1. Beyond GDP: Sustainable development and the 2030 Agenda

2. Measuring quality of life and well-being

3. **Well-being indicators & economic planning**

How well-being indicators are entering in the policy making process?

1. Introduction by law

The Law revising the Italian Budget Law (August 2016) establishes that public policies are regularly monitored and evaluated also

• through their effects on well-being indicators

• comparing trend and policy forecasts

1. Introduction by law

The Law revising the Italian Budget Law (August 2016) establishes that public policies are regularly monitored and evaluated also
• through their effects on well-being indicators
• comparing trend and policy forecasts

2 annual reports by the Ministry of Economy and Finance, on Istat data

April: Planning Document on economic and financial policy

• **Analysis** of indicators' past trends

• Trend and policy **forecasts**

February: Report to the Parliament

• **Impact** of the measures included in the Budget Law currently in force
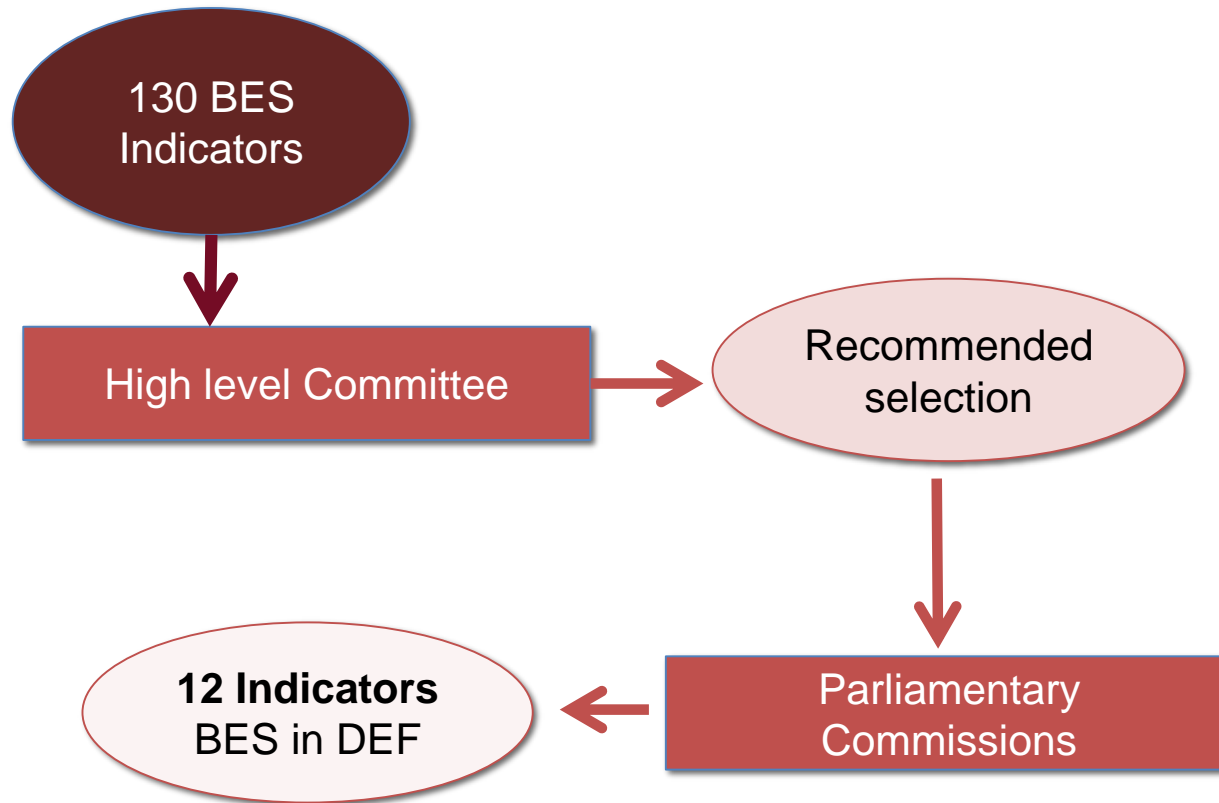
• Scenarios' **update**

2. Indicators' selection

A high level committee was set up to propose the list of well-being indicators.

Members:

- The Minister of Economy and Finance

- The Istat President

- The Governor of the Bank of Italy

- And 2 recognized experts (Enrico Giovannini, Luigi Guiso)

2. Indicators' selection

130 BES Indicators → High level Committee → Recommended selection → Parliamentary Commissions → 12 Indicators BES in DEF

https://www.gazzettaufficiale.it/eli/id/2017/11/15/17A07695/sg

Initial considerations from the Committee

The indicators framework chosen is BES

- Composite or simple indicators?

- Objective or subjective?

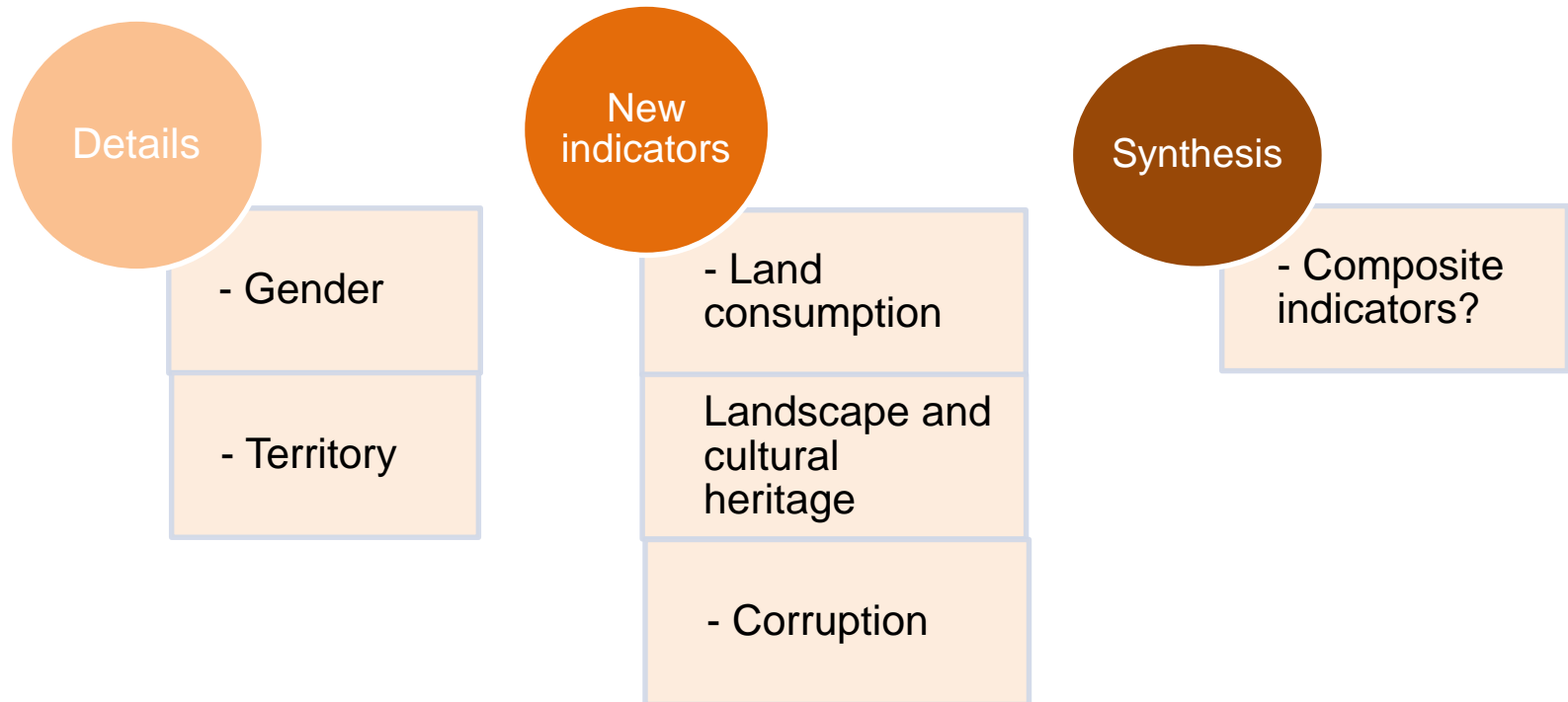- Which territorial level?

- International comparability?

Selection criteria

- Sensitivity to public policies

- Parsimony

- Feasibility

- Timeliness, extension and frequency of time series

- Transparency and accountability

Parliamentary Commissions: comments

Unanimous approval of the proposed list

Plus some comments/suggestions

Details

- Gender

- Territory

New indicators

- Land consumption

Landscape and cultural heritage

- Corruption

Synthesis

- Composite indicators?

The final list

Monetary well-being

1. Mean adjusted income (per capita)
2. Income inequality (quintile ratio)
3. Incidence of absolute poverty

The final list

Other aspects of well-being

4. Life expectancy in good health (at birth)
5. Overweight and obesity

6. Early school leavers

7. Non-participation in employment
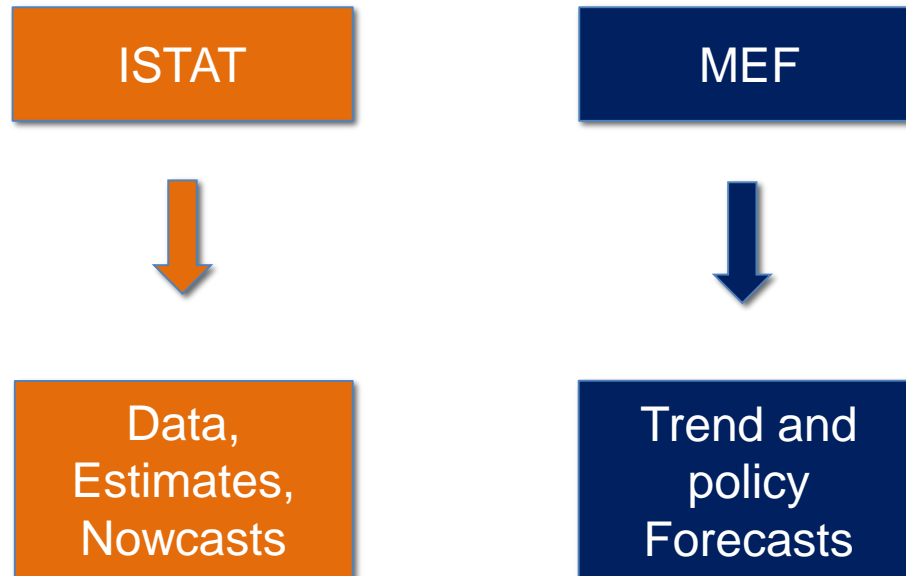8. Employment rate of women aged 25-49 with/without preschool children

9. Victims of predatory crime (robberies, burglaries and mugging)
10. Mean length of civil justice trials

11. CO_2 and other greenhouse gas emissions
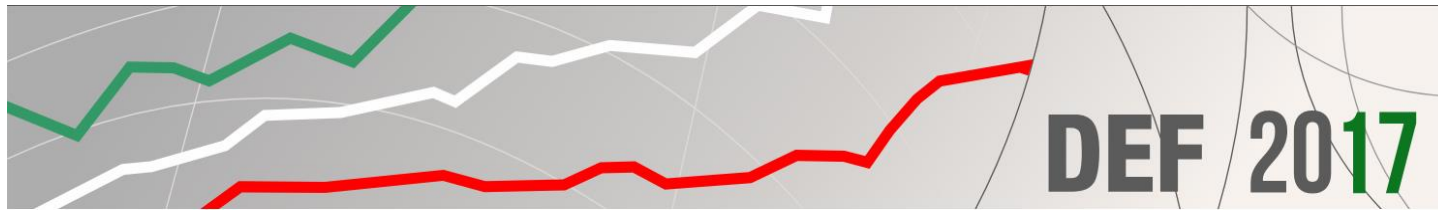12. Illegal Building

Shared responsabilities

3. Implementation

Starting in 2017

- **Annex to DEF (April, t)**

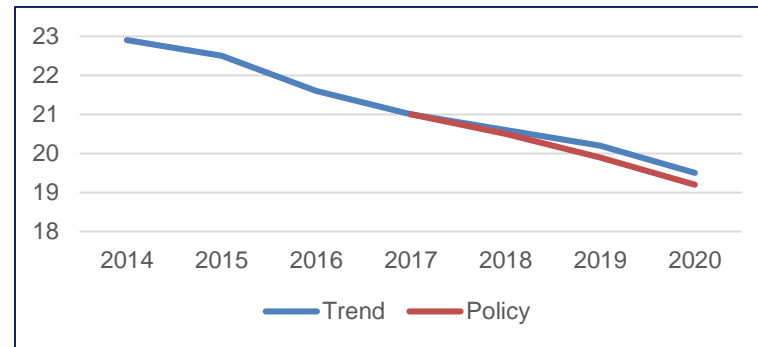- **Report to the Parliament (February, t+1)**

- April 2017: First exercise for Bes in DEF

- The preliminary selection included only 4 indicators:
  1. Mean adjusted income (per capita)
  2. Income inequality index (quintile ratio)
  7. Non-participation in employment (rate)
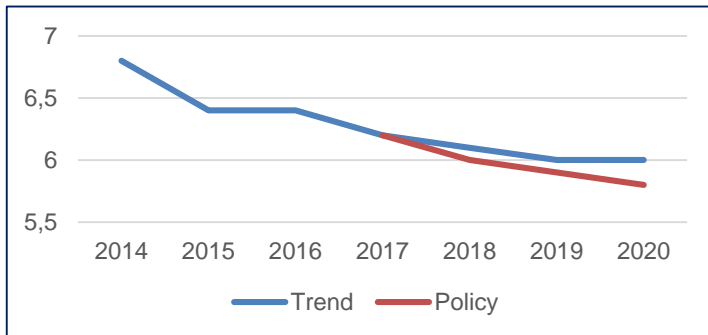 11. CO_2 and other greenhouse gas emissions (tons x inhab.)
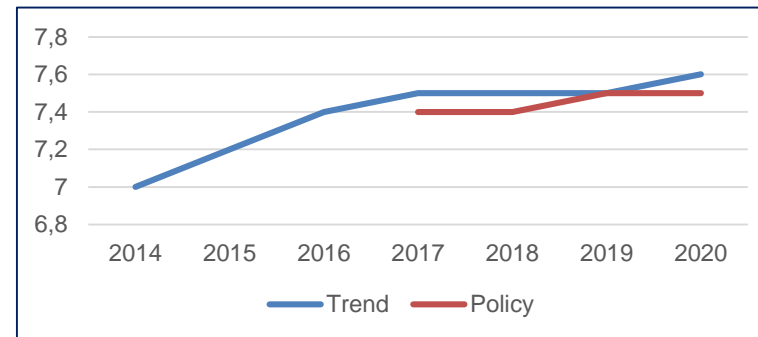
MEF scenarios - 2017
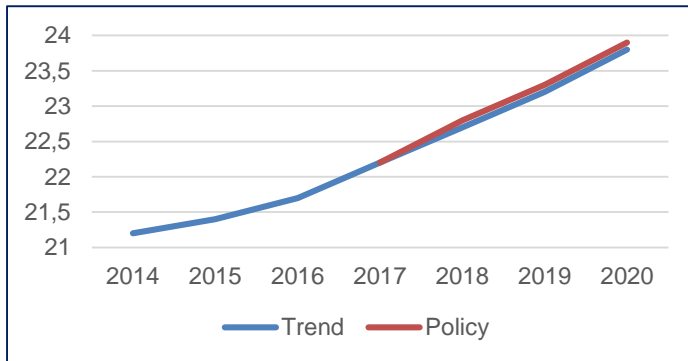
Mean adjusted income per capita (x1000 euro)

Non-participation in employment (%)
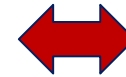
Income inequality (quintile ratio)

CO_2 and other greenhouse gas emissions (tons per capita)

The 2019 exercise

February → REPORT TO THE PARLIAMENT

Policy measures in the Budget law related to BES

- Basic income • Public employment resources
- VAT clauses • Facilitated flat rate scheme
- New public investments

ECONOMIC WELL-BEING

- Incentives for the purchase of electric vehicles
- Tax deductions for recharging infrastructures
- Tax deductions for energy efficiency

ENVIRONMENT

April → DEF

Strengthening measures to improve public safety
→ Control of predatory crimes

Commitment to continue efforts to tackle early school leaving
→ Decrease in drop outs from education and training

Forecasts only for 4 indicators

NEXT STEPS

1. **To ensure that the list of well-being indicators is adequate and widely endorsed**

- the scientific, methodological and operational expertise was entrusted to the members of the commission

- the Parliament remained responsible for the final choice → democratic legitimacy

- possibility to review-broaden-modify the list

NEXT STEPS

1. To ensure that the list of well-being indicators is adequate and widely endorsed

2. **To implement new econometric models** to forecast in a consistent way macro-economic variables and well-being indicators

   - Significant investment for responsible ministries (mainly the Ministry of Economy and Finance, but cooperation possible)

NEXT STEPS

1. To ensure that the list of well-being indicators is adequate and widely endorsed

2. To implement new econometric models to forecast in a consistent way macro-economic variables and well-being indicators

3. **To adjust the timing of statistical production to policy needs**

   - Istat's responsibility, with other bodies in the National Statistical System

   - Issues for a part of selected indicators:
     - ✓ Readily available: 7 out of 12
     - ✓ Ad hoc estimates on provisional data: 3 indicators
     - ✓ Models for flash estimates: 2 indicators

Towards a paradigm shift in policy making?

Growing interest among politicians, opinion makers, researchers and citizens about well-being and sustainability

→ A boost to the debate on the "Beyond GDP" approach (in connection with SDGS)

→ First tests of regional and local applications

→ New opportunities for researchers and for Official Statistics

→ New opportunities for citizens

Thank you for your attention

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