



WELL-BEING, INCLUSIVENESS AND GREEN GROWTH


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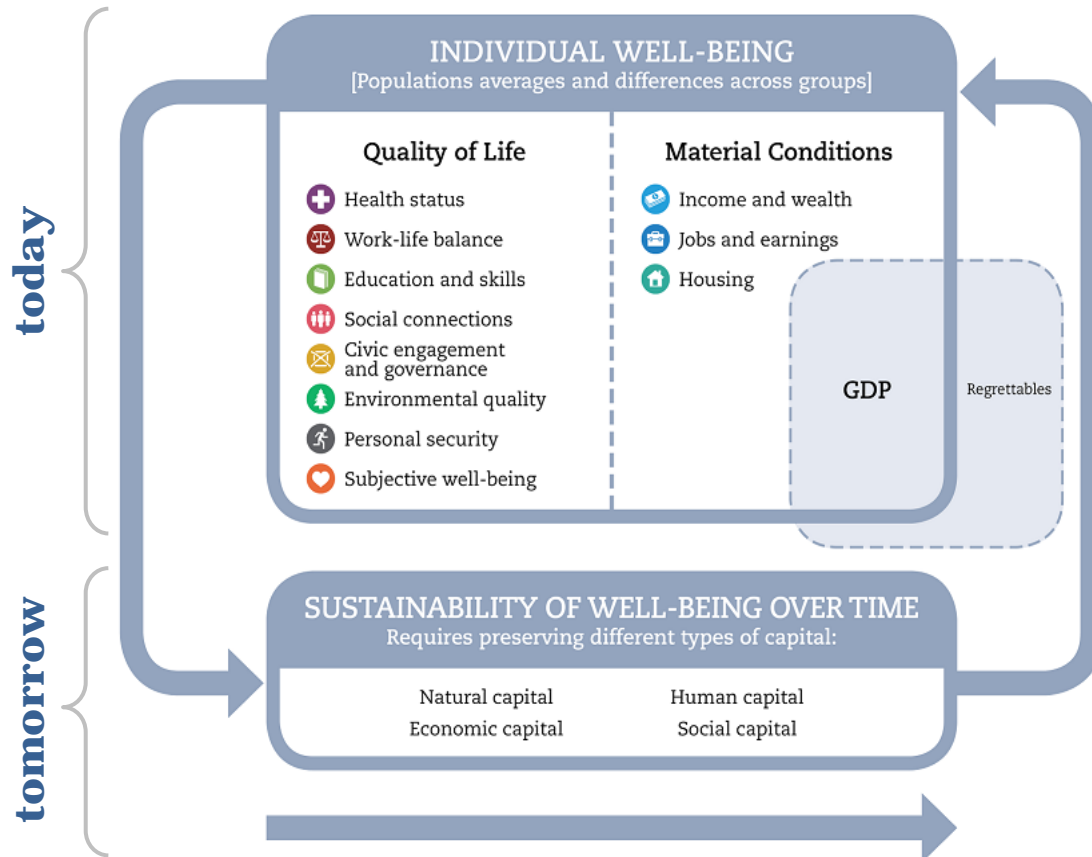
The issue

- Disconnect between what's happening in the economy and people's perceptions of their own conditions
 - Goes beyond income and income distribution
 - Also concerns other key aspects of quality of life
-  GDP growth is not a good metric of people's well being and should be recognized as a means to an end not as the ultimate policy objective



Thus, OECD focus on well-being

The OECD well-being framework



- **Multidimensional**
- **People** rather than economic system or GDP
- **Outcomes** rather than inputs and outputs
- Both **averages AND inequalities**
- Both **objective subjective** aspects
- Both **short AND longer** term

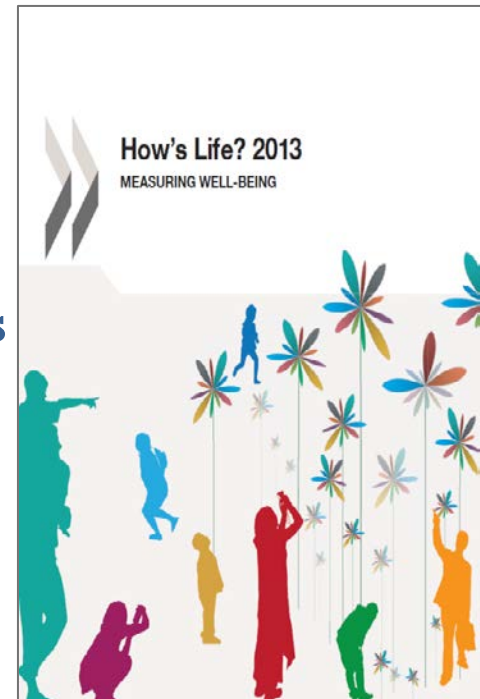


Monitoring countries' performance across 11 dimensions



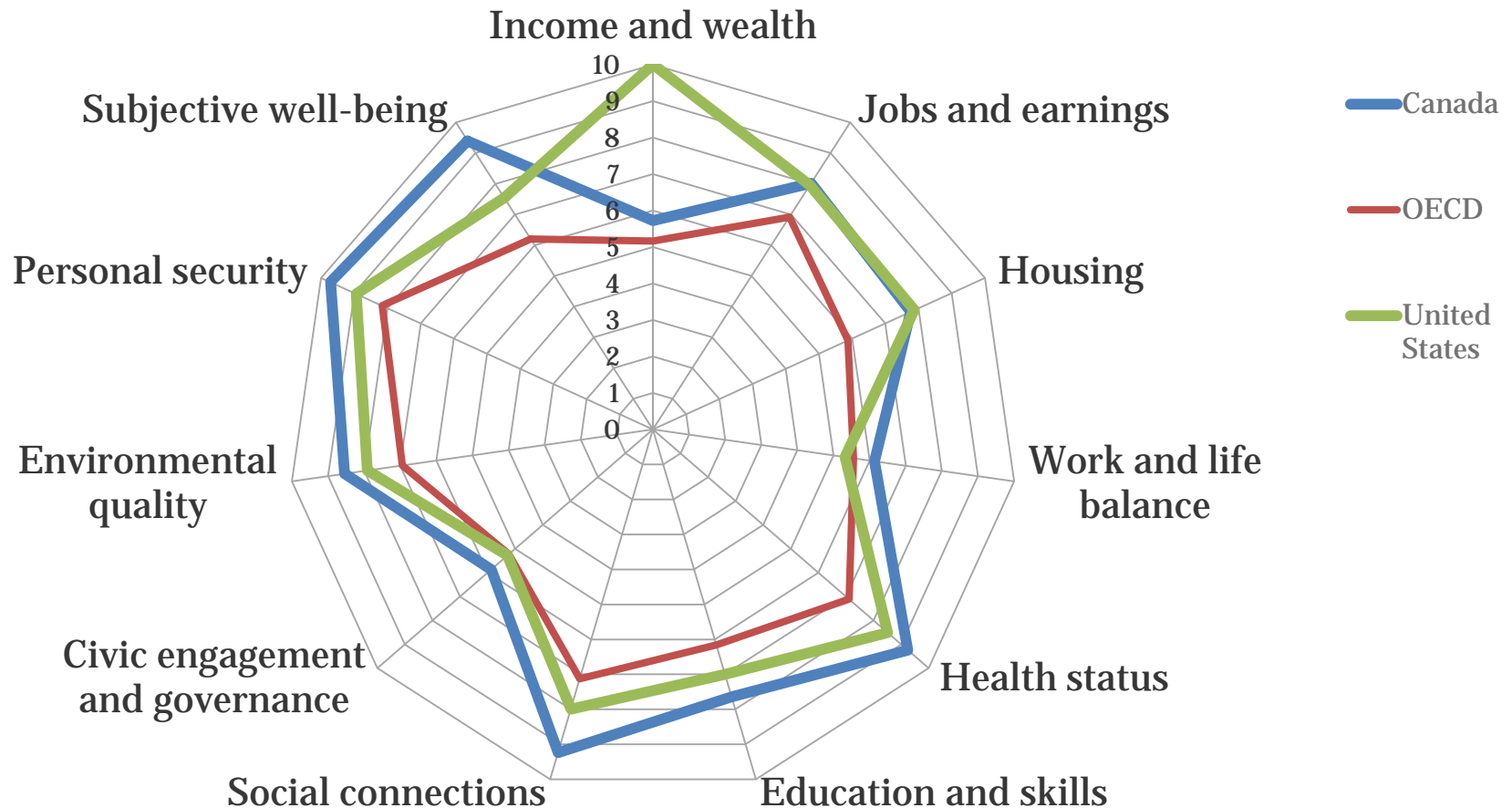
The OECD **Indicators:**

- A **dashboard** with **25 headline indicators**, around 2 per dimension; **averages, distributions and trends**
- About **30 secondary indicators** to complement the analysis on **specific topics**
- Supported and informed by **OECD Committee on Statistics and Statistical Policy**
- Covering **OECD and key partner countries**





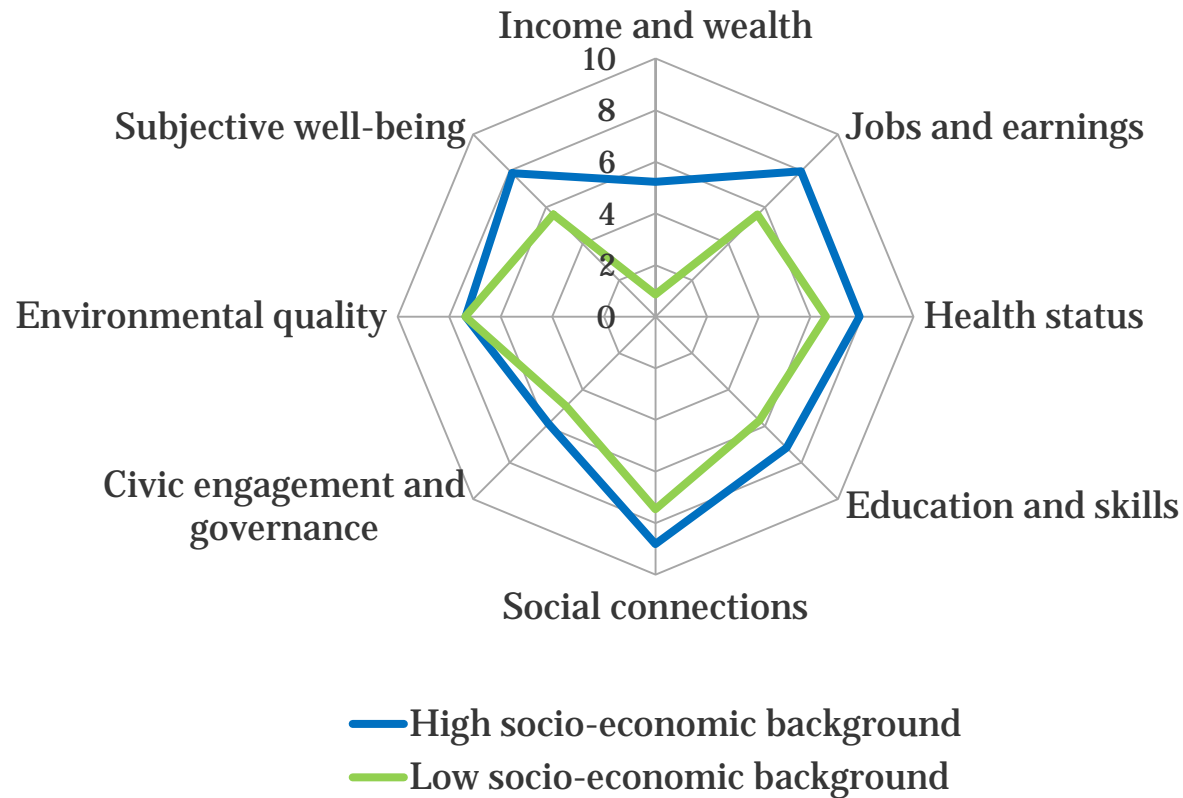
Assessment of countries' relative strengths and weaknesses ...





... and of inequalities across ALL well-being dimensions

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From measurement to policy: Well-being at the heart of the Inclusive Growth Initiative

- **Avoiding a Well-being Kuznets Curve:** ‘Grow first, think about well-being later’
- **Well-being not as a collateral**, secondary consideration after growth policies have been formulated, but growth policies as *one* means to pursue well-being and sustainability
- Obliges to address **policy trade-offs and** permits to identify **synergies** (*e.g. health and environment; environment and income, jobs and their distribution; environment and security, etc*)

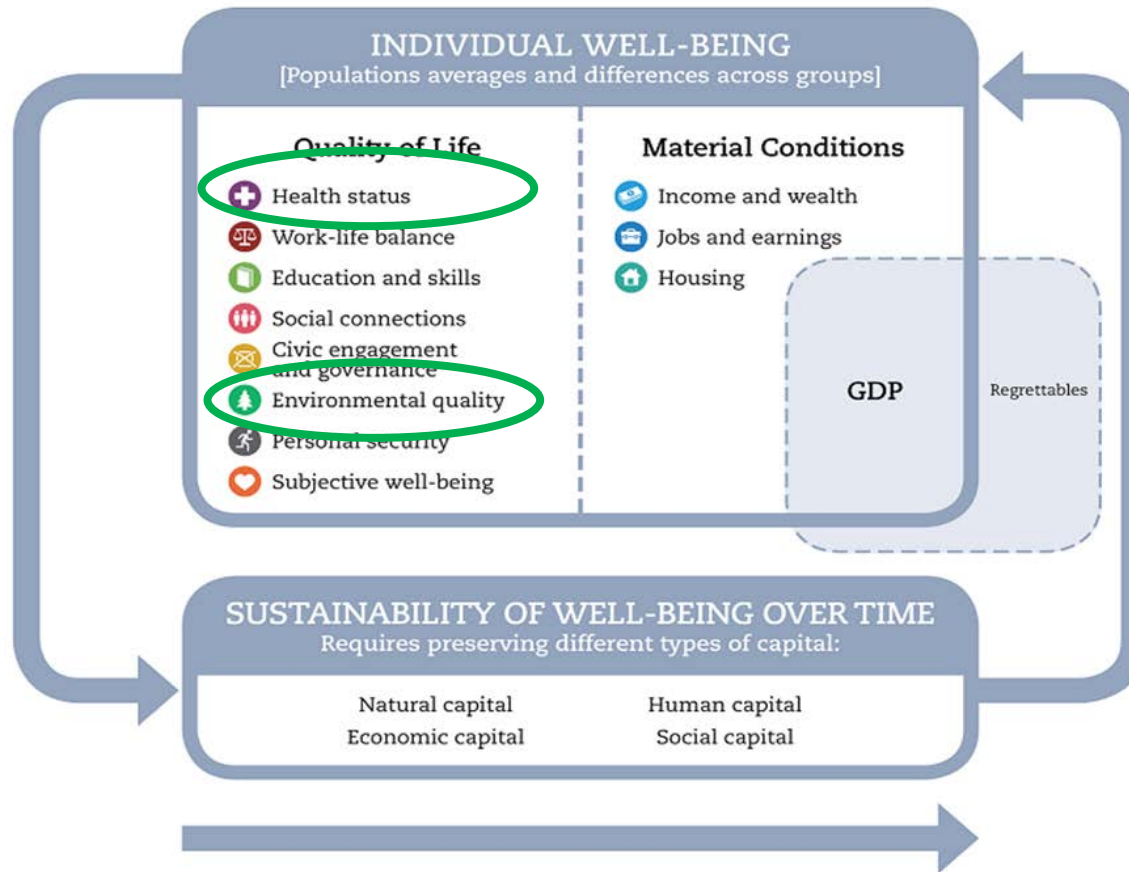


Goal of ***Inclusive Growth Initiative***

- ***Use of a Measure of Multidimensional Living Standards as a policy tool***



Direct links to green growth (1) : through environmental quality of life and health outcomes



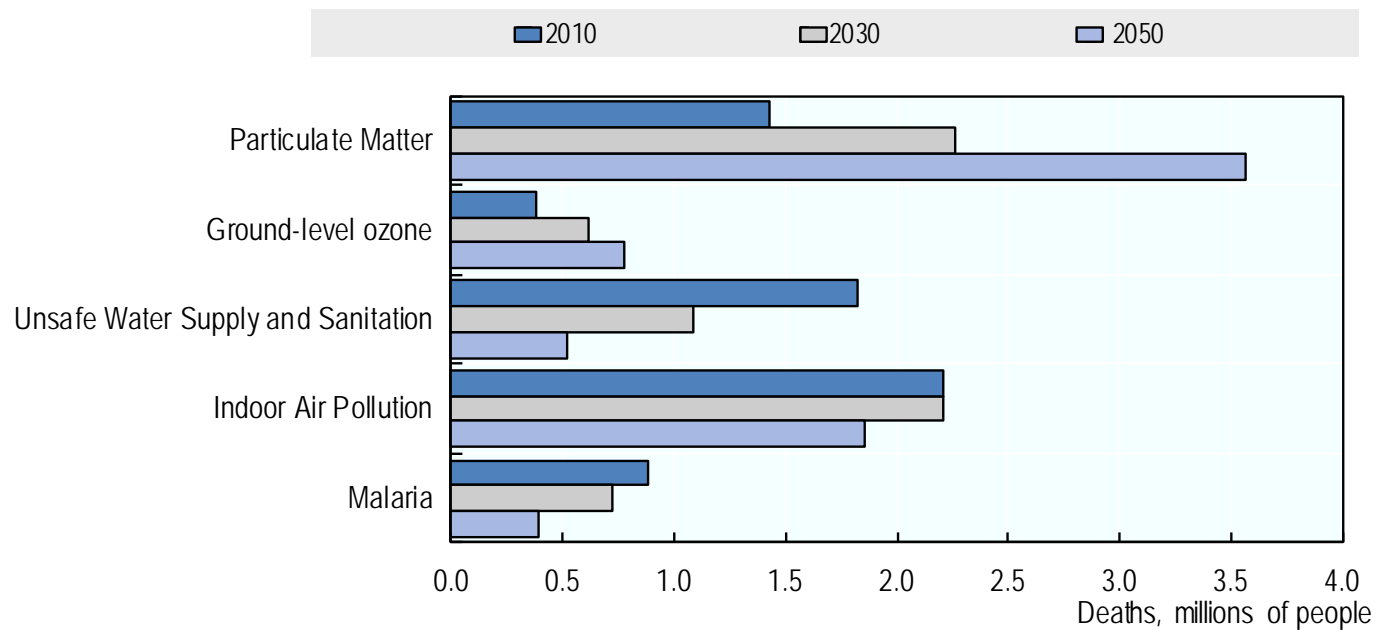
Source: OECD, 2013



Environmental quality weighs heavily on health conditions

Global premature deaths from selected environmental risks

Baseline, 2010 to 2050

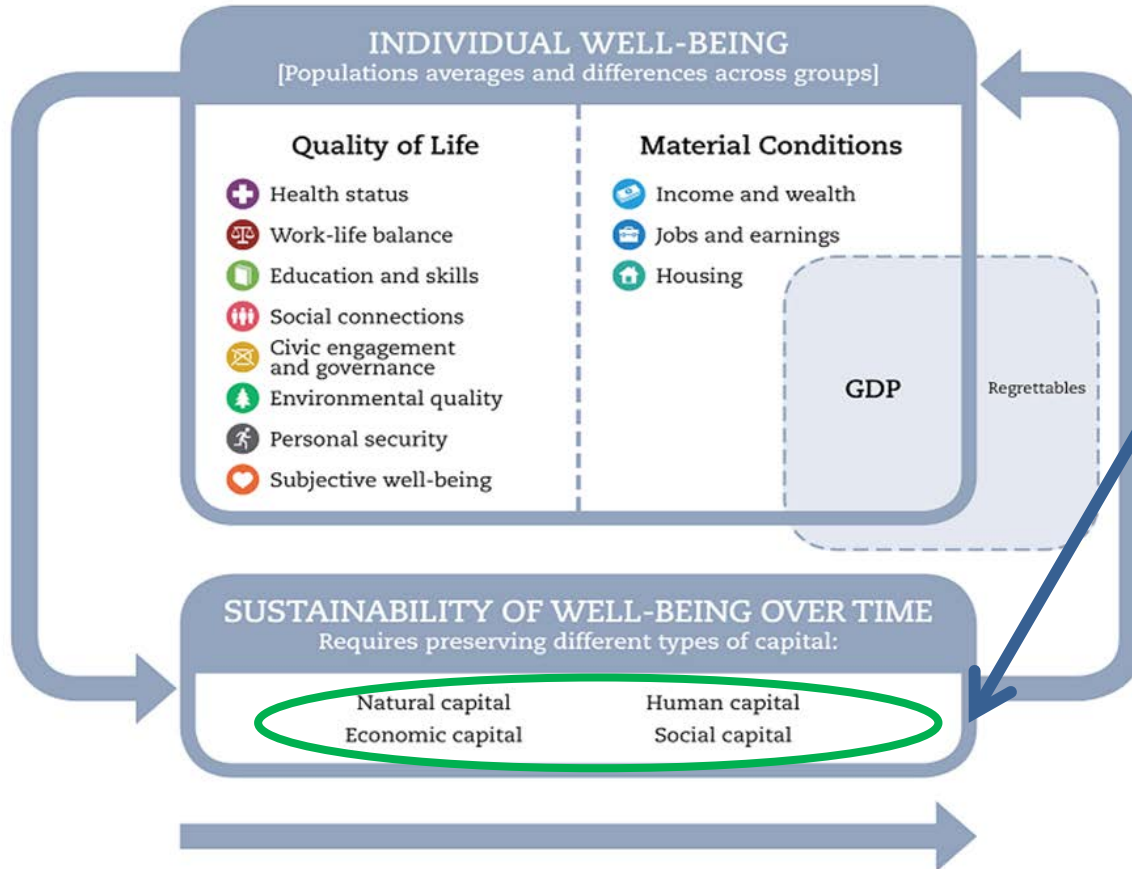


Note: "Unsafe water supply and sanitation" refers to child mortality only

Source: OECD (2012a), Environmental Outlook to 2050: The Consequences of Inaction



Links to green growth (2): sustainability of well-being through preservation of the asset base



In principle, measures only capture current well-being but in fact close link to the asset base:

Financial wealth and housing → economic capital

Education, health → human capital

Social connections → social capital

Environmental quality → natural capital



What's next ?...

- ***Measurement agenda:***
 - Timeliness and completeness of well-being and inclusive growth data
 - Natural capital (SEEA implementation) and other stocks
- ***Quantifying policy links:*** work has started (ECO, ELS, Other Directorates)
- Introducing multi-dimensionality into ***policy design and analysis:*** *OECD Country Surveys, Multidimensional Country Reviews, Going for Growth, Inclusive Growth National Case Studies (e.g. China), Sectoral Policies towards Inclusive Growth*



More information at

Websites:

www.oecd.org/measuringprogress

www.oecd.org/howslife

www.oecdbetterlifeindex.org

<http://www.oecd.org/inclusive-growth/>