

Sustainability of wellbeing, the case of BES for Italy: between past observations and forward looking models, how official measures can be used

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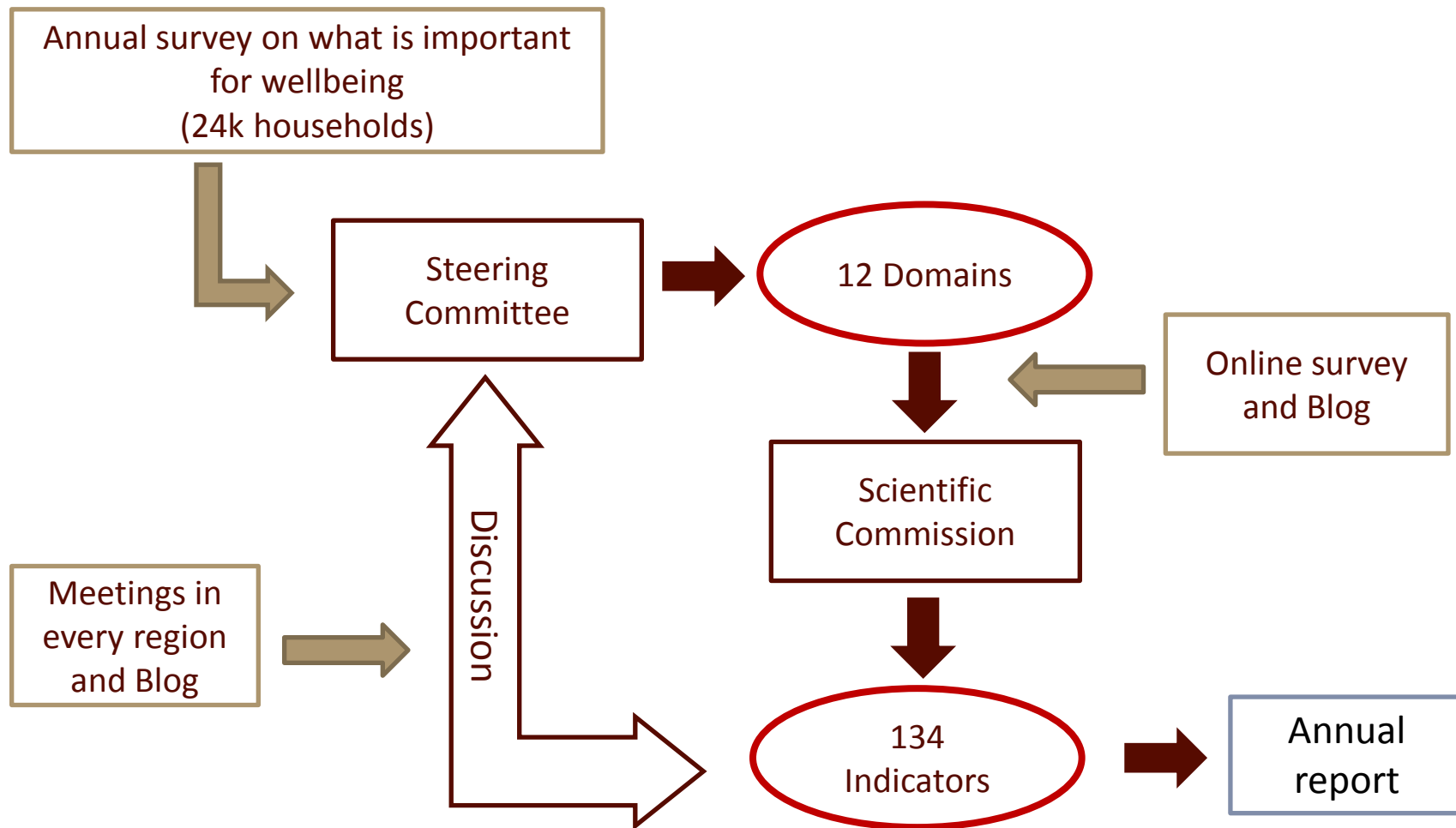
Sustainability of Well-being

1. National framework- Equitable and Sustainable Wellbeing
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BES - Overview

- Project to measure **equitable and sustainable well-being** born of a joint initiative of Cnel and Istat and it follows a shared approach with social representatives (top-down and bottom-up in the same process; Commission and Committee)
- Part of the international debate on "**Gdp and beyond**"
- The central idea is that **economic** parameters alone are inadequate to evaluate the progress of societies and should be complemented by **social and environmental information** and by measures of inequality and sustainability
- 12 domains of wellbeing
- Annual Reports 2013 and 2014
- Website: <http://www.misuredelbenessere.it/>

BES - Overview



BES – Wellbeing domains

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

9 LANDSCAPE
AND CULTURAL HERITAGE

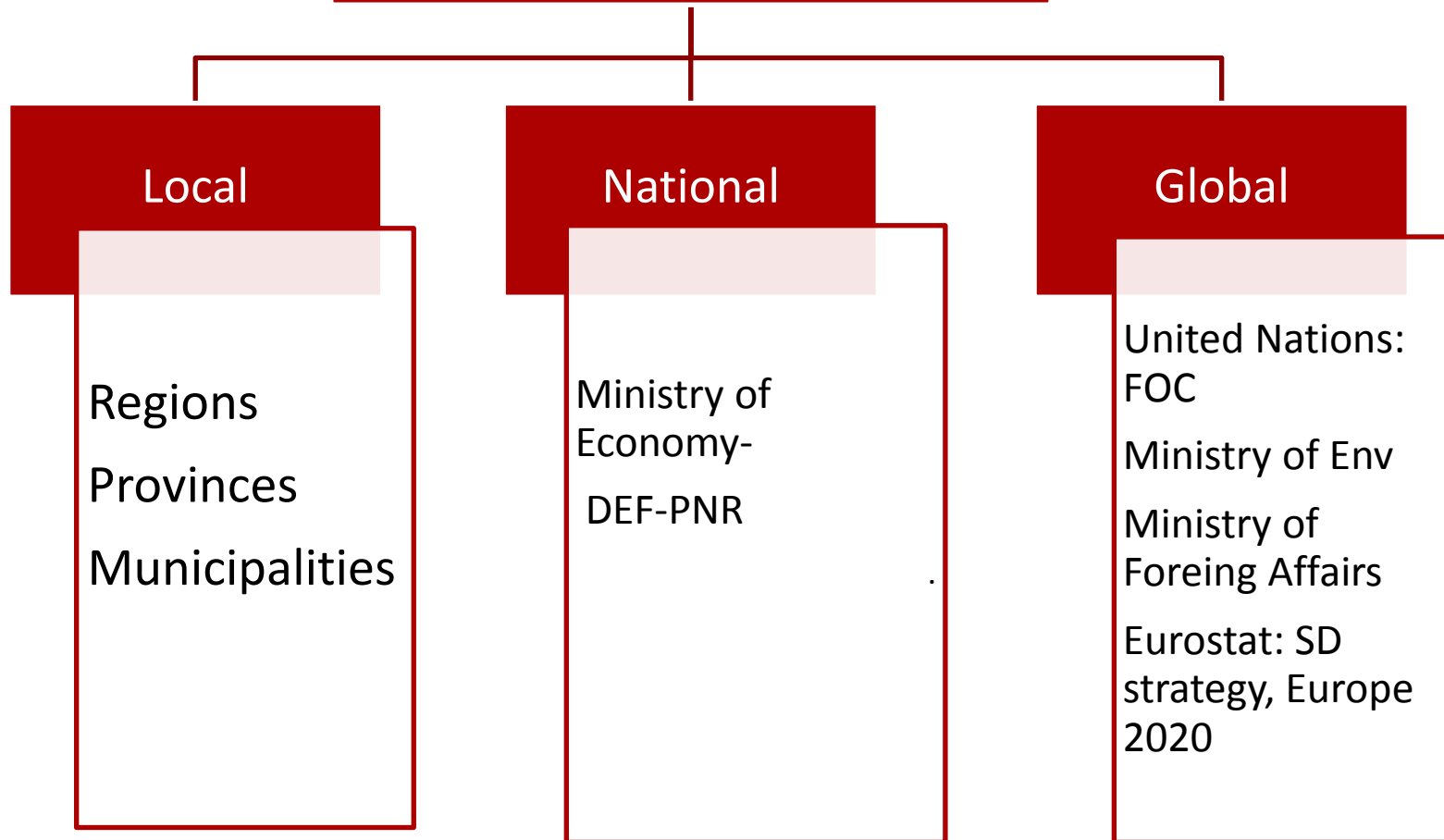
10 RESEARCH AND INNOVATION

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12 POLICY AND INSTITUTIONS

BES – Policy implications

Policy implications at different levels



➤ **Key issues on sustainability concept:**

- a) concepts from different disciplines overlap and convergence of concepts
- b) semantic (culture) measures
- c) methods (syntax): observations and forecasting models + participative democracy (ex ante)
- d) policy: normative choices (ex-post evaluation)

➤ **Problems in the measurement of sustainability:**

- etymology: sustainability can simultaneously be an idea, a lifestyle, a way of producing a system
- to address the sustainability needs to be done many assumptions and normative choices
- we are facing dynamic frameworks, and it is difficult to determine whether the defined thresholds are able to ensure a sustainable society
- for statisticians not only observations but also forecasts

BES – Why Sustainable?

- Pursuit of sustainable development implies that the current generation meets its needs without compromising the ability of future generation to do the same
- This implies that future generations have the conditions, opportunities, and sufficient resources to pursue their wellbeing goals

First step: BES What, observations-indicators

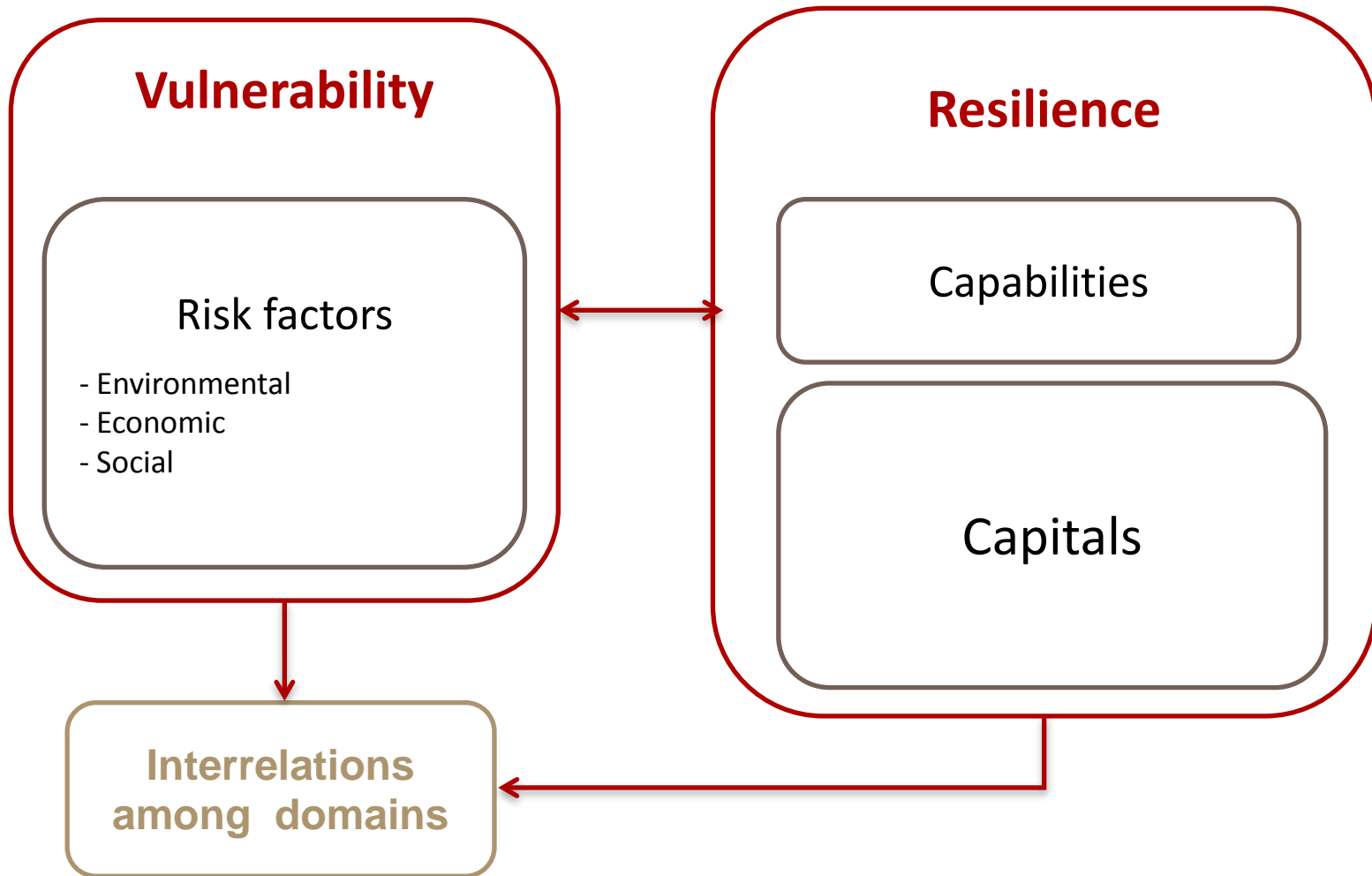
- The BES project has depicted the reference framework through which the sustainable well-being can be measured and monitored looking at **social**, **economic** and **environmental** phenomena and taking in consideration **governance**.

-Observations + forward looking models
(first step) (next step)

-In the first step the framework is built on **134 indicators + others** :

- Outcome indicators
- Equity indicators
- Vulnerability indicators
- Resilience indicators

BES – What: Sustainability Conceptual framework



Risk factors

Events and potential damages which affect the actual outcome level. They need to be expressed in terms of **probability measures** and/or intensity indicators.

Environmental: ecosystem's physical limit beyond which the environment is damaged.

Economics: some risks threshold have been defined beyond which macroeconomics unbalances appear.

Vulnerability

Individuals and families are exposed to potential misfortunes from various sources throughout their lives: economic recession, crimes, adverse weather, natural disasters, physical illnesses and/or mental disabilities. The vulnerability also refers to the **inability of individuals/families to anticipate**, withstand, recover damages resulting from an **adverse shock**

BES – What: key concepts

RESILIENCE: Individual or collective capacity to restore the equilibrium after an external negative shock

- all the available resources to rely on in order to face with future needs and/or future risks. There are four kind of capital: economic capital, natural capital, human capital and social capital.

Capitals

Capabilities

- reflect a person's freedom and ability to choose between different ways of living in order to reach the **functionings** (all the personal achievement).

BES - How

Example: Job

Dimensione di appartenenza	Indicatore	Presenza nel BES	Disponibilità	B	E	S (sostenibilità)			Note
				Livello (outcome)	Distribuzione (equità)	Vulnerabilità/rischio	Resilienza	Dimensione/i	
Lavoro	Tasso di occupazione 20-64 anni	sì	sì	x	sintetico*	-	-	Lavoro	
Lavoro	Tasso di mancata partecipazione al lavoro	sì	sì	x	sintetico*	-	-	Lavoro	
Lavoro	Incidenza di lavoratori dipendenti con bassa paga	sì	sì	-	x	-	-	-	
Lavoro	Rapporto tra tasso di occupazione delle donne 25-49 anni con figli in età prescolare e delle donne senza figli	sì	sì	-	-	x	-	Lavoro / Relazione sociali / Servizi	
Lavoro	Indice di asimmetria del lavoro familiare	sì	sì	-	x	-	-	Lavoro	disponibile ogni 5 anni
Lavoro	Percentuale di trasformazioni nel corso di un anno da lavori instabili a lavori stabili	sì	sì	x	-	-	-	-	
Lavoro	Percentuale di occupati in lavori a termine da almeno 5 anni	sì	sì	x	-	-	-	-	
Lavoro	Incidenza di occupati sovrastruiti	sì	sì	-	-	x	-	Lavoro / Istruzione / Soddisfazione	
Lavoro	Tasso di infortuni mortali e inabilità permanente	sì	sì	x	-	-	-	Lavoro / Salute	
Lavoro	Incidenza occupati non regolari sul totale degli occupati	sì	sì	x	-	-	-	Lavoro / Sicurezza	
Lavoro	Quota di popolazione di 15-64 anniche svolge più di 60 ore settimanali di lavoro retribuito e/o domestico	sì	sì	-	-	x	-	Lavoro / Salute / Relazioni sociali	disponibile ogni 5 anni
Lavoro	Percezione di insicurezza dell'occupazione	sì	sì	x	-	-	-	-	RFI dal 2013
Lavoro	Soddisfazione per il lavoro svolto	sì	sì	x	-	-	-	-	RFI dal 2013
Istruzione	Persone che hanno conseguito un titolo universitario	sì	sì	-	-	-	x	Lavoro / Istruzione / Ben. economico	
Istruzione	Partecipazione alla formazione continua	sì	sì	-	-	-	x	Lavoro / Istruzione	
Istruzione	Persone con alti livelli di competenza informatica	sì	sì	-	-	-	x	Lavoro / Istruzione	
Istruzione	Uscita precoce dal sistema di istruzione e formazione	sì	sì	?	-	x	-	Lavoro / Istruzione / Benessere economico	più aspetti per stesso indicatore?
Benessere economico	Incidenza di persone che vivono in famiglie senza occupati	sì	sì	?	-	x	-	Lavoro / Benessere economico	più aspetti per stesso indicatore?
Ricerca e Innov.	Intensità di ricerca	sì	sì	-	-	-	x	Lavoro / Ricerca / Ben. economico	
-	Malattie professionali	no	sì	-	-	x	-	Lavoro / Salute / Ambiente	controllare dati Inail
-	Popolazione 20-64 anni/popolazione>64 anni*100	no	sì	-	-	x	-	Lavoro / Demografia	

1. UNECE-EUROSTAT-OECD task force

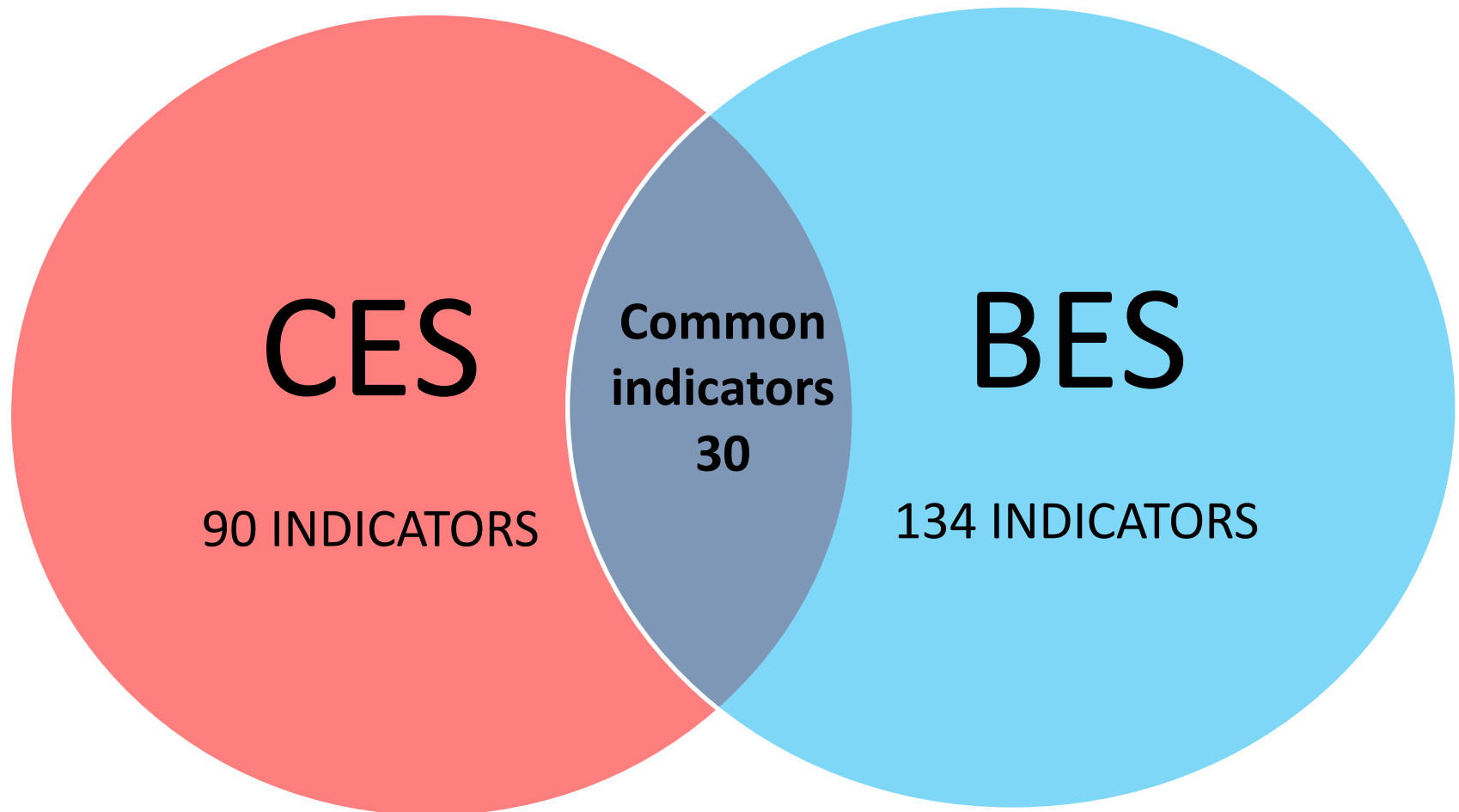
- In 2009 the European Conference of Statisticians (CES) started the task force with the aim of harmonize the measurement of sustainable development indicators according to the identified framework of “*here and now*”, “*later*” and “*elsewhere*” and through the use of three set of indicators: **small set** (25) , **large set** (60) and **largest set** (95)

2. What ISTAT is doing within the CES

- ISTAT has already completed the first part of the **piloting project** in which the Italian indicators availability of the very basic small set (25 indicators) has been assessed
- The second part of the **piloting project** regarding the large set (90 indicators) is in progress and ISTAT is expected to deliver a final report at the end of the year

CES and BES indicators comparison

1. CES – BES Indicators comparison



1. SDGs

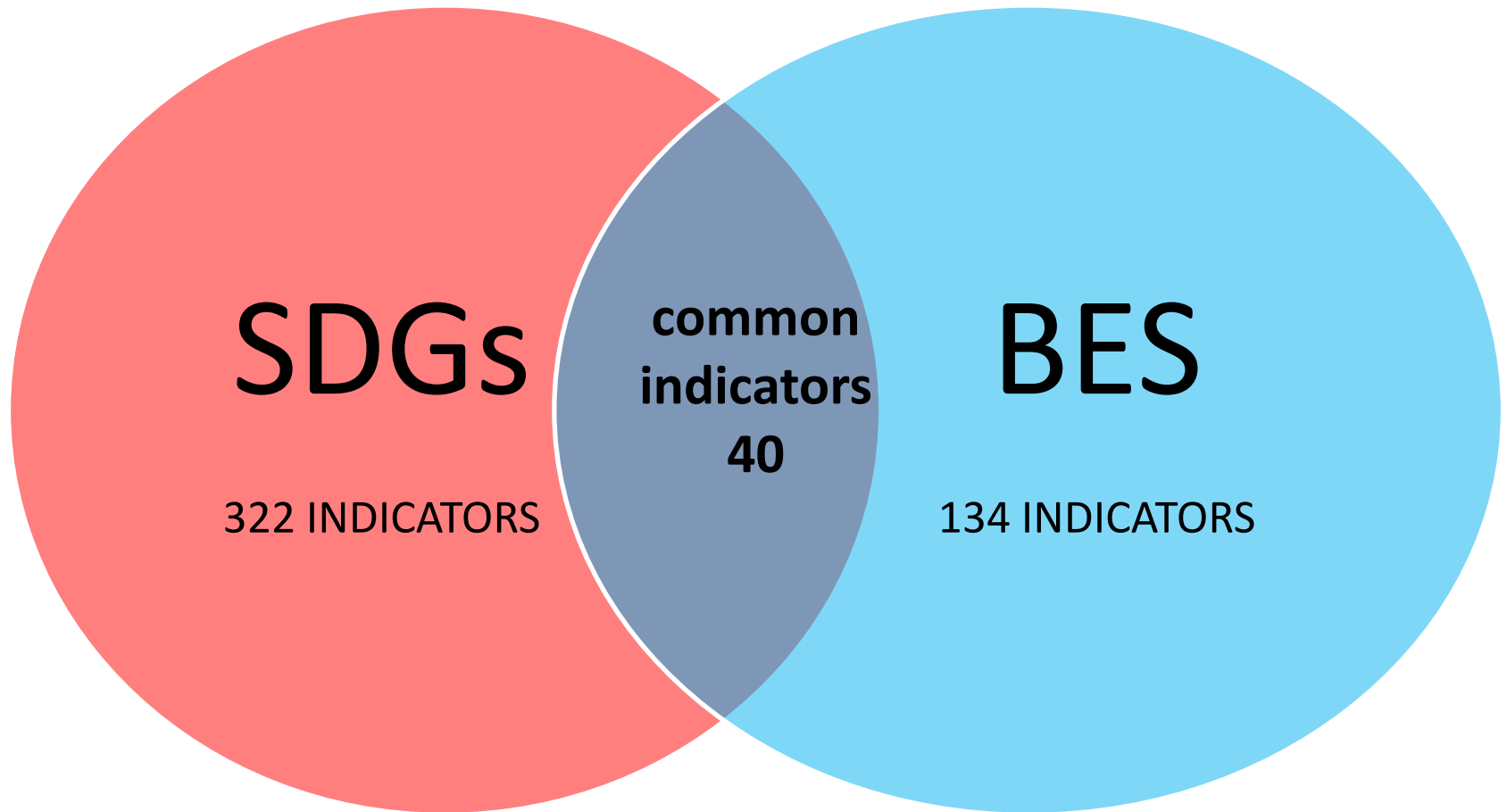
- The goals and targets of the post-2015 development agenda are expected to be adopted at a high level summit in September 2015 and be based on the SDGs which have been agreed by **the Open Working Group on Sustainable Development Goals (OWG)** on 19 July 2014
- The work on the indicator framework and discussion of suitable indicators is **started** within the statisticians group of Friends of the Chair (FOC) in charge of identify the most suitable SD indicators among the official measures

2. What ISTAT is doing whitin the OWG and the FOC

- Over the past months of September and October Istat has completed the first **FOC questionnaire** aimed at verifying the feasibility of the proposed indicators in accordance with the 16 goals/targets until now defined by the OWG

BES – International framework

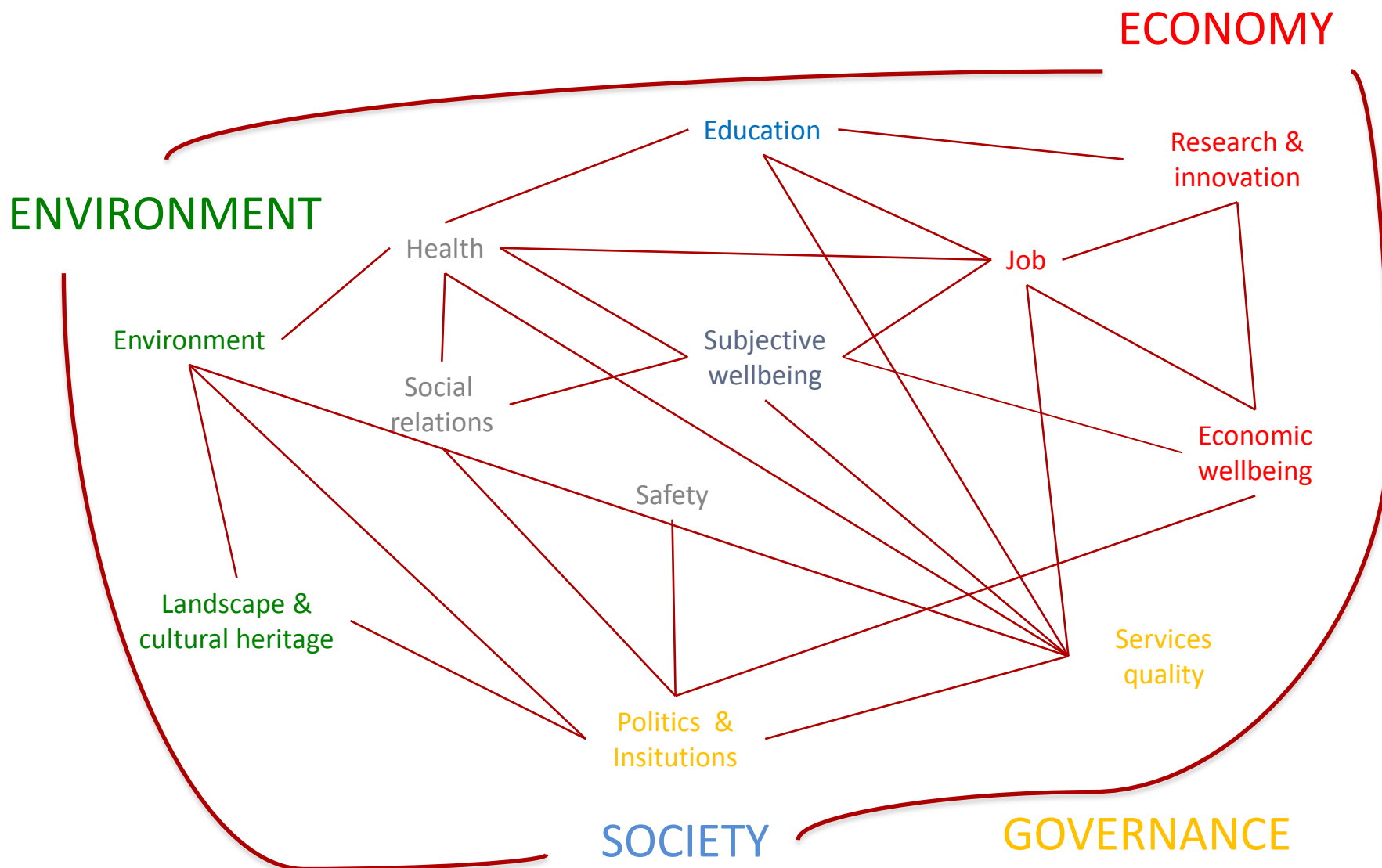
1. SDGs – Indicators matching: Italy



Next steps: BES – What, forecasting models

- **Not only** development of **indicators** and dashboard of indicators, but also **forward-looking models**
- Policy use for ex ante and ex post **evaluation**
- Economic **forecasting models** have a longer tradition than the social field, where there are very few different models, some experiments for the environmental aspects are promising
- In a world where the **socio-economical systems are closely linked and are complex adaptive systems**. Essential features of this complex adaptive systems – such as non linear feedbacks, cross-scales and strategic interaction, individual and spatial heterogeneity, and varying time scales – pose substantial challenges for modelling understanding and management

BES–What: Interrelations among wellbeing domains for modelling approach



Step by step process: Economic modeling framework

Economic Forecasting Model of Istat MeMoit

- Economic development (including technology too)

Economic + Environmental Forecasting Model

- Economic development including natural resources (in ISTAT: energy and pollutants)
- OECD-CIRCLE : ENV-Linkages model (environmental feedbacks in economy)



We are always in a traditional **GDP-Centric perspective** : these models answer the question “ How many GDP percentage points are we expected to loose or gain?”

STILL

What about the people **wellbeing**?

Step by step process: Alternative approaches

AIM : Boost the traditional economic framework with a more comprehensive one aimed at being concerned not only about the economic impacts but also about the impacts on people wellbeing

Economic + Environmental + Social + Governance with Forward Looking Models

- sustainable development, final goal of the process: to verify ex ante and evaluate ex post policies, taking in consideration **well-being of people** within the limits of Nature, and how it can be maintain or improved over time and space
- Historically: Brundtland Report/Rio 1992, Lisbona Strategy/ Europe 2020, SDGs and Post 2015/ Rio+20 del 2012
- OECD-NAEC-CIRCLE: costs of inactions and **alternative approaches**

ISTAT-OECD collaboration..



Alternative approaches : Wellbeing modeling framework

(Riccardini et all)

Wellbeing function



At time t considering the BES domains and accordingly the domains interrelations

Looking at the future in terms of Capabilities and Capitals

Conclusions

1. Sustainability: It is a **necessity** of human beings for their wellbeing and imply to make choices within limits, In Italy we are using the BES project
2. At **international level** the **SDGs** process is a challenge
3. United Nations Statistical Division is developing **wellbeing and SD measures**, in the framework of the **official statistics**
4. United Nations «**Data Revolution Network**» for organizing the world statistical system where public and private institutions are cooperating
5. At **EU level**? Revision of strategy and WG on SD indicators at Eurostat

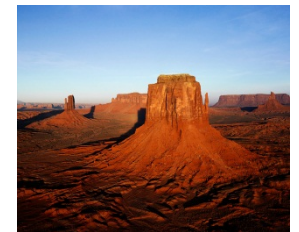
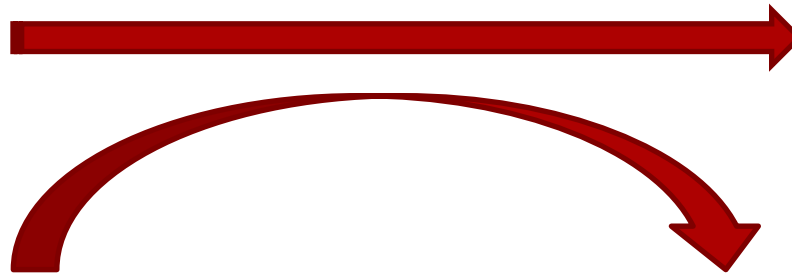
Is sustainable our actual society?
How will be the future of our children?
What will be world look like in 2020, 2050 2100?



What are the threats?

What are the opportunities?

What and where will be the work?



Thank you for your attention