

September 2019



Indicators for Measuring Well-being



Proposed Well-being indicators for Iceland

SOCIETY

- Health**
 - Life expectancy
 - Healthy life years
 - Unmet need for healthcare
 - Mental health
- Education**
 - Level of education
 - Dropout from secondary school
 - Lifelong learning
- Social capital**
 - Voter turnout
 - Social support
 - Formal volunteer activities
 - Trust in others
 - Trust in political system
- Security**
 - Feeling safe after dark
 - Crime victimization
- Work-life balance**
 - Long working hours
 - Working during unsocial hours
 - Multiple jobs

ENVIRONMENT

- Air Quality and Climate**
 - Particulate matter
 - Greenhouse gas emissions
- Land Use**
 - Progress in land reclamation
 - Protected areas
- Energy**
 - Ratio of renewable energy in total energy consumption
- Waste and Recycling**
 - Quantity of municipal solid waste
 - Recycling rate of municipal solid waste

ECONOMY

- Economic conditions**
 - GDP and economic growth
 - Inflation
 - Purchasing power
 - Household debt
 - Public sector, private sector and household dept
- Employment**
 - Employment rate
 - Unemployment
 - Not in education, employment or training (NEET)
 - Job satisfaction
- Housing**
 - Housing cost overburden
 - Quality of housing
- Incomes**
 - At risk of poverty
 - Persistent poverty
 - Material and social deprivation
 - Equality (Gini-index)

Indicators for Well-being in Iceland and links to UN Sustainable Development Goals (SDGs)

Proposal by the Prime Minister's Committee on Indicators for measuring Well-being

Society			UN Sustainable Development Goals	SDG targets
Health	• Life expectancy		SDG3: Good Health and Well-being	SDG 3.4
	• Healthy life years		SDG3: Good Health and Well-being	SDG 3.4
	• Unmet need for healthcare		SDG3: Good Health and Well-being	SDG 3.8
	• Mental health		SDG3: Good Health and Well-being	SDG 3.4
Education	• Level of education		SDG4: Quality Education	SDG 4.1, SDG 4.5
	• Dropout from secondary school		SDG4: Quality Education	SDG 4.3
	• Lifelong education		SDG4: Quality Education	SDG 4.4
Social capital	• Voter turnout		SDG16: Peace and Justice	SDG 16.6
	• Social support		SDG3: Good Health and Well-being	
	• Formal volunteer activities		SDG10: Reduced Inequality	SDG 10.2
	• Trust in others		SDG16: Peace and Justice	
	• Trust in political system		SDG16: Peace and Justice	SDG 16.6, SDG 16.7, SDG 16.10
Security	• Feeling safe after dark		SDG16: Peace and Justice	SDG 16.1
	• Crime victimization		SDG16: Peace and Justice	SDG 6.1
Work-life balance	• Long working hours		SDG5: Gender Equality	SDG 5.4
	• Working during unsocial hours		SDG5: Gender Equality	SDG 5.4
	• Multiple jobs		SDG5: Gender Equality	SDG 5.4

Economy

UN Sustainable Development Goals

SDG targets

Economic conditions

- GDP and economic growth  SDG8: Decent Work and Economic Growth SDG 8.1
- Inflation  SDG8: Decent Work and Economic Growth SDG 8.1
- Purchasing power  SDG8: Decent Work and Economic Growth
- Household debt  SDG8: Decent Work and Economic Growth
- Public sector, private sector and household dept  SDG8: Decent Work and Economic Growth

Employment

- Employment rates  SDG8: Decent Work and Economic Growth SDG 8.5
- Unemployment  SDG8: Decent Work and Economic Growth SDG 8.5
- Not in education, employment or training (NEET)  SDG8: Decent Work and Economic Growth SDG 8.6
- Job satisfaction  SDG8: Decent Work and Economic Growth

Housing

- Housing cost overburden  SDG11: Sustainable Cities and Communities SDG 11.1
- Quality of housing  SDG11: Sustainable Cities and Communities SDG 11.1

Incomes

- At risk of poverty  SDG1: No Poverty, SDG10 Reduced Inequality SDG 1.2, SDG 10.1
- Persistent poverty  SDG1: No Poverty SDG 1.2
- Material and social deprivation  SDG1: No Poverty SDG 1.2
- Equality (Gini-index)  SDG10: Reduced Inequality SDG 10.1, SDG 10.3

Environment

Air Quality and Climate

- Particulate matter  SDG11: Sustainable Cities and Communities SDG 11.6
- Greenhouse gas emissions  SDG13: Sustainable Cities and Communities SDG 13.2

Land Use

- Progress in land reclamation  SDG15: Life on Land SDG 15.1, SDG 15.2, SDG 15.3
- Protected areas  SDG15: Life on Land SDG 15.4, SDG 15.9

Energy

- Ratio of renewable energy in total energy consumption  SDG7: Affordable and Clean Energy SDG 7.2, SDG 7.3

Waste and Recycling

- Quantity of municipal solid waste  SDG6: Clean Water and Sanitation, SDG12: Responsible Consumption and Production SDG 6.3, SDG 12.3
- Recycling rate of municipal solid waste  SDG11: Sustainable Cities and Communities, SDG12: Responsible Consumption and Production SDG 11.6, SDG 12.5

Indicators for Measuring Well-being

A summary of the Committee's report

To examine the prosperity and quality of life of nations, looking solely at economic factors such as GDP or economic growth is not sufficient. Other factors of major significance for people's daily lives also need to be included, aspects such as health, housing, employment, education, income, air and water quality, to name a few. This makes it important to compile measurements that give a good overview and can serve as the basis for an assessment of the real prosperity and quality of life in Iceland.

Many states and international organizations have compiled collections of indicators of prosperity and quality of life which are intended to look at the broader picture and inform government policy formulation. However, they do not provide a detailed description of all aspects of well-being. Developing such indicators is a step towards ensuring a common understanding of what factors make our lives better. Iceland participates in international efforts to develop suitable indicators.

According to a survey commissioned by the committee, the general public in Iceland views health (i.e. good health and access to healthcare) to be the most significant factor in quality of life. This was followed by relationships (i.e. with friends, family, neighbours and colleagues), housing (secure housing, cost of housing, supply of housing) and making a living (income and assets).

The committee's proposal includes three categories of indicators to measure the prosperity and quality of life of Icelanders:

1. social,
2. economic and
3. environmental.

The main headings and sub-categories include a total of 39 indicators. When changes in these indicators were viewed over the past five years, it turned out that 19 indicators had developed in a positive direction, 6 had remained constant and 7 showed a negative development. For another 7 indicators, measurements were only available for one year, making it important to increase the frequency of measurements. It must be borne in mind that caution is needed in comparing all such measurements between different periods. For example, it may be positive for economic growth to slow down after a major expansion period.

Lack of information on the environmental factors, on the one hand, and a lack of measurements directed at social capital and the work-life balance, on the other hand, make it difficult to choose indicators for prosperity and quality of life. It is important to support systematic data collection and dissemination of information in these areas.

Various international organizations and agencies have compiled a set of composite indicators that weigh together various aspects of welfare to produce a single outcome. States are then ranked by their score in this composite assessment. Measurements by some states, including the proposals of this committee, do not follow the route of weighing together different indicators to reach a single outcome but are aimed instead at producing an overall picture which can be used for policy formulation. The committee expects the government to examine these indicators with a view to how they can best be used in policy making in the various state functions.

The committee proposes that Statistics Iceland be entrusted with keeping track of the indicators on prosperity and quality of life, as they fit well with other similar work carried out by the agency, such as social indicators and measurements for the United Nations Sustainable Development Goals (SDGs). The indicators are also for the most part based on Statistics Iceland's data. The proposal is to have Statistics Iceland handle the gathering of data, decide on the dissemination of the indicators and assess possible breakdown of the data. Statistics Iceland should also be entrusted with further developing these indicators in collaboration with the key stakeholders.

In summary, the committee's proposals are four:

1. 39 indicators of prosperity and quality of life are presented for further discussion.
2. Efforts should be directed at rectifying the lack of statistical data on environmental issues and social capital.
3. The government should decide on how it intends to use the indicators for policy-making.
4. Statistics Iceland will be entrusted with keeping track of the indicators, as this is compatible with other work by the agency, such as social indicators and measurements for the UN Sustainable Development Goals.