

BES

Benessere Equo e Sostenibile

**CNEL-Istat Initiative for Measuring
“Equitable and Sustainable Wellbeing”
in Italy**

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Theoretical background

➤ Economic literature:

- Role of information in “Games Theory” (Nash, Akerlof, Rothschild and Stiglitz, etc.)
- Role of information in rational expectations models (Muth, Lucas, etc.)

➤ Political sciences literature:

- Role of information in models for democratic choices (Downs, Wittman, Alesina, etc.)
- Role of information in political process and elections (Swank, Visser, etc.)

Clear conclusion: “shared information” is fundamental to improve markets functioning and minimise social welfare losses

The Istanbul Declaration (1)

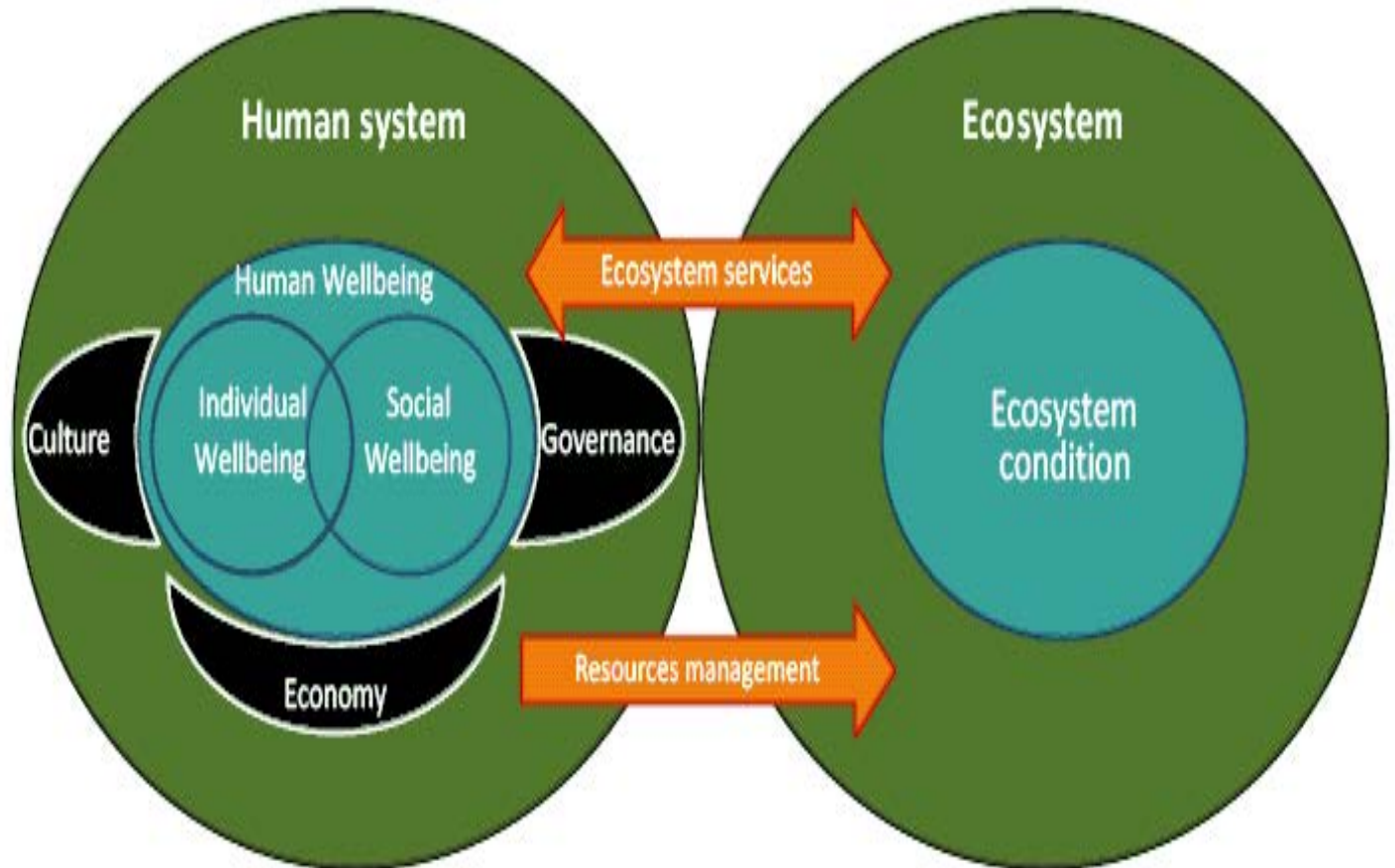
- **A culture of evidence-based decision making has to be promoted at all levels of government, to increase the welfare of societies.**
- **We affirm our commitment to measuring and fostering the progress of societies in all their dimensions and to supporting initiatives at the country level.**
- **We urge statistical offices, public and private organisations, and academic experts to work alongside representatives of their communities to produce high-quality, facts-based information that can be used by all of society to form a shared view of societal well-being and its evolution over time.**

The Istanbul Declaration (2)

➤ **To take this work forward we need to:**

- encourage communities to consider for themselves what “progress” means;
- share best practices and increase the awareness of the need to do so using sound and reliable methodologies;
- stimulate international debate, based on solid statistical data and indicators, on both global issues of societal progress and comparisons of such progress;
- produce a broader, shared, public understanding of changing conditions, while highlighting areas of significant change or inadequate knowledge;
- advocate appropriate investment in building statistical capacity, especially in developing countries, to improve the availability of data and indicators needed to guide development programs and report on progress toward international goals, such as the MDGs.

OECD Framework to measure progress



A possible definition

The progress of a society comes from an increase in equitable and sustainable well-being

Giovannini, Hall, Morrone, Ranuzzi (OECD, 2009)

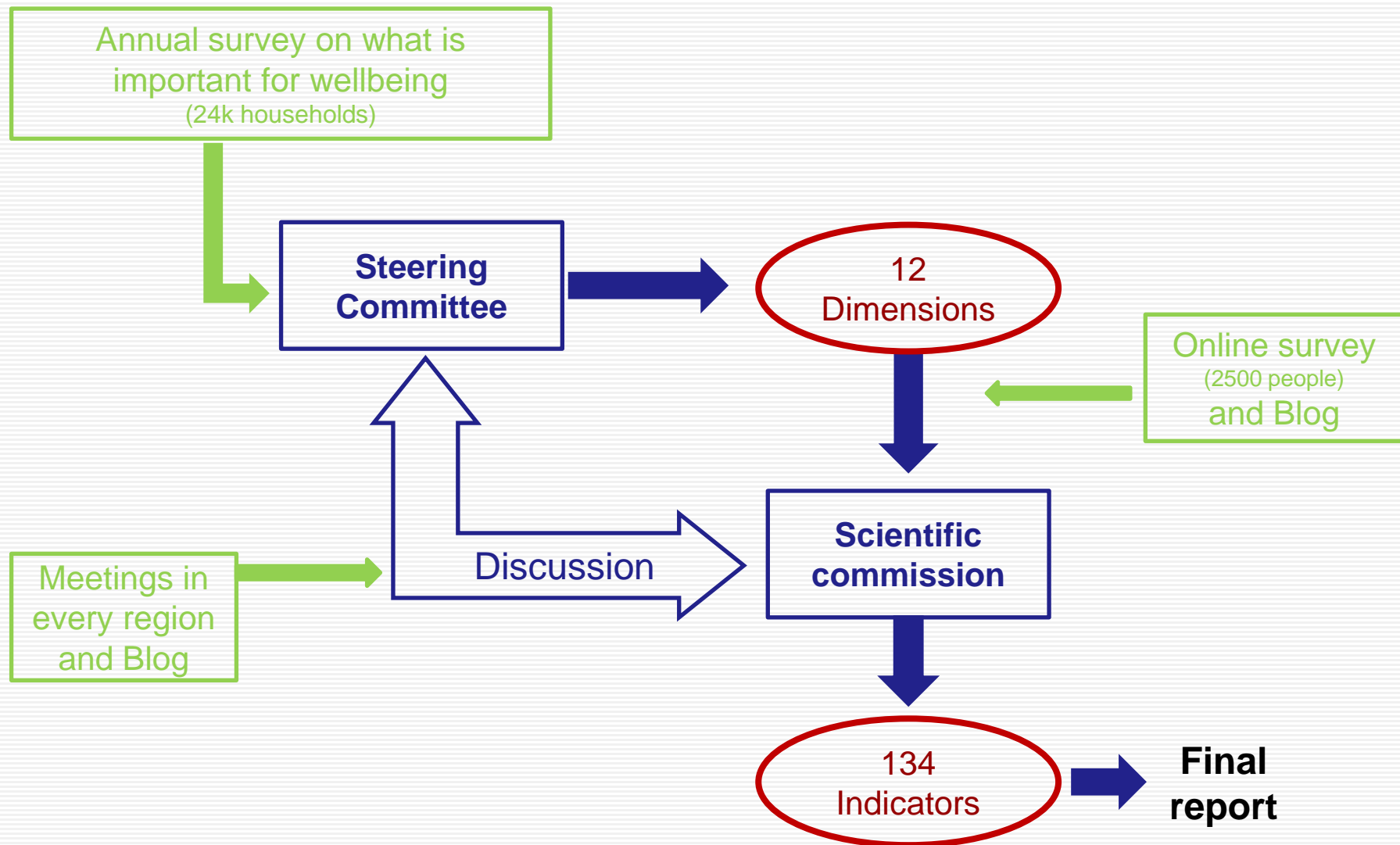
The BES initiative

The project will produce a dashboard of indicators able to provide a shared view of the progress of the Italian society.

It is built on a complex **deliberative process based on:**

- ❖ **Steering Committee:** coordinated by CNEL and Istat, with the participation of 33 stakeholders (entrepreneurs, unions, NGO networks, women / consumers / environmental organizations) and Istat experts, to identify the domains and to agree on the final list of indicators
- ❖ **Scientific Commission:** coordinated by Istat with the participation of 80 experts from academic and research institutions, to identify the best indicators for each domain
- ❖ **Public consultations:**
 - ❖ National survey
 - ❖ Online survey
 - ❖ Blog
 - ❖ Regional meetings

BES: a complex approach



What is important for your well-being?

Score from 0 to 10 given to wellbeing dimensions – Year 2011

	Mean	% of 10
Being in good health	9,7	79,9
Guarantee the future of you children socially and economically	9,3	66,1
Have a decent work of which being satisfied	9,2	59,5
Have an adequate income	9,1	56,0
Good relationships with friends and relatives	9,1	53,2
Be happy in love	9,0	53,6
Feeling safe with respect to criminality	9,0	56,3
Good education	8,9	48,8
Present and future environmental conditions	8,9	48,3
Live in a society in which you can trust others	8,9	48,8
Good governance	8,8	46,6
Services accessible and of good quality	8,7	43,9
Adequate free time and of good quality	8,5	37,4
Be able to influence local and national policies	7,8	30,6
Participation to community life	7,1	18,7

Key domains for the Italian BES

The individual sphere

1

ENVIRONMENT

2

HEALTH

3

ECONOMIC WELL-BEING

4

EDUCATION AND TRAINING

5

WORK AND LIFE BALANCE

6

SOCIAL RELATIONSHIPS

7

SECURITY

8

SUBJECTIVE WELL-BEING

The context

9

LANDSCAPE
AND CULTURAL HERITAGE

10

RESEARCH AND INNOVATION

11

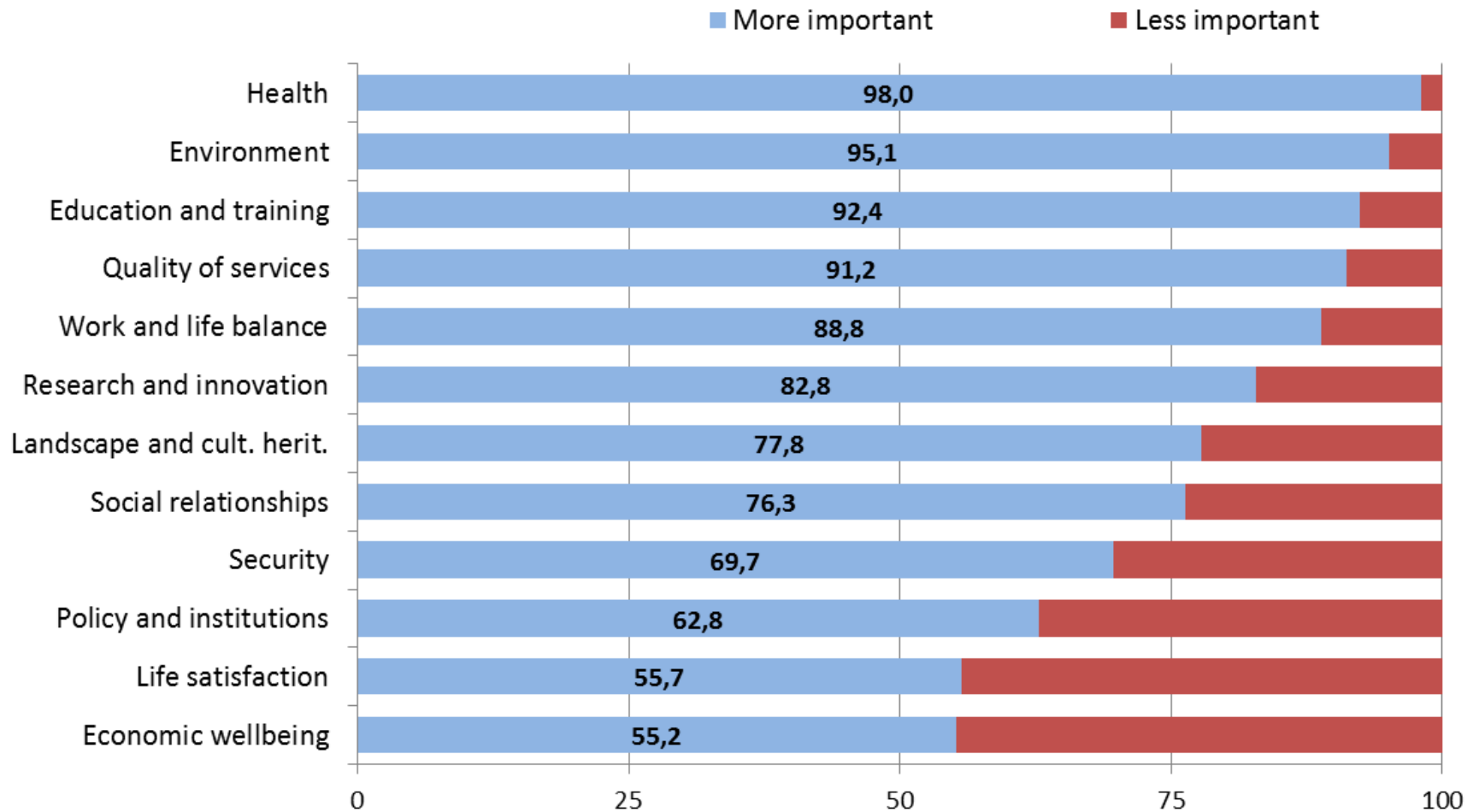
QUALITY OF SERVICES

12

POLICY AND INSTITUTIONS

Results of the online consultation

Level of importance of the 12 domains



Quality of air and water

1. Drinkable water
2. Quality of marine coastal waters
3. Quality of urban air

Quality of soil and territory

4. Urban parks and gardens
5. Areas with hydrogeologic problems
6. Contaminated sites

Biodiversity

7. Terrestrial parks
8. Marine protected areas
9. Areas of special naturalistic interest

Perceptions

10. Concern for biodiversity loss

Material, energy and climate change

11. Material flows
12. Energy from renewable sources
13. Emissions of CO₂ and other greenhouse gasses

Outcome

1. Life expectancy at birth
2. Life expectancy in good health at birth
3. Physical Component Summary (PCS)
4. Mental Component Summary (MCS)

Life cycle phases

5. Infant mortality rate
6. Traffic accidents(15-34 anni)
7. Age-standardised cancer mortality rate (19-64 years old)
8. Age-standardised mortality rate for dementia and related illnesses (people aged 65 and over)

9. Life expectancy without activity limitations at 65 years of age

Risk factors

10. Overweight or obesity
11. Smoking
12. Alcohol consumption
13. Sedentariness
14. Nutrition– *fruit and vegetables consumption*

Disposable income and wealth

1. Per capita adjusted disposable income
2. Disposable income inequality
3. People at risk of relative poverty
4. Per capita net wealth
5. People living in financially vulnerable households

Consumption and material living conditions

6. People living in absolute poverty
7. Severely materially deprived people
8. People suffering poor housing conditions
9. Index of subjective evaluation of economic distress
10. People living in jobless households

4

EDUCATION AND TRAINING

Formal education

1. Participation in early childhood education:
2. Percentage of people aged 25-64 having completed at least upper secondary education
3. Percentage of people aged 30-34 having completed tertiary education (ISCED 5 o 6)
4. Percentage of early leavers (aged 18-24) from education and training
5. Percentage of people aged 15-29 not in education, employment, or training (NEET)

Lifelong learning

6. Percentage of people aged 25-64 participating in formal or non-formal education

Skills

7. Level of literacy in the II classes of upper secondary education
8. Level of numeracy in the II classes of upper secondary education
9. Percentage of people aged 16 and over with high level of ICT competencies

Cultural participation

10. Synthetic indicator of the level of cultural participation

Participation and social exclusion

1. Employment rate of people 20-64 years old
2. Non-participation rate (unemployed + discouraged inactive but willing to work)

Quality of work

3. Transition rate (12 months time-distance) from non-standard to standard employment
4. Share of employed persons with temporary jobs for at least 5 years
5. Share of employees with below 2/3 of median hourly earning
6. Share of over-qualified employed persons
7. Incidence rate of fatal occupational injuries or injuries leading to permanent disability
8. Share of employed persons not in regular occupation

Continues...

Life balance

9. Ratio of employment rate for women 25-49 years with children under compulsory school age to the employment rate of women 25-49 years without children
10. Share of household work time carried out by women in a couple on the total of the household work time
11. Share of population aged 15-64 years that work over 60 hours per week (including paid work and household work)

Enterprise's life

12. Share of employees covered by collective bargaining at company or district level
13. Share of employees that work in companies where there is trade union

Perceptions

14. Share of employed persons who feel their work unsecure
15. Share of employed persons who feel satisfied with their work

Civil society

1. Synthetic indicator of social participation
2. Generalized trust

Social economy

3. Non-profit organizations per 10,000 inhabitants
4. Social co-operatives per 10,000 inhabitants
5. Volunteer work
6. Provided aids
7. Association funding

Family and social relationships

8. Satisfaction with family relationships
9. Satisfaction with friendship relationships
10. Percentage of people of 14 years and over which have relatives, friends or neighbours on which they can count
11. Percentage of children aged 3 to 10 years who play with their parents

Crime

1. Homicide rate
2. Burglary rate
3. Pick-pocketing rate
4. Robbery rate

Physical and sexual violence

5. Physical violence rate
6. Sexual violence rate

Fear of crime

7. Fear of crime rate (feeling unsafe when walking alone in the dark)
8. Worries of sexual crime rate
9. Concrete fear rate (afraid of becoming concretely a victim of crime)

Perceptions

10. Social decay (or incivilities) rate
11. Intimate partnership violence rate

Cognitive dimension

1. Percentage of people aged 14 and over with a level of life satisfaction from 8 to 10
2. Percentage of people aged 14 and over very satisfied of their leisure time
3. Percentage of people aged 14 and over which believe their personal situation will improve in the next 5 years

NOTE: Subjective indicators play also an important role in the other domains. In fact, all the domains are measured taking into account both subjective and objective aspects

Crosscutting indicators

1. Endowment of cultural heritage items
2. Current expenditure of Municipalities for the management of cultural heritage (museums, libraries and art galleries), per capita
3. Illegal building rate
4. Urbanisation rate of areas subject to building restrictions by virtue of the Italian laws on landscape protection

Rural landscape

5. Erosion of farmland from urban sprawl
6. Erosion of farmland from abandonment
7. Presence of historic rural landscapes
8. Quality assessment of Regional

programmes for rural development (PSRs), with regard to the landscape protection

Urban landscape

9. Presence of Historic Parks/Gardens and other Urban Parks recognised of significant public interest
10. Conservation of historic urban fabric

Perception

11. People that are not satisfied with the quality of landscape of the place where they live
12. Concern about landscape deterioration

Creation of knowledge

1. Research intensity: Percentage of R&D expenditure on GDP
2. Patent propensity
3. Percentage of knowledge workers on total employment

Application and diffusion of knowledge

4. Innovation rate of the national productive system
5. Percentage of product innovators
6. Productive specialization in high-tech and knowledge intensive sectors
7. Internet use

Accessibility – Social services

1. Index of accessibility to hospitals with emergency room
2. Beds in residential health care facilities
3. Waiting lists

Accessibility – Public utilities

4. Percentage of population served by natural gas
5. Beds in residential health care facilities:
6. Composite index of accessibility of selected services

Accessibility – Mobility

7. Index of accessibility to transport networks
8. Density of urban public transport networks

Effectiveness – Social services

9. Citizens who benefit from infancy services
10. Elders who benefit from home assistance

Effectiveness – Public utilities

11. Prison density per 100 places
12. Irregularity in water supply
13. Landfill of waste
14. Irregularity in electric power distribution

Effectiveness – Mobility

15. Time devoted to mobility

Civic and political participation

1. Voter turnout
2. Civic and political participation

Trust in institutions and social cohesion

1. Trust in the Parliament
2. Trust in judicial system
3. Trust in political parties
4. Trust in local institutions
5. Trust in other institutions

Gender and generation equity

8. Women and political representation in Parliament
9. Women and political representation at regional level
10. Women in decision-making bodies
11. Women in the boards of companies listed in stock exchange
12. Median age of members of Parliament
13. Length of civil proceedings of ordinary cognisance of first and second degree

BES - Next steps

- ❖ **Further discussion** of the dashboard of indicators at local level
- ❖ **By December 2012: first report** on BES of the Italian society: overall analysis of wellbeing and equity
- ❖ Definition of **composite indicators** for each domain or sub-domain
- ❖ Definition of a set of indicators in order to assess **sustainability**

City level project

15 major Italian cities joined the URBES project, in order to make the 134 BES indicators available at local level.

50 indicators already available from administrative sources
Others will be covered by «small area estimates», over-sampling or identification of proxies.

The «**Digital Agenda**» legislation asks for the measurement of the impact of Smart city initiatives on citizens' wellbeing at city level.

BES possible applications to policy-making

- BES report will be **presented before the Parliament** and could be discussed in specific parliamentary subject-matter commissions
- **Technical notes** might evaluate the impact of new legislation using the BES domains
- Istat is working to develop a **suite of statistical and econometric models**. They could be further developed to incorporate BES indicators to support ex-ante evaluation of public policies
- BES indicators will be used in **statistical education** projects developed by Istat for students (Openlab initiative)

Lessons learned

- **Need of broad discussion with different actors:**
 - The deliberative process led to a 360° discussion over each theme, taking advantage of available information and analytical models
 - The debate made reached an agreement over a number of difficult and new issues, such as Landscape and cultural heritage, soil use, quality of services, research and innovation
 - It granted strong legitimacy to the final output
- **Increasing interest at local level and chance for convergence:** several local institutions are following closely the process, in order to apply the set of indicators in their territories
- **Important tool to strengthen the position of the NSI** vis-à-vis users, researchers and the society as a whole
- **It is a long and delicate process.** After nearly two years, the scientific part hasn't ended yet; its policy application is just beginning
- **Evidence-based decision making is the real challenge**, and we have to better understand how it works