

## 100 years on: Time for an official Irish well-being index?

**Liam Delaney, Department of Psychological and Behavioural Science at the London School of Economics.**

100 years since the start of the state, we are still left with many questions about how best to assess Ireland's progress in terms of health and welfare. The 20th century in Ireland was characterised by high rates of urban infant mortality up to the 1950s and relatively low life expectancy up to the 1990s. The reduction in unemployment and job insecurity was associated with increased levels of life satisfaction in the early period, which broadly levelled off in the mid-1990s. The economic growth of this period was not uniformly positive, with suicide rates spiking particularly among young men during this period.

As the country's growth levels continued to power forward at staggering levels, measures of subjective well-being basically flatlined. This is consistent with the so-called Easterlin paradox, which suggests that economic growth can increase well-being up to a point, in particular through reducing extreme poverty and unemployment, but is largely not associated with well-being beyond that. On the other hand, life expectancy continued to increase substantially throughout the last 30 years driven by improvements in healthcare services and an older population who had experienced healthier childhood environments. The extent of unplanned migration was also far lower than in previous generations, and emigrants from Ireland increasingly tended to be highly skilled and entering countries with a high degree of opportunities for them.

So how are we doing? The Irish government has recently committed to developing a well-being framework for public policy. These will potentially provide useful material for wider public discussion and potentially hold the government to account in terms of delivery of wider social objectives. This discussion builds on decades of progress in this area across many countries and a number of reports by NESC and other bodies in the Irish context. Since the 1970s, there has been increasing concern about the use of GDP and GNP as measures of the well-being of nations. The most obvious problem is that these measures simply are not designed to measure well-being. They have many important uses in national and international economic planning but, even at a basic level, take no account of environmental impacts, health, inequality, and many other components that any rounded assessment of the progress of a nation should include. Measures such as the *Human Development Index* were developed to provide transparent and comparable methods for incorporating health and education alongside economic progress as alternative measures. Such measures have been

widely used for decades and have also shown dramatic improvements in the Irish context in the last 30 years.

As well as the most basic measures of life expectancy, education, and material progress, to what extent can broader measures related to well-being be incorporated into the policy process? Throughout the world, statistical agencies have been measuring subjective well-being as a basic indicator of welfare. Another approach has been to conduct very detailed citizen engagement processes to develop multi-dimensional frameworks to track progress. The Canadian Well-Being Index is one of the most widely known examples of this approach. CIW measures the progress of Canada across eight dimensions relating to health, democratic participation, leisure and culture, work-life balance, environmental sustainability, community development, education, and material living standards. Other indices have been developed and there are various approaches to setting out the different dimensions and incorporating various types of input from groups in society.

As it embarks on a process of developing a well-being framework for Ireland, the Irish government is heavily anchored on the *OECD Better Life Index*, which contains 11 different dimensions of well-being. In the recent budget, the Department of Finance provided an annex document showing how Ireland compared to other OECD countries across income/wealth, housing, job quality, skills, environmental quality, subjective well-being, safety, work-life balance, social connections, and civil engagement. Ireland fares comparably well across most measures, though showing far lower ratings on measures of work-life balance. So far, the role of this type of analysis in core policymaking in Ireland is at a surface level. But there is no doubt that there is a wide level of support for doing more on this across the government, political system, and wider society. The current process will likely lead to the annual production of official multidimensional well-being measures. However, they are not in themselves sufficient to substantially impact the decision-making process in government.

There are at least two concrete ways that wider measures of well-being might improve policy. One idea that is gaining currency is that budget processes should take well-being directly into account. Richard Layard and colleagues have been providing a range of templates by which fiscal policy might be grounded in examining well-being impacts of particular types of spending, for example examining how well-being is impacted by different types of health and educational spending. More recently, the development of the New Zealand "well-being budget" has been touted as a potential model for other countries. It is very important to consider these developments in the Irish context. The production of annual well-being indicators will not impact policy unless there is a concrete connection to policy appraisal processes within government.

A second major application of multi-dimensional well-being analysis will be to improve response to rapid structural changes. Covid has obviously disrupted the well-being and life

satisfaction of much of the population. To the extent that covid will leave lasting effects on well-being, a major channel will be through potential scarring effects of unemployment, something that has become more marked the longer the employment effects of the virus persist. The effects on specific groups such as those with extended symptoms of covid, as well as healthcare staff who have experienced heightened amounts of mortality, those at risk of domestic abuse, and children with particular types of educational needs are also of a high degree of concern and potentially part of a longer-term negative legacy of covid. While such factors have been part of the policy response to covid in Ireland, they have been peripheral and, in many cases, we have very little idea even of the scale of problems due to lack of measurement. Some of these issues might be seen as traditional domains of health policy but it is clear that many cross over neatly drawn policy lines. Incorporating multi-dimensional well-being frameworks into planning for the major structural changes of the next century is an ambitious project that could address some of the problems we have faced in incorporating wider goals into areas such as covid response.

Measuring national well-being has moved from a niche activity to one that has become increasingly close to the heart of government. In the near future, the Irish government will conduct such an exercise as part of national policy-making. It is possible that such exercises will fade into the background. But more optimistically it could be a road to building a national discussion about well-being that shapes more robust policy throughout the next decades.

- Liam Delaney is head of the Department of Psychological and Behavioural Science at the London School of Economics. He is currently part of the NESC advisory panel on the development of an Irish well-being index.