

How's life in Latin America?

www.oecd.org/statistics/better-life-initiative

OECD Better Life Initiative in Latin America

The premise behind the **OECD Better Life Initiative** is that greater well-being outcomes for people require more than economic development. In fact, there is a visible disconnect between national measures of economic success and what factors people consider to impact their quality of life. The **Better Life Initiative** has therefore stressed that development is multidimensional and needs to be measured and monitored along a range of dimensions, both objective and subjective. It has also underscored the importance of looking beyond the average living conditions in a country, in order to better understand the specific circumstances confronting diverse population groups (for instance, age, gender and income categories) and how inequalities evolve over time.

Why is well-being important for Latin American countries?

The concept of well-being is relevant for countries at all levels of development, as shown by the many initiatives on measuring well-being and progress 'beyond GDP' in virtually every country (see www.wikiprogress.org for a review). Latin America has traditionally played an important role in this field. For instance Chile, Mexico, Ecuador and Colombia have launched measurement projects along these lines, and some others such as Bolivia have even incorporated the concept of well-being in their Constitution as a key social right. Various regional dialogues¹ have also been organised in partnership with the OECD to advance the statistical agenda on these matters. These dialogues have highlighted the significant convergence between the conceptual frameworks developed by national statistical offices, international organisations and academic researchers working in this field in the various countries. At the same time, these dialogues have also stressed the importance of applying a common framework to the diversity of regional contexts and histories, as well as the necessity to develop better measures in those fields where the available data are of insufficient quality.

The **Better Life Initiative** in Latin America could contribute to the analysis and peer-learning among participating countries through a set of well-being indicators **adapted to the context and realities of Latin American countries** in a periodic and systematic manner.

The well-being analysis conducted through these reports could guide policies in new directions beyond a focus centred primarily on economic growth, as well as highlight relevant patterns in the region that could be studied to **map good well-being practices in the Latin American region**. This analysis could shed light on drivers of success in some well-being areas (e.g. high life satisfaction, strong sense of community) **that could also be showcased to non-Latin American countries**.

A tailored approach for Latin American countries

The first step of the proposed **OECD Better Life Initiative in Latin America** will consist of designing a conceptual and statistical framework to measure well-being in the region. This will rely on existing work streams pursued by the OECD to adapt the framework of Better Life Initiative to the reality of countries with different levels of development¹, as well as its applications in the context of the *OECD Multi-dimensional Country Reviews (MDCRs)*². In 2014, upon Uruguay's request, the OECD conducted a *MDCR* in the country to assess well-being outcomes based on the OECD well-being framework. Peru is currently undertaking a *MDCR* and reviews on Costa Rica, Dominican Republic and Panama are under discussion for Latin America. The past and current Multi-Dimensional Country Reviews will serve as a useful basis to pave the ground for designing a conceptual framework of well-being in the region.

A number of consultations with various stakeholders in the region will be carried out to ensure that the Latin American well-being framework speaks to the reality of the countries analysed and that it can be populated with statistics that are readily available or could be made available at a small cost.

The stakeholder consultations will be designed to cover both policy and technical issues. During these discussions, participants could explore whether the current dimensions in the OECD framework exhaust and/or adequately reflect the core well-being issues in Latin America and select those for which there is sufficient policy interest in the region to justify their inclusion in the analysis. Technical discussions could evaluate the various types of data analysis that could be conducted and identify the relevant benchmark for this analysis. In this respect, various options may be contemplated, including national benchmarking (i.e. looking at time trends of indicators country by country), regional benchmarking (progress of one country versus the regional average), etc.

In the second phase of the initiative, the main objective would be to prepare and analyse a well-being dataset of key headline indicators. The main results of this analysis could be published as a regular special chapter in the OECD Development Centre's regional flagship report *The Latin American Economic Outlook (LEO)*, and/or a stand-alone publication. An external Advisory Board gathering various representatives from the participating countries in the region (at both the policy and technical/statistical levels) could be set up to discuss and review this analysis

Key well-being issues in the Latin American region...

An **OECD Better Life Initiative in Latin America** would address the following key issues for the region:

- Fighting **inequalities** in various well-being outcomes, tackling the causes of multiple disparities between different socio-economic and ethnic groups in areas such as jobs, health and education;
- Reducing the vulnerability for the **emerging middle class**, which demands new policy action on education quality, job quality, labour formality, social mobility, urbanisation and environmental quality;
- **Building trust** in governments and other institutions, linking the focus of governmental action and citizens' main concerns, but also among people, within and between communities.

...and region-specific insights for policy

Because the analysis on well-being will be contextualised at the regional level, the lessons for policy that would follow from these analyses would be directly relevant for governments in the region. Three sets of policy areas would be addressed by the proposed activity:

- By promoting a broad notion of well-being as the appropriate focus for all policies, the well-being analysis will allow **studying the impact of selected public policies on people's lives**. In particular, one could look at the public policies that are more relevant from the perspective of current well-being trends in the region (e.g. expanding access to public services as well as improving their quality, etc);
- In addition to shifting the focus of evidence, the well-being analysis will also contribute to change the scope of policy action, by bringing issues traditionally absent from policy-makers' radar (e.g. the role of trust in shaping society's well-being) into their remit. This will translate in **an entirely new range of issues to consider** (e.g. how to sustain confidence in institutions).
- The analysis on well-being can also help governments in understanding the interplay between various issues (e.g. how job quality has an impact on people's productivity and therefore on economic growth; how education affects people's health) and different policies which have a bearing on the same well-being outcome. This would provide **a policy-integrated framework** that maximises the effectiveness of policy intervention as spill-overs across policy instruments are considered explicitly and leveraged for enhancing outcomes.

Roadmap 2015-16

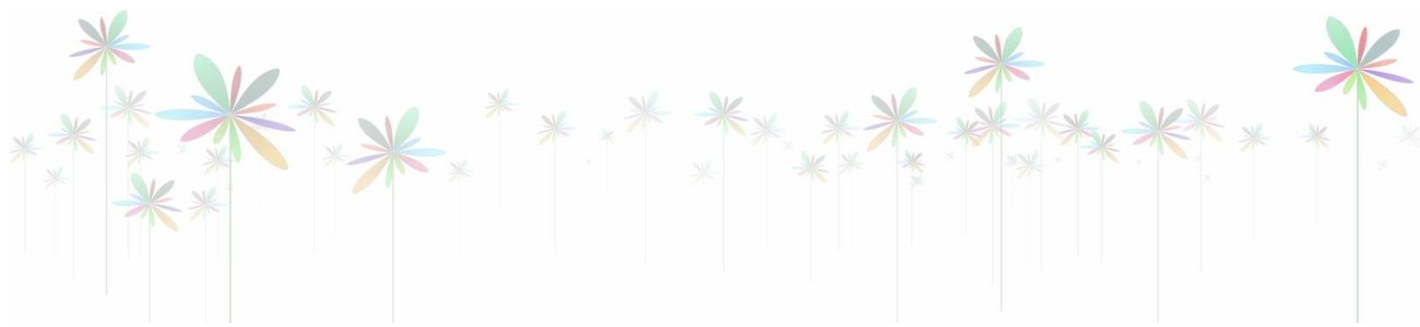
Bearing in mind the ultimate aim to present a roadmap of this project at the **5th OECD World Forum on Statistics, Knowledge and Policy** to be held in Guadalajara (Mexico) on 13-15 October 2015, the events below represent opportunities to consolidate the necessary political consensus across the region:

- **7th International Economic Forum on Latin America and the Caribbean**, 5 June 2015, Paris, France: A side-event dedicated to well-being in Latin America will be organised in the afternoon following the Forum.
- **National experts meetings** in parallel with the above preparatory events: this process will involve national representatives, including those responsible for statistics in each country, in order to ensure impact, legitimacy and ownership amongst the stakeholders involved in this project.
- **5th World Forum on Statistics, Knowledge and Policy**, 13 to 15 October 2015, Guadalajara, Mexico: jointly organised by the INEGI and the OECD, this event represents the continuation of a series of fora that marked important moments in the debate on the development and policy uses of these indicators (3rd World Forum in Busan, Korea, in 2009; 4th World Forum in New Delhi, India, in October 2012), and which is in line with, the post-2015 development agenda. **The OECD Better Life Initiative in Latin America will be launched on this occasion.**
- **The XXV Ibero-American Summit of Heads of State and Government**, Winter 2016, Colombia. Where the *Latin American Economic Outlook 2016* will be launched.



OECD Development Centre, Paris,
OECD Statistics Directorate, Paris,
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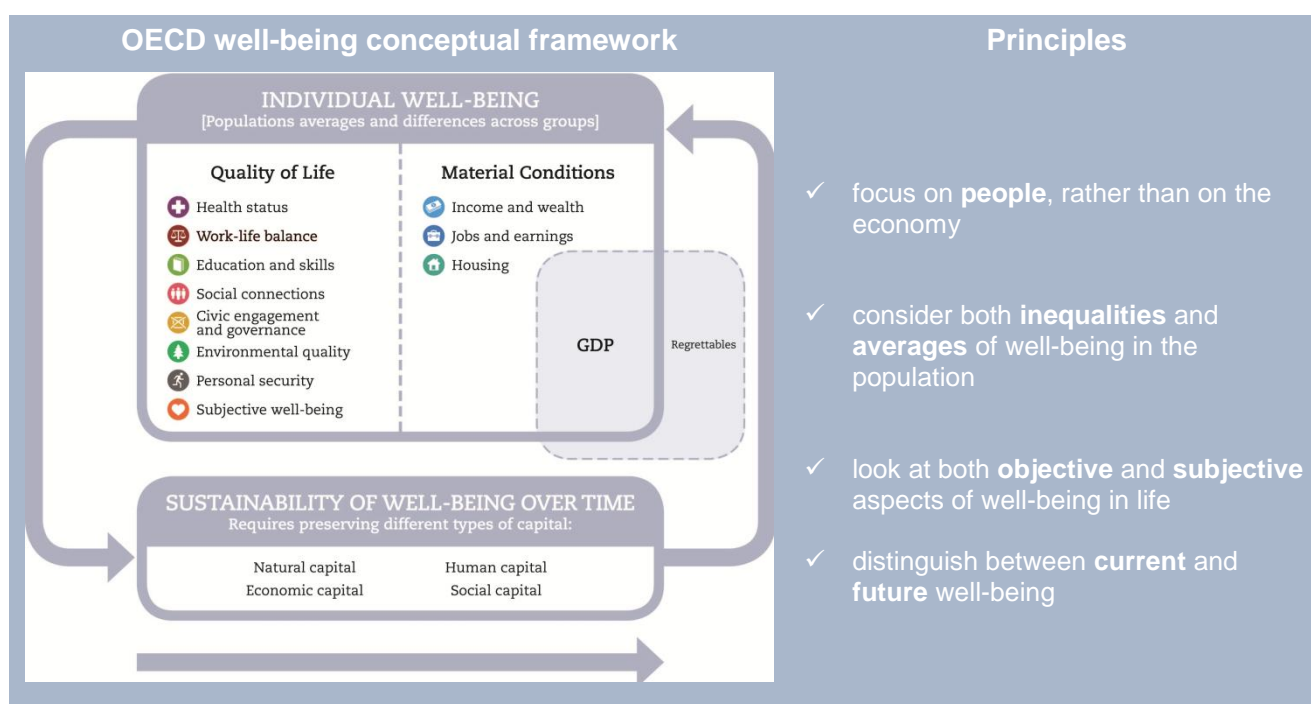
¹ *Measuring well-being and progress in countries at different stages of development: Towards a more universal conceptual framework* (Boarini and Kolev, OECD; McGregor, University of Sussex)

² *In addition, the OECD Multi-dimensional Country Reviews (MDCRs) constitute the first practical application of the analytical framework on well-being in non-OECD member countries. Thus, MDCRs are a promising cross-cutting tool offering the opportunity to begin a systematic evaluation of well-being in emerging and developing countries. MDCRs in Myanmar, the Philippines and Uruguay have been finalised, while three more are underway at present on Ivory Coast, Kazakhstan and Peru. Costa Rica, Morocco and Panama will follow in the coming months.*

Background

The **OECD Better Life Initiative** comprises 25 headline indicators and a number of secondary indicators that are used to monitor and benchmark countries' performance in 11 dimensions of well-being (population averages and differences across groups, see diagram below). These dimensions capture various aspects related to both quality of life and material conditions. The framework also distinguishes between current and future well-being, and measures the latter through indicators for four types of capital that drive well-being over time. These indicators cover natural, economic, human and social capital.

The OECD well-being work is being used to inform policy advice to governments (e.g. in the OECD Economic Surveys, and in the Multi-Dimensional Country Reviews conducted by the OECD Development Centre for selected non-member countries), as well as to underpin other OECD-wide horizontal activities (e.g. the OECD Inclusive Growth and the New Approaches to Economic Challenges projects).



The indicators of current well-being, which are updated regularly and published in the biennial report *How's Life?*, provide the basis of an interactive web application, the *Better Life Index*. The Better Life Initiative also includes a number of analytical and research projects that seek to develop better metrics in selected areas, and increase knowledge of well-being trends and their determinants.



THE BETTER LIFE INDEX

What matters to you in life? Create and share your *Better Life Index*. The *Better Life Index* is an **interactive tool** that allows you to measure and compare well-being across countries according to **your own priorities**.

Go to www.oecdbetterlifeindex.org



HOW'S LIFE?

How's Life?, published every two years, provides a comprehensive picture of well-being in OECD countries and other major economies by bringing together an internationally comparable set of well-being indicators.

Go to www.oecd.org/statistics/how-s-life-23089679.htm