil society, media, households and individuals
- *User requirements to be explicitly articulated* – content of measures how intend to use
- *User requirements joined up* across policy areas eg green growth, addressing climate change, poverty, international development
- *Prioritisation of development work*, including standards, corralling appropriate development resources to meet user requirements
- *Outreach by producers*, to promote new measures and to support their use, including development of branding
- *Development of a spectrum of outputs and access routes* to wellbeing measures and data, tailored for different audiences
- *The issue of cross-national comparability* needs special attention, while not precluding *the fullest cross-national cooperation*

(Allin and Hand, 2015)



# Who might use new measures?



*News media and social media report and comment on the measures.  
They are often the way in which we become aware of statistics and of  
reports from think-tanks and research institutes based on the statistics.*

# Potential political and policy applications?

- Airport capacity – economics (incl jobs), noise and air pollution
- UK productivity ‘problem’ – output per employed person, unemployment, wages
- New campaign to change the way we think about shopping (launched one year after the garment trade disaster at the Rana Plaza in Bangladesh)
- Divestment from fossil fuel companies would “set political stage” (Naomi Klein)
- ‘Inequality is bad for economic growth, says IMF’
- ‘Can you put a price on the beauty of Smithy Wood?’
- Simple fact is: the global fur trade is valued at more than \$40bn
- *(NB common thread – ideology, based on normative preferences?)*

# Conclusion?

Will it work (this time – not a new idea)?

- Politics :
  - Does it pass 'Crosby test' for electoral strategy: Do voters/member states/opinion formers think it matters a lot? If so, is it an area where political party X/international organisation Y are judged to be strong?
  - Is there a tipping point, and is this a permanent paradigm shift?
- Policy traction
- Role of international organisations
- Public and business opinion (shaped/reported by the media), including agents for change
- On-going developments, discussions and new demands (eg UN's sustainable development goals)
- Role of official statisticians: more than just producers

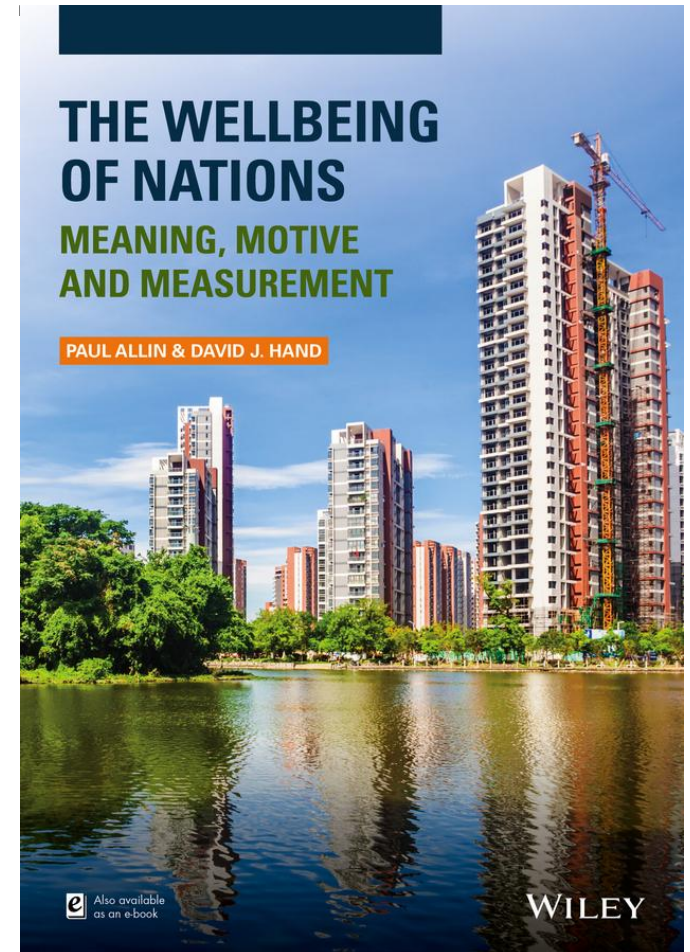
## ADVERT!

*“A great book that adds much needed well-reasoned argument and weight to the global debate on how we better measure what is getting better and what is not.”*

*Daniel Dorling, School of Geography and the Environment, University of Oxford*

- **What is national wellbeing and what is progress?**
- **Why measure these definitions?**
- **Why are measures beyond economic performance needed and how will they be used?**
- **How do we measure national wellbeing & turn the definitions into observable quantities?**
- **Where are we now and where to next?**

These questions are asked and answered in this much needed, timely book by Paul Allin and David J. Hand.



## Some links

Commission on the Measurement of Economic Performance and Social Progress

[http://www.stiglitz-sen-fitoussi.fr/documents/rapport\\_anglais.pdf](http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf)

ONS Measuring National Well-being Programme

<http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/index.html>

Well-being of Future Generations (Wales) Act 2015

<http://www.senedd.assembly.wales/mgIssueHistoryHome.aspx?IId=10103>

Legatum report on wellbeing and policy

<http://www.li.com/programmes/the-commission-on-wellbeing-and-policy>

BRAINPOoL helping to bring indicators into policy

<http://www.brainpoolproject.eu/>