

Insights from the Your Better Life Index

Romina Boarini
OECD Statistics Directorate

**Exploring and exploiting quality of life complexity (QoLexity):
epistemological, methodological and statistical issues**

Florence, 9-10 September 2011

BACKGROUND

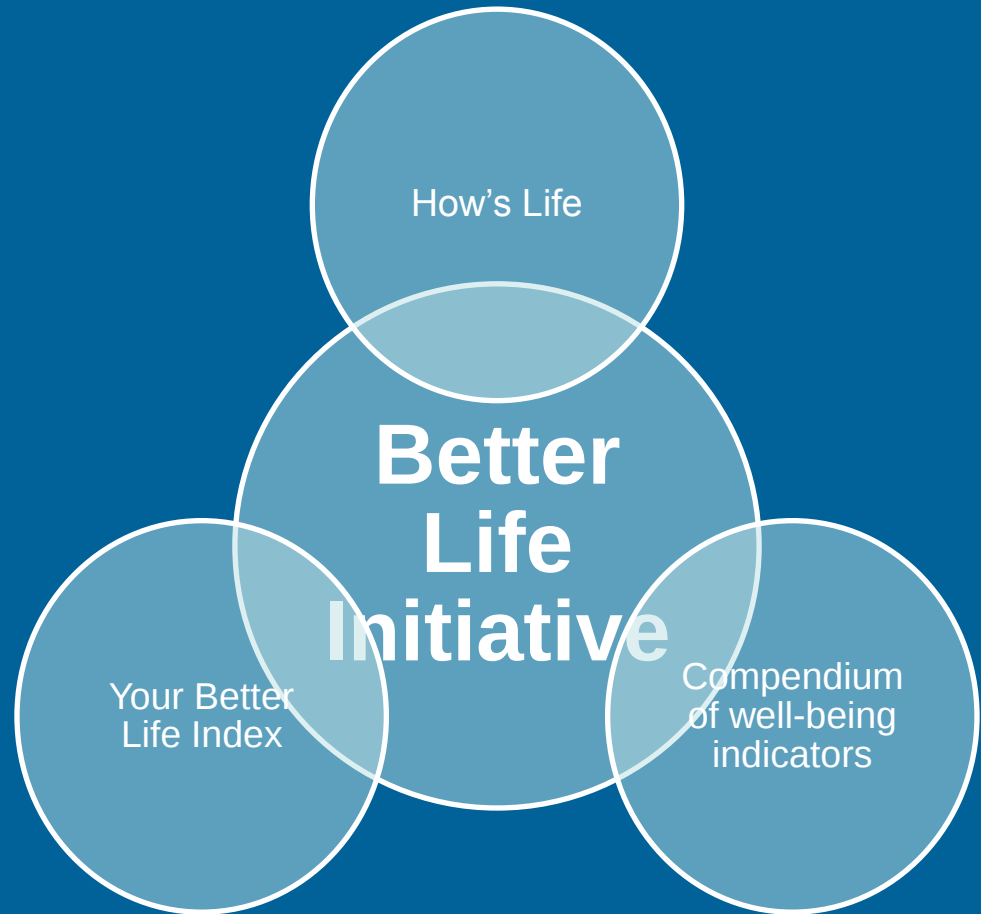
OECD Work on Measuring Progress

- OECD has carried out work on Measuring Progress for nearly 10 years (GP, World Forums, etc); it remains among the key priorities for 2011-2012
- Current political context: MP at the forefront of the international and national statistical agenda
- OECD 50th anniversary: the OECD Better Life Initiative

OECD Better Life Initiative

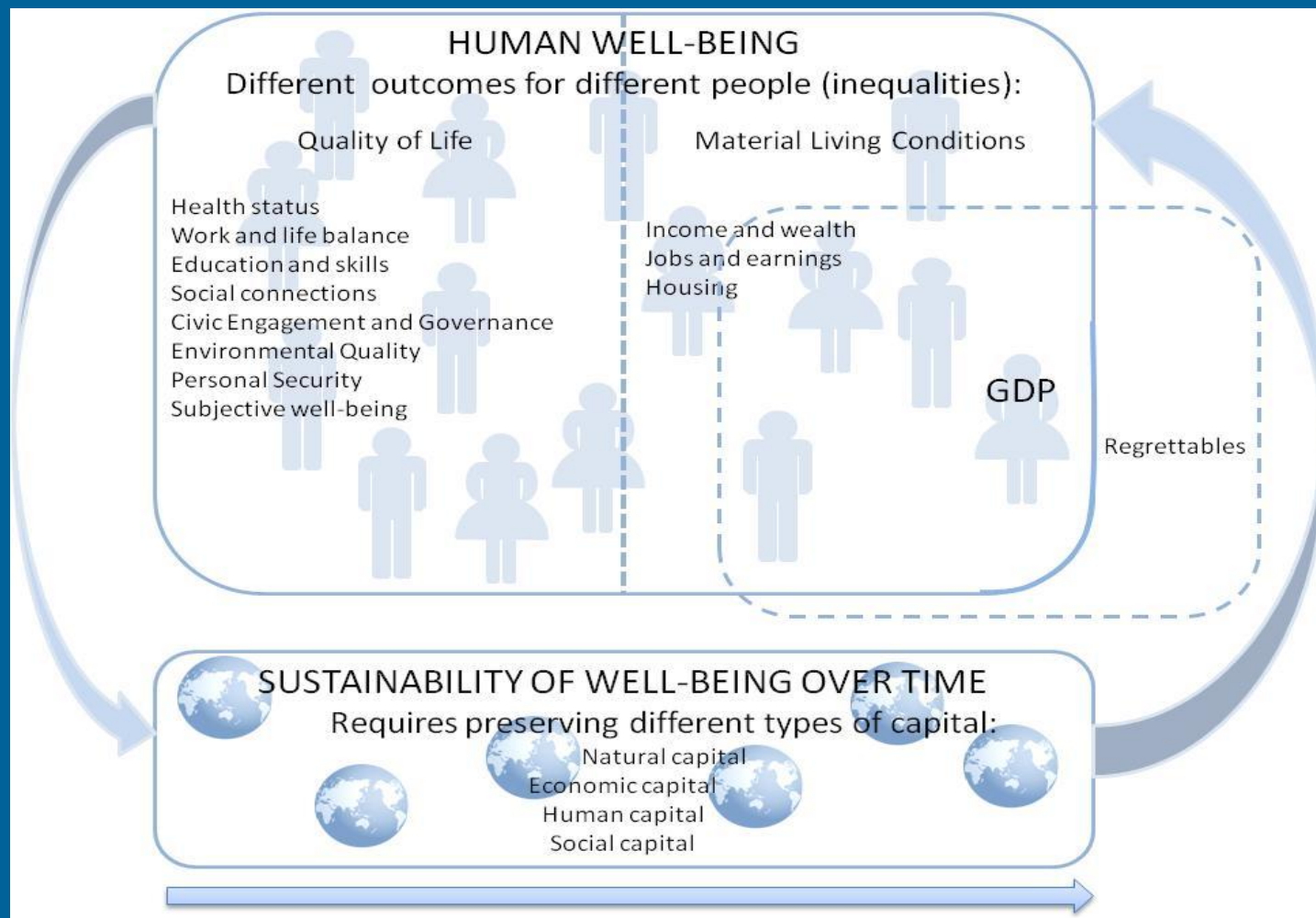
Are we measuring the right things?

What matters most in PEOPLE's life?



Better policies for better lives

The Framework



Focus

- Households and people, not just the economy
- Assessing inequalities besides average levels
- Based on outcomes, not inputs or outputs
- Includes both objective and subjective aspects of well-being

Criteria for selecting 11 well-being dimensions

- Consolidated approach based on :
 - **Conceptual work** (Stiglitz-Sen-Fitoussi recommendations, previous OECD work, other established research on well-being)
 - **Examination** of national and other international initiatives
 - **Internal consultation** within OECD

Criteria for choosing indicators

➤ **Relevance with respect to the target concept**

- face-validity
- easily understood, unambiguous interpretation
- amenable to policy changes
- possibility of disaggregation by population groups

➤ **Quality of supporting data**

- official and well-established sources
- comparable/standardized definitions
- maximum country-coverage
- recurrent data collection

Your Better Life Index

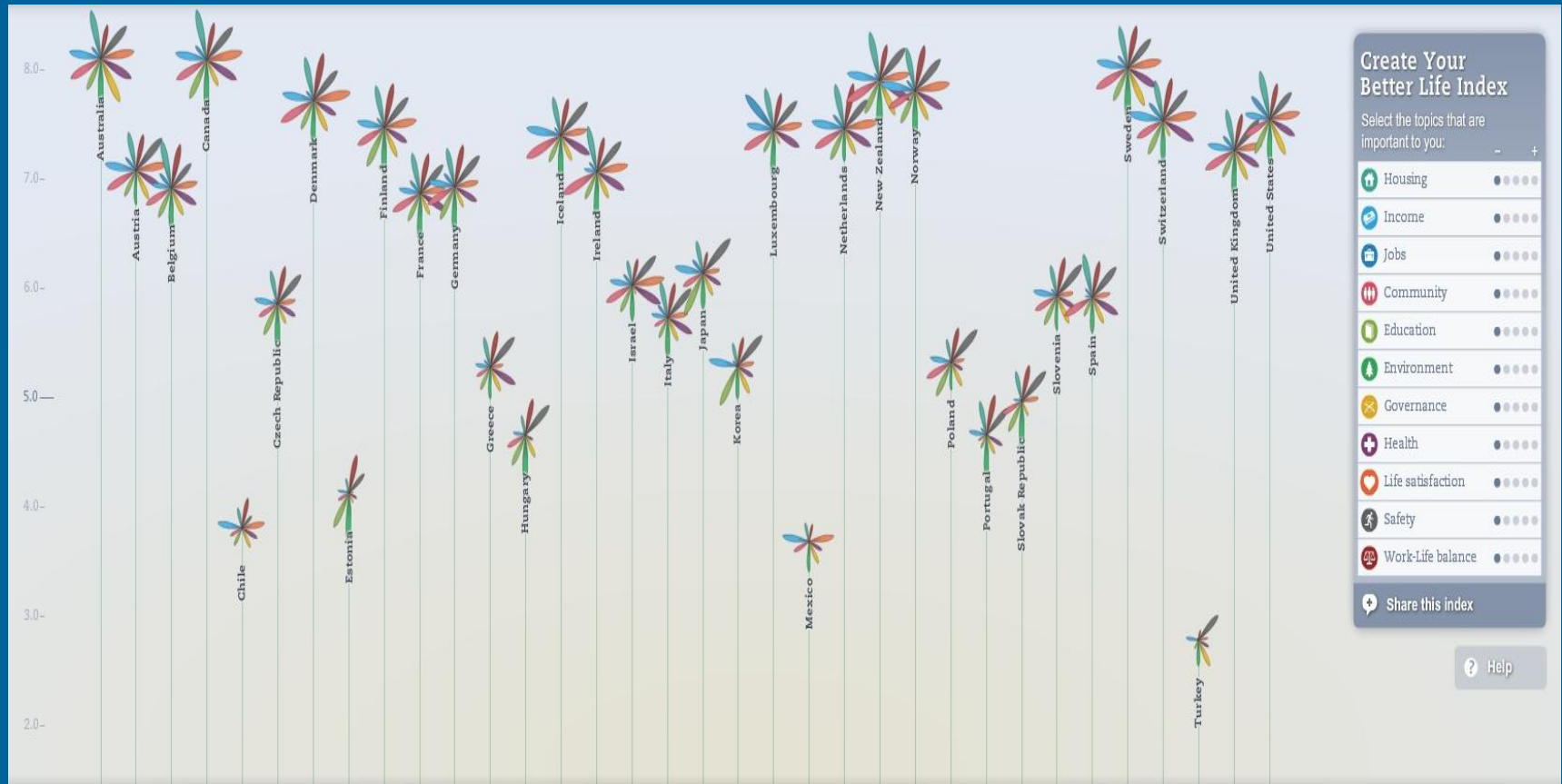


An interactive tool to compare countries according to the things that matter to YOUR life

It covers 34 countries and 11 dimensions of well-being

It is a gateway to OECD work

Your Better Life Index



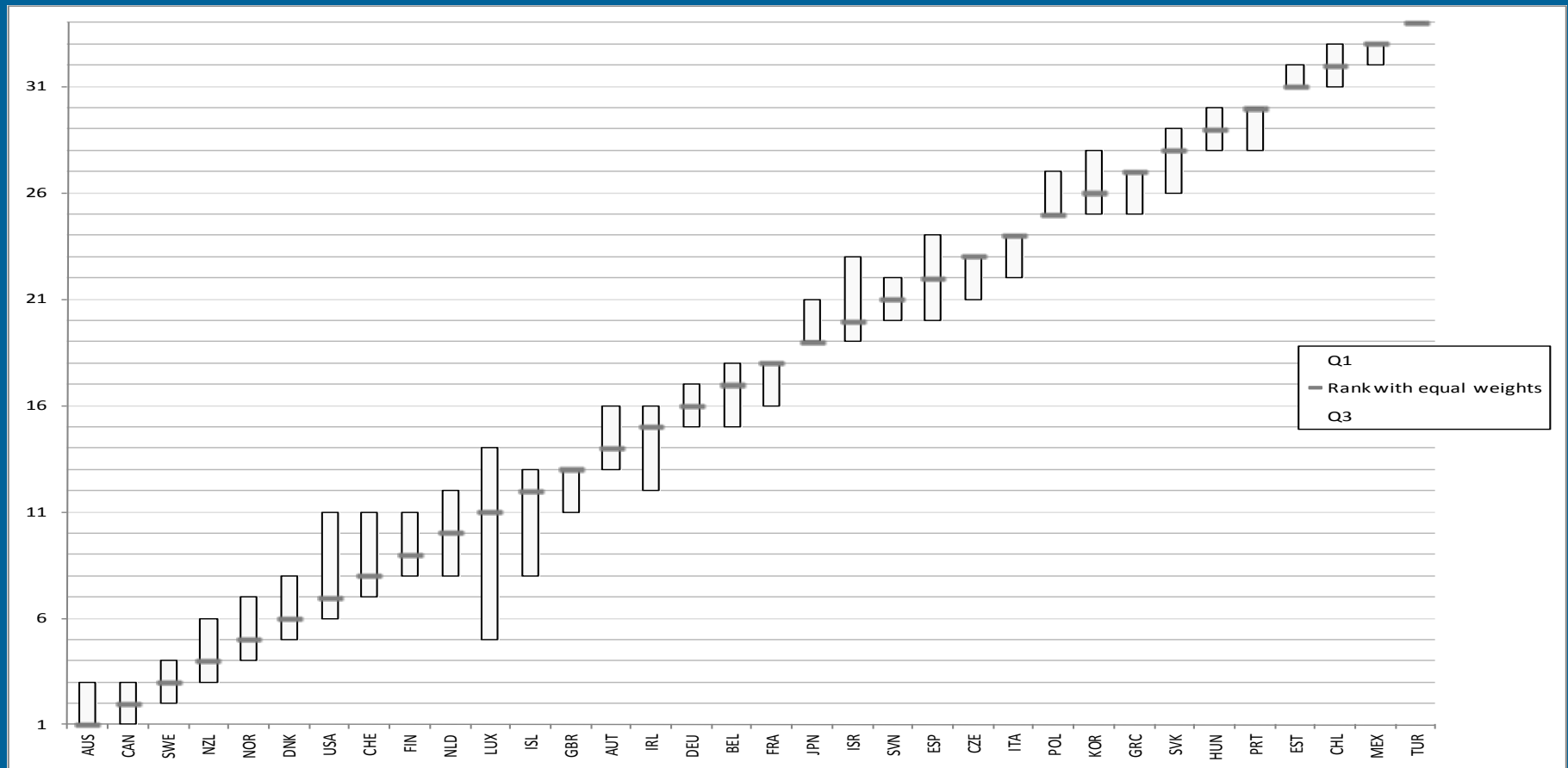
STRESS-TESTING YOUR BLI

Robustness tests

- All the main assumptions behind the index have been tested (or are being):
 - Normalisation
 - Imputation
 - Inclusion of indicators
 - Aggregation technique
 - Weights
- “*Designing your BLI: methodology and selected results*”, Boarini R., G. Cohen, V. Denis and N. Ruiz, (2011, forthcoming)

Weights: theory...

Results of the index with 5000 RANDOM DRAWS on the weights



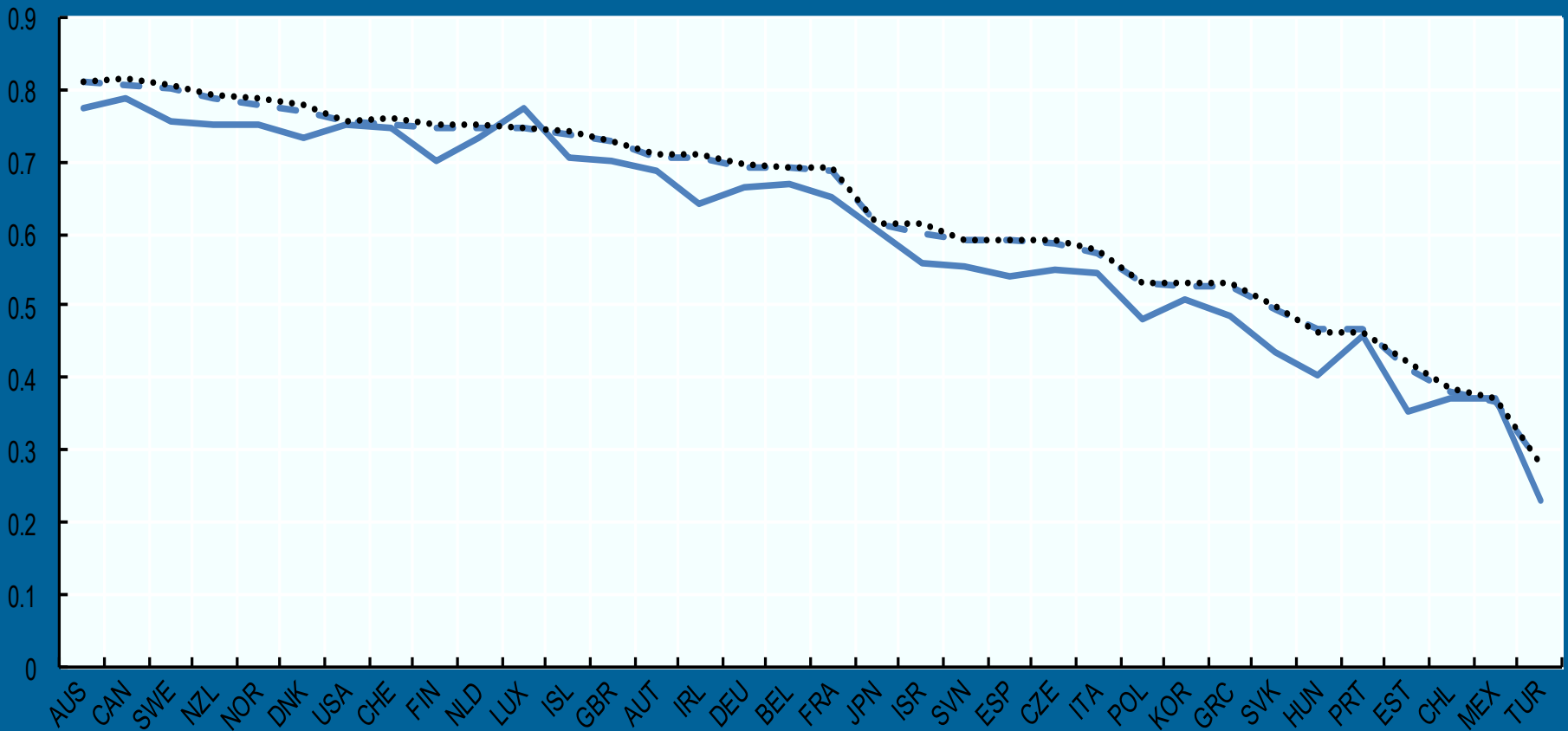
Rank robustness to weights

Estimating the probability that countries are ranked in a given way

	AUS	CAN	SWE	NZL	NOR	DNK	USA	CHE	FIN	NLD	LUX	ISL	GBR	AUT	IRL	DEU	BEL	FRA	JPN	ISR	SVN	ESP	CZE	ITA	POL	KOR	GRC	SVK	HUN	PRT	EST	CHL	MEX	TUR
1	39.6%	24.8%	8.9%	3.6%	2.5%	4.4%	0.9%	1.8%	0.5%		9.7%	1.9%					0.1%		1.1%															
2	16.2%	23.8%	20.4%	13.5%	5.1%	3.5%	4.6%	4.4%	1.1%	0.5%	3.6%	1.7%			0.7%				0.3%							0.5%								
3	11.0%	18.5%	26.2%	15.5%	6.5%	4.4%	3.5%	4.7%	1.5%	2.0%	2.8%	1.2%	0.3%		1.1%		0.1%		0.4%															
4	7.8%	12.8%	16.4%	22.8%	11.8%	7.0%	5.2%	4.5%	2.2%	3.1%	2.4%	1.8%	0.4%		1.1%		0.7%	0.1%	0.4%							0.1%						0.5%		
5	5.7%	6.4%	8.4%	12.5%	25.1%	11.8%	6.4%	4.4%	2.4%	3.6%	3.6%	3.1%	1.3%	0.6%	1.8%		1.5%		0.3%													0.5%		
6	5.6%	5.1%	5.9%	7.5%	17.4%	20.4%	7.5%	6.8%	4.7%	4.9%	3.4%	3.6%	1.2%	0.5%	2.5%	0.4%	0.9%	0.1%	0.3%						0.4%	0.1%								
7	3.3%	2.8%	4.5%	5.6%	10.7%	12.4%	9.3%	8.4%	9.7%	9.6%	5.6%	7.5%	2.2%	0.9%	3.5%	0.5%	0.8%	0.8%	0.3%	0.6%					0.5%									
8	2.7%	2.0%	3.3%	4.5%	7.7%	9.5%	9.3%	11.7%	12.5%	10.8%	6.6%	7.9%	2.6%	1.0%	3.3%	1.4%	1.0%	0.3%	0.9%	0.7%		0.2%				0.1%		0.5%						
9	2.6%	0.8%	1.8%	4.2%	3.7%	7.2%	8.7%	11.9%	13.3%	11.5%	6.7%	9.2%	4.8%	3.1%	4.5%	1.4%	1.1%	0.8%	0.2%	0.2%	0.4%					0.2%				0.5%				
10	1.2%	0.7%	1.3%	2.4%	3.0%	4.8%	8.6%	11.5%	13.0%	13.4%	5.5%	9.7%	7.4%	5.1%	5.4%	2.2%	1.7%	1.4%	0.4%	0.4%						0.8%								
11	0.7%	0.6%	1.2%	1.7%	1.4%	3.7%	9.3%	7.4%	12.4%	11.3%	6.7%	10.5%	11.2%	6.6%	5.5%	1.7%	2.3%	2.3%	0.5%	0.4%	1.0%	0.3%			0.1%	0.8%		0.1%						
12	0.5%	0.6%	0.2%	1.4%	1.8%	2.0%	7.3%	5.2%	7.9%	9.5%	5.0%	12.5%	19.6%	7.9%	5.1%	3.3%	3.6%	2.5%	0.8%	0.4%	0.1%	0.9%		0.5%		0.5%		0.1%			0.5%			
13	0.9%	0.2%	0.8%	0.7%	0.8%	1.8%	4.6%	4.6%	6.6%	5.8%	4.9%	7.3%	25.5%	10.7%	6.6%	5.1%	4.2%	3.7%	0.9%	0.6%	0.2%	0.9%	0.5%	0.1%		0.3%		0.1%	0.7%					
14	0.8%	0.9%		0.6%	0.9%	1.3%	3.4%	2.8%	3.9%	3.8%	6.4%	5.1%	12.2%	18.4%	11.3%	11.5%	7.7%	4.0%	1.1%	0.7%	0.3%	0.9%			0.1%	0.6%	0.5%	0.2%	0.2%		0.2%			
15	0.3%			0.7%	0.4%	1.1%	2.8%	2.0%	2.5%	1.9%	5.6%	4.7%	4.8%	12.8%	13.1%	17.4%	13.2%	8.8%	1.6%	1.5%	0.3%	1.1%	0.6%	0.3%	0.2%	0.5%	0.4%	0.2%	0.3%					0.4%
16	0.1%			0.3%	0.5%	1.2%	2.3%	2.0%	1.4%	2.3%	4.5%	3.6%	2.8%	7.2%	9.0%	20.8%	15.9%	17.4%	2.2%	1.1%	0.5%	1.5%	0.5%	0.1%	0.3%	0.5%	0.1%	0.3%	0.8%		0.2%		0.5%	
17				0.3%	0.4%	0.5%	1.7%	1.2%	1.5%	1.9%	3.9%	2.6%	2.2%	7.6%	7.1%	16.8%	14.1%	27.0%	1.8%	1.6%	0.9%	1.4%	1.3%	0.5%	0.4%	0.9%	0.2%	0.8%	0.3%		0.2%			
18				0.4%	0.1%	0.7%	1.7%	1.0%	0.9%	0.6%	5.1%	2.3%	0.5%	9.9%	7.9%	11.6%	18.1%	22.6%	3.2%	3.5%	1.5%	2.2%	1.5%	1.2%	0.5%	0.8%	0.2%	0.6%	0.2%	0.1%	0.2%		0.6%	
19				0.1%		0.6%	0.6%	0.9%	0.9%	0.4%	1.5%	1.1%	0.1%	3.1%	2.8%	3.0%	5.6%	3.2%	26.0%	17.7%	4.7%	15.1%	3.5%	2.6%	1.4%	1.2%	0.4%	1.0%	0.4%	0.6%	0.2%	0.3%	0.1%	
20				0.2%		0.8%	0.7%	0.3%	0.7%	0.5%	0.9%	0.5%		0.8%	1.5%	1.2%	2.8%	1.3%	16.5%	19.4%	16.8%	11.2%	7.4%	7.6%	1.1%	2.5%	0.9%	0.9%	1.2%	0.5%	0.3%	0.2%	0.5%	
21				0.2%		0.6%	0.3%	0.7%	0.2%	0.3%	1.0%	0.8%		0.6%	1.1%	0.2%	1.0%	1.3%	9.5%	8.5%	21.9%	10.6%	18.3%	10.6%	2.8%	3.3%	1.8%	1.0%	0.7%	0.8%	0.2%	0.7%	0.4%	
22					0.1%	0.1%	0.3%			0.2%	0.5%	0.2%		0.4%	1.2%	0.7%	1.0%	0.5%	7.1%	9.1%	21.4%	11.1%	20.9%	10.4%	3.2%	4.0%	2.3%	1.6%	1.1%	1.1%	0.2%	0.3%	0.4%	
23				0.1%		0.5%	0.2%		0.3%	0.9%	0.2%	0.5%	0.2%	0.9%		0.6%	0.5%	8.0%	7.5%	13.8%	12.2%	21.2%	14.2%	5.0%	3.6%	2.8%	2.7%	1.1%	1.4%	0.4%	0.6%	0.4%		
24				0.6%			0.1%		0.3%	0.4%				0.4%	0.8%		0.4%	0.2%	5.1%	6.6%	8.9%	7.4%	14.2%	25.8%	7.3%	6.4%	4.8%	4.2%	1.5%	1.5%	0.6%	0.4%	1.0%	
25			0.5%				0.1%		0.4%	0.4%	0.5%			0.5%	0.5%		0.4%	0.5%	4.1%	4.2%	3.8%	7.3%	5.8%	9.5%	19.4%	10.5%	18.0%	6.9%	2.4%	2.2%	0.8%	0.8%	1.2%	
26			0.4%						0.1%	0.4%				1.1%	0.1%	0.4%	0.1%		2.2%	3.2%	1.4%	4.1%	2.5%	7.2%	19.6%	15.3%	21.1%	8.0%	3.9%	4.0%	1.1%	1.3%	1.3%	
27									0.3%	0.8%				0.1%	0.7%			0.4%	1.0%	2.9%	1.1%	2.8%	1.2%	3.6%	16.2%	19.3%	18.5%	11.8%	5.2%	6.7%	1.7%	1.9%	2.5%	
28	0.5%							0.1%	0.6%	0.1%	0.2%				0.3%			0.8%	2.2%	2.0%	0.4%	2.0%	0.1%	2.8%	7.5%	8.9%	13.7%	26.3%	10.8%	11.3%	2.5%	5.3%	2.6%	
29						0.4%					0.2%				0.5%			0.7%	1.5%			1.8%	0.1%	1.9%	5.6%	6.3%	8.0%	11.1%	27.6%	20.3%	3.5%	6.0%	3.8%	0.4%
30								0.4%			0.1%						0.2%	0.7%	1.6%			2.3%		0.4%	3.8%	5.4%	4.6%	10.2%	21.3%	26.5%	8.2%	6.6%	5.2%	1.6%
31											0.1%						0.4%	0.4%	1.8%			0.9%			2.2%	2.7%	1.0%	4.4%	9.3%	12.7%	37.6%	12.3%	9.3%	4.2%
32											0.4%								0.7%	0.5%		0.7%			1.5%	1.8%	0.2%	2.7%	6.3%	5.9%	19.8%	28.3%	25.1%	5.5%
33																			0.4%			0.2%				1.5%		1.8%	2.8%	2.7%	15.5%	26.3%	34.0%	14.2%
34																				0.5%		0.4%						1.7%	1.4%	0.4%	4.0%	8.0%	10.3%	72.6%

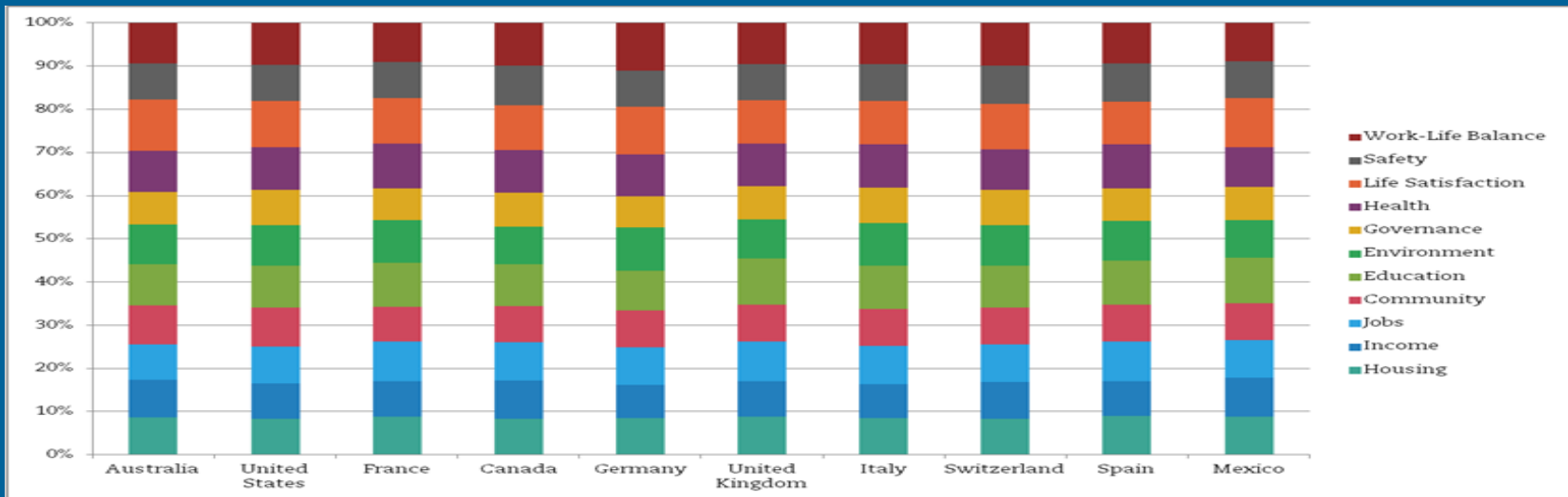
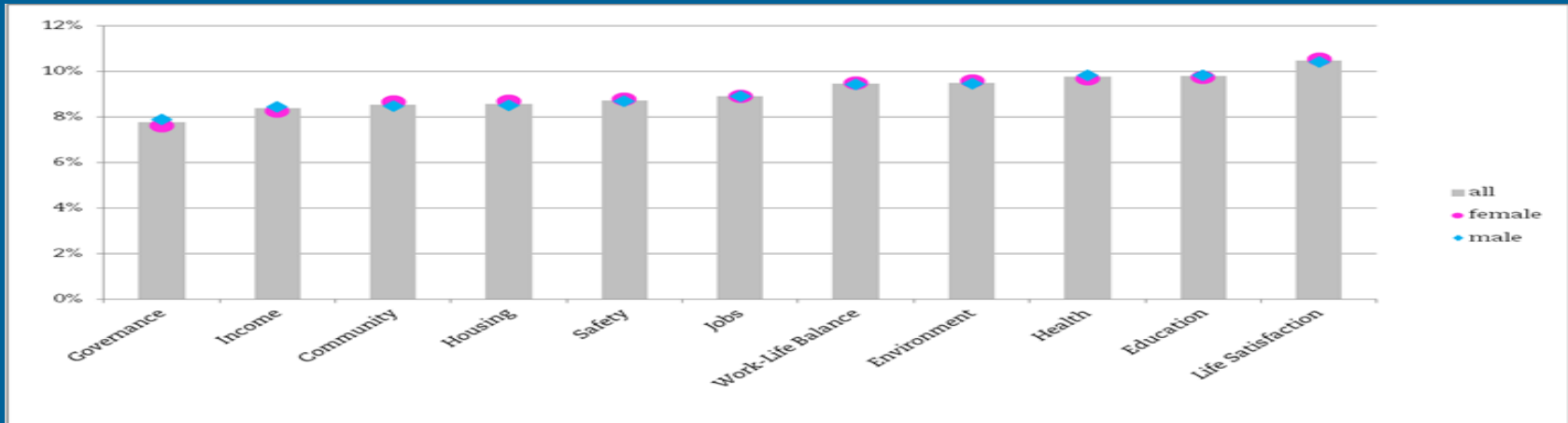
....and reality

Equality on domains Equality on dimensions weights attributed by the users

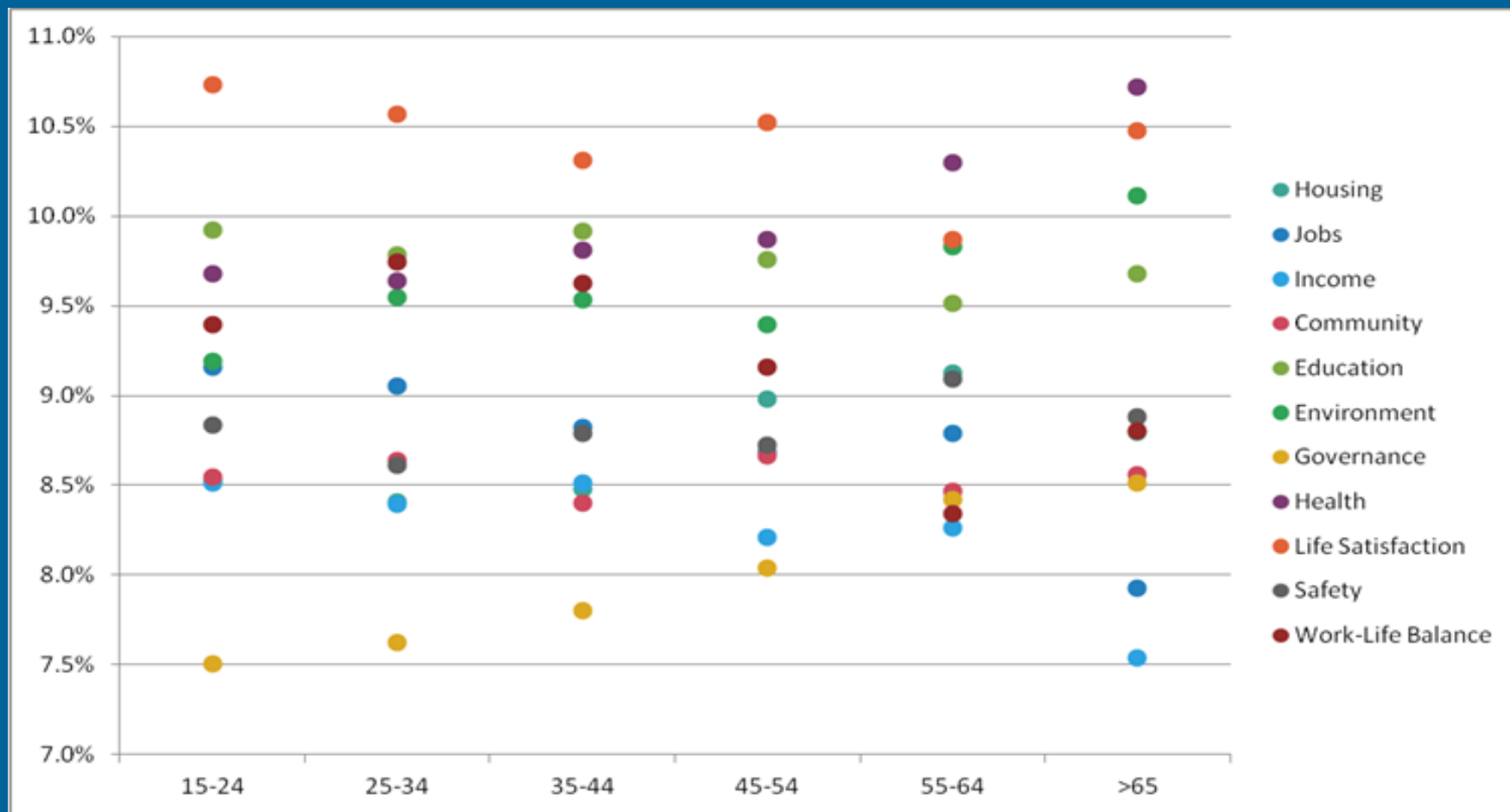


REFINING YOUR BLI

No gender/country patterns visible in users weights



But age seems to matter

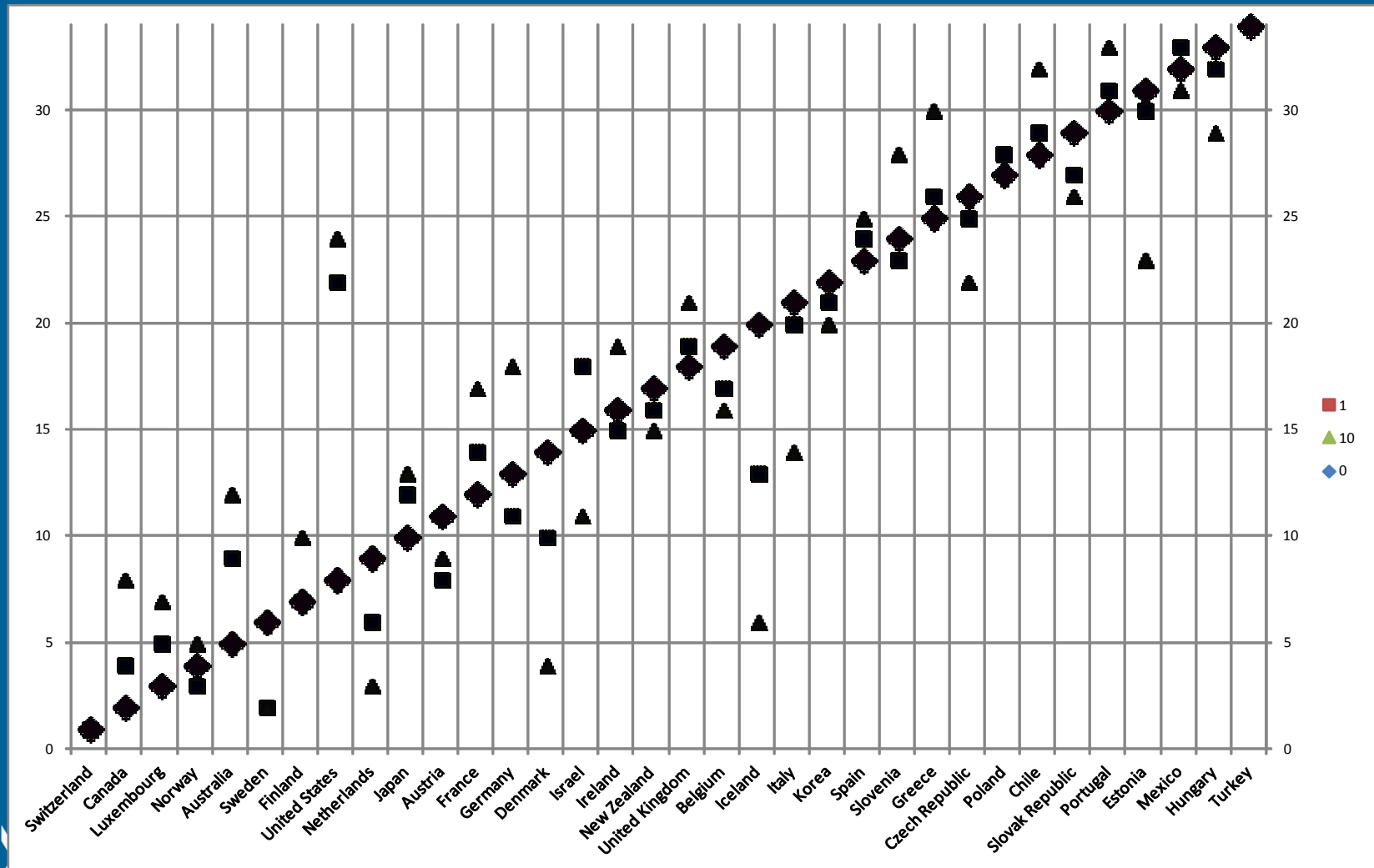


An evolutionary tool

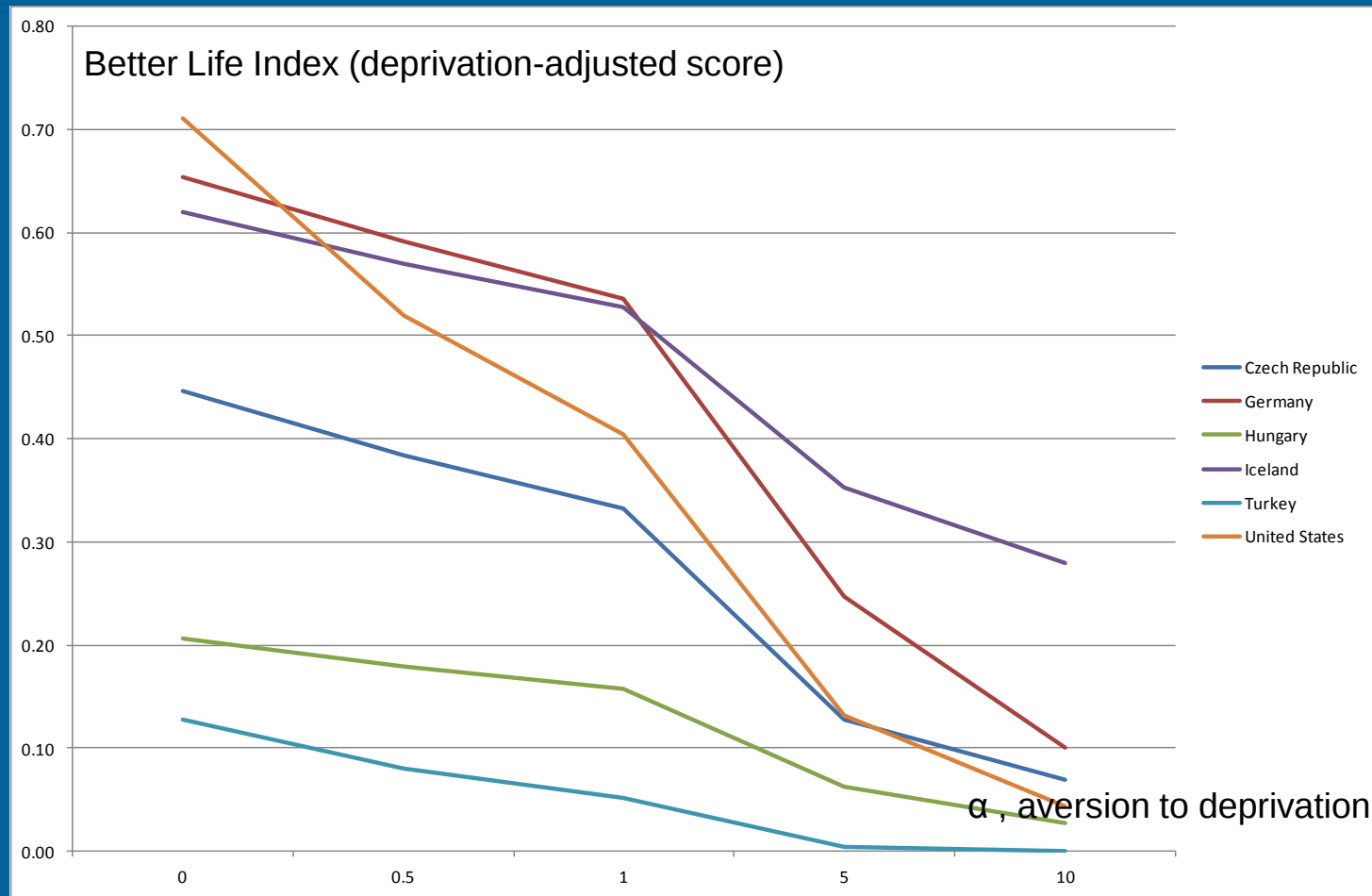
- Improved indicators as research results become available
- Will include inequalities in achievements between people with different characteristics
- Will include more countries, notably BRICS

Adjusting well-being achievements by deprivation

$$BLI = \sum_{j=1}^n w_j \left(\frac{1}{n_j} \sum_{i=1}^{n_j} i_i (1 - d_i)^\alpha \right)$$



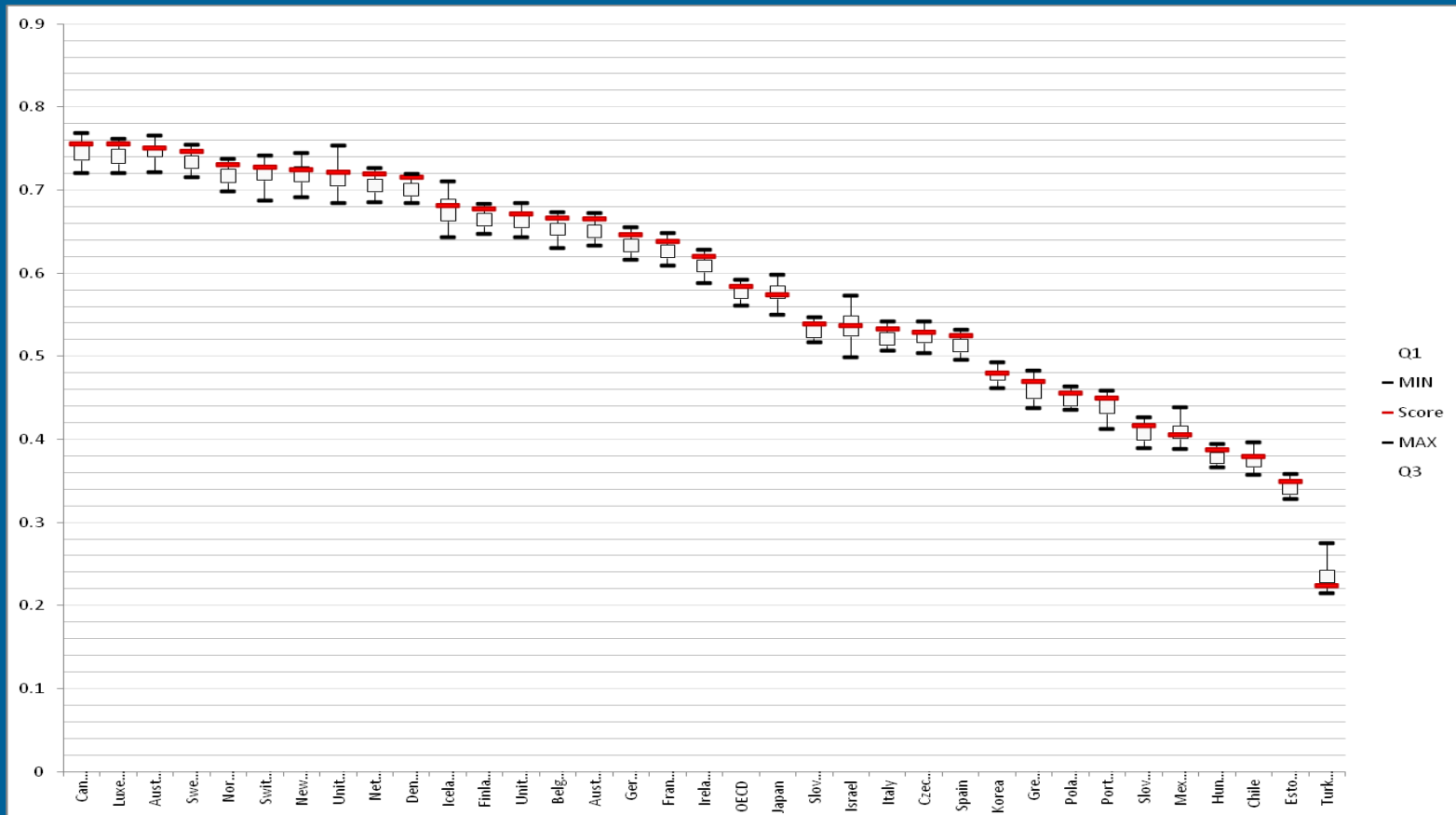
The index varies with the intensity of the aversion to deprivation



Conclusions

1. More work to improve the BLI
2. Move in line with the underlying statistical agenda
3. Is weighting an issue at all?

Robustness test to imputation



Robustness test to normalisation

