

This publication contains highlights of the NESC Report *Well-being Matters: A Social Report for Ireland* (published October 2009) See [www.nesc.ie/publications](http://www.nesc.ie/publications) for the full text.

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# Well-being Matters A Social Report for Ireland

## Why a Social Report for Ireland?

The idea of a social report has been suggested by NESC for many years. It was envisaged that a social report could highlight social problems making possible more informed judgements about national priorities. By providing insights into the progress of different measures of national well-being a social report could assist in the evaluation of what state programmes are achieving. More recently, following a recommendation by the National Statistics Board, the government requested that NESC prepare a social report for Ireland.

## Why Well-being?

The report is concerned with people's well-being for a number of reasons:

- i) Something more than GDP is required to measure social progress;
- ii) Because of the central role of people in economic and social progress;
- iii) Because their well-being is something people care about; and
- iv) To assist in monitoring the impact of policy actions on policy outcomes connected with well-being.

Internationally, there is increasing interest in, and analysis of, human well-being and the economic, social, environmental and psychological factors that contribute to it.

*‘Internationally, there is increasing interest in, and analysis of, human well-being and the economic, social, environmental and psychological factors that contribute to it.’*

Firstly, current thinking suggests that to measure social progress and national well-being we need something more than GDP/GNP.

*The Gross National Product counts air pollution and cigarette advertising, and ... the destruction of the redwood and the loss of our natural wonder in chaotic sprawl ... Yet [it] does not allow for the health of our children, the quality of their education, or the joy of their play ... the beauty of our poetry or the strength of our marriages ... it measures everything, in short, except that which makes life worthwhile.<sup>1</sup>*

There are two particular limitations of GDP/GNP as a measure of social well-being. (i) It is a one-dimensional indicator that ignores many dimensions that are recognised as essential for well-being, such as, children’s education, and loving relationships. (ii) As an additive measure (i.e. the sum of different incomes) GDP ignores the many complexities in the relation between individual well-being and collective well-being.

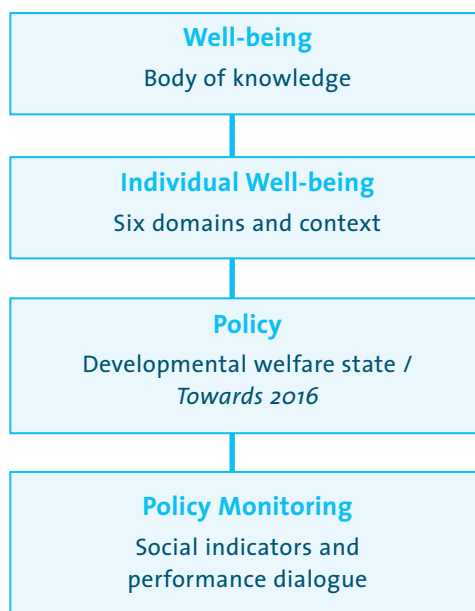
Secondly, it is the qualities of people which are central to the progress of the Irish economy and to the development of society. It is for these reasons that we should be concerned about people’s well-being.

Thirdly, people care about their own well-being, and the well-being of their families, their communities and wider society. This has

become more obvious in the current economic context as people are increasingly reflecting on what contributes to their well-being. People’s well-being is a combination of their own innate and developed capabilities and the context within which they function.

Fourthly, there is a concern about improving social policy outcomes. By documenting key social trends and aligning these to policy goals and actions, a report on social well-being can make a contribution towards assessing social policy outcomes.

### Structure of Well-being Matters Report



As shown in the above diagram, the *Well-being Matters* report is informed by a growing body of international research on well-being, which underpins the conceptual understanding of well-being and the well-being indicator framework used in the report.

The individual well-being box, (second box in the diagram) represents the application of six domains of well-being employed throughout the *Well-being Matters* report to present well-being trends. The nature and context of each individual’s well-being involves a unique combination of the six domains. While elements of well-being are innate within each individual these are influenced by the context within which an individual exists and the opportunities they have to develop and utilise their

### What is a NESc Report?

A report from the National Economic and Social Council contains the shared analysis and policy priorities of the 30 Council members on a theme considered to be of strategic national importance. Council membership comprises senior civil servants, representatives from employer, trade union, farming, community and voluntary, and environmental organisations, plus independent members with relevant expertise. A NESc report, therefore, has the particular characteristic of being shaped and discussed by people who, collectively, have a wide understanding of Ireland’s economy and society and of the need and potential for specific policy changes to have an impact.

1. Robert Kennedy, 1968, cited in New Economics Foundation (2009) National Accounts of Well-being. At [www.nationalaccountsofwellbeing.org](http://www.nationalaccountsofwellbeing.org)

capabilities. The institutional environment, including the prevailing values and norms, is part of this context.

Public policy, (the third box in the diagram), has a role by placing the individual at the centre of policy development and delivery and addressing the risks faced by the individual. The developmental welfare state promotes such an approach to social

policy, and elements of this approach are re-articulated, in part, in the *Towards 2016* policy framework.

The fourth box in the diagram is policy monitoring. Policy monitoring implies the use of social indicators to document well-being trends and to assess the outputs and outcomes of policy interventions.

*‘Current thinking suggests that to measure social progress and national well-being we need something more than GDP/GNP.’*

### Chapter Overview of *Well-being Matters* Report

The report *Well-being Matters* is presented in two Volumes. Volume I contains chapters 1 to 5 and Volume II contains chapters 6 to 9.

**Chapter 1** *Why Well-being Matters* is an introductory chapter and explains why well-being matters.

**Chapter 2** *Understanding Well-being* reviews the well-being literature to arrive at an understanding of well-being, including six domains of well-being with associated indicators.

**Chapter 3** *Expressing Well-being through Social Reporting* explains why the Council has engaged in this work, the various approaches that have been used elsewhere and the policy context in which this work is being presented.

**Chapter 4** *An Overview Picture of Well-being in Ireland* uses the well-being framework to present key trends for Ireland over the last 10 to 20 years.

**Chapter 5** *Ireland’s Well-being at a Time of Change* provides a summary of the key well-being trends across the six domains of well-being. The impact of the recession is considered, along with well-being implications and policy directions, including a ‘well-being test’. Preliminary consideration is also given to the development of improved systems of policy monitoring.

Volume II sets the well-being and associated policy monitoring debate within the life cycle framework developed by the Council and now employed in current policy frameworks, for example, *Towards 2016*. Chapters 6, 7, 8 and 9 present information on the well-being of children, people of working age, older people and people with disabilities respectively. Each chapter follows a common structure: charting key trends, and then assessing these against the current policy context, with a focus on *Towards 2016*. Conclusions are drawn on policy and information gaps, with a view to informing improved monitoring and policy outcomes.

## What is Well-being?

The understanding of well-being is underpinned by both ancient wisdom and recent research on the subject. While there are different strands of thought the

approach used in the *Well-being Matters* report is based on the concept of 'human flourishing' which incorporates the idea that well-being is about having a sense of purpose in life, participation in civic life, having friends, loving and being loved.

### Definition of Well-being

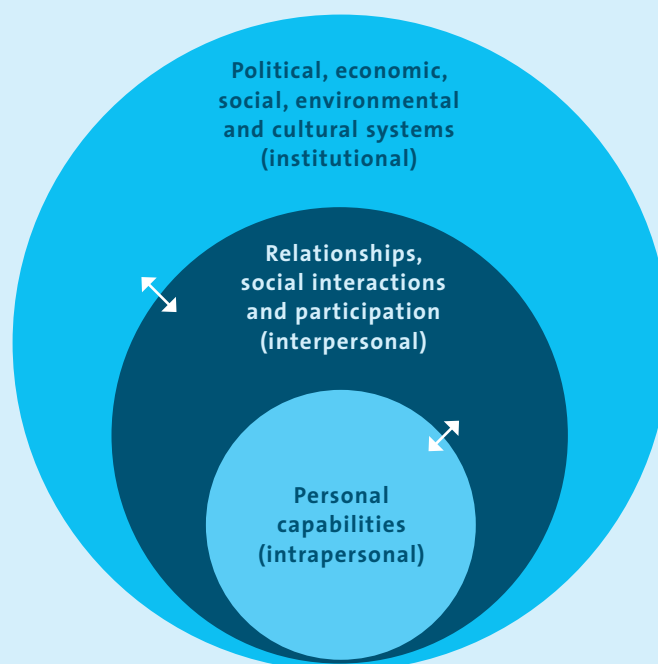
A person's well-being relates to their physical, social and mental state. It requires that basic needs are met, that people have a sense of purpose, that they feel able to achieve important goals, to participate in society and to live the lives they value and have reason to value.

People's well-being is enhanced by conditions that include financial and personal security, meaningful and rewarding work, supportive personal relationships, strong and inclusive communities, good health, a healthy and attractive environment, and values of democracy and social justice.

Public policy's role is to bring about these conditions by placing the individual at the centre of policy development and delivery, by assessing the risks facing him/her, and ensuring the supports are available to address those risks at key stages in his/her life.

*'Well-being is about having a sense of purpose in life, participation in civic life, having friends, loving and being loved.'*

### Conceptual Understanding of Well-being



*‘People’s well-being is also affected by comparing themselves with those around them and by the values set in wider society.’*

The figure showing the conceptual understanding of well-being illustrates the centrality of people’s capabilities for their well-being. This requires that, as well as having basic needs met, people have the opportunity to set and achieve goals and to contribute to society. Social interaction is important for people’s well-being whether this is through intimate and family relationships or wider community and societal relationships. At a broader level the society within which people live, the institutional arrangements, the cultural values and the environmental quality also impact on people’s well-being. The framework can be summarised as focusing on three levels: the intrapersonal, the interpersonal and the institutional.

## Application of the Well-being Framework

In applying this acquired knowledge on well-being, we have to focus on aspects of well-being for which data are available. Hence, we focus on six domains of well-being, on which a certain amount of data are available.

### Six Domains of Well-being

- **Economic resources**
- **Work and participation**
- **Relationships and care**
- **Community and environment**
- **Health**
- **Democracy and values**

The evidence suggests that all of these domains of a person’s life are important for their well-being. The emphasis given to each may depend on an individual’s particular circumstances or the situation in which they find themselves. Most individuals live in a family (or have family connections), in a community which is part of the wider society, environment and economy. These elements of a person’s life are interconnected. People’s well-being is also affected by comparing themselves with those around them and by the values set in wider society. Throughout their life course the domains of well-being of an individual may change.

The relationship between individual and collective well-being has always been seen as important but the nature of the relationship has been hard to characterise. This is so, in part, because the nature and context of each individual’s well-being involves a unique combination of the six domains of well-being used in the *Well-being Matters* report. An implication of this perspective is that individual and collective well-being are constructed and re-constructed in processes that include individual reflection and social interaction.

The analysis and pursuit of well-being in this context of individual difference and value pluralism has important implications for the way in which we think about the role of public policy. Specifically, it implies that public policy should aim to secure and provide three kinds of ‘goods’: sufficient freedom for each individual to define and pursue their idea of the good life; a degree of order and uniformity, to protect both the individual and the common good; and a range of public and private goods, tailored to individual needs.

*'A central theme of the work is the diversity of the population and the range of factors influencing well-being.'*

## Well-being Trends

Using the six domains of well-being an indicator framework has been developed and is applied throughout the *Well-being Matters* report to chart social progress historically (Chapter 4) and across the life cycle (Chapters 6, 7, 8 and 9).

In presenting information on indicators of well-being, comparisons are made with other countries, as well as examining trends over time. The focus, however, remains on the well-being of people living in Ireland. Attention is paid to variations in well-being within

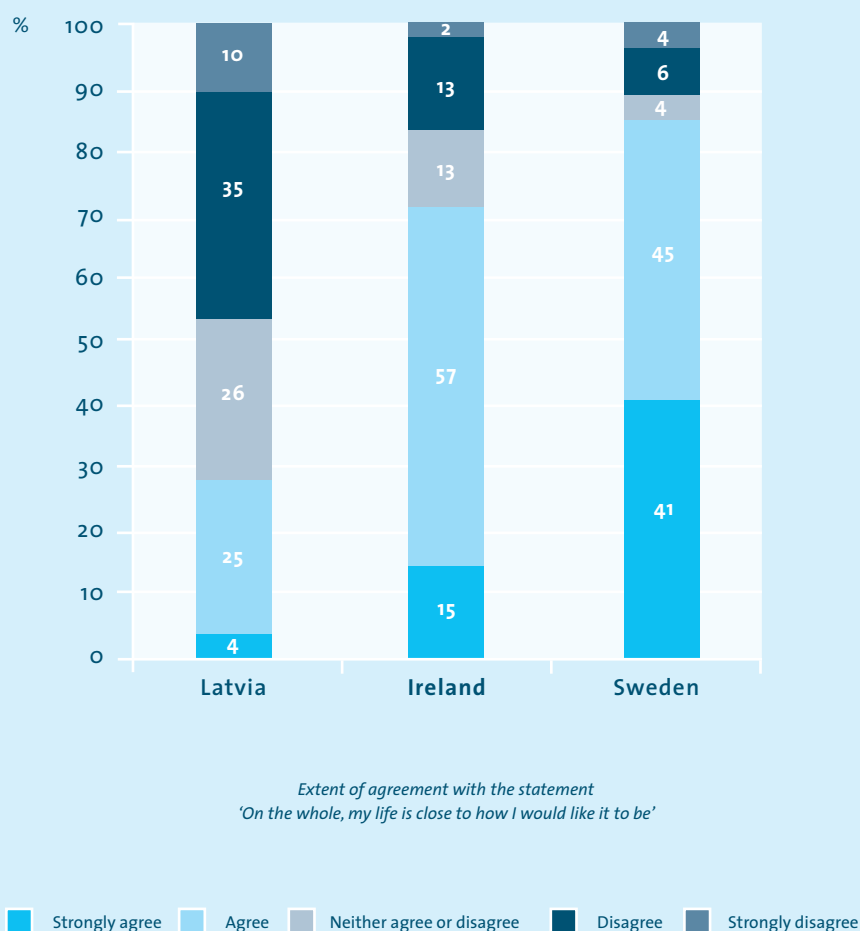
Ireland particularly in relation to gender, social class, family status, ethnicity and in some cases geography. A central theme of the work is the diversity of the population and the range of factors influencing well-being. Thus, while the six domains remain the same throughout the report, some of the indicators may vary depending on the life cycle stage being examined, the policy emphasis and the availability of data.

### Examples

Throughout the two volumes of the *Well-being Matters* report about 220 indicators

Indicator Framework for the Assessment of Well-being	
DOMAINS	EXAMPLES OF INDICATORS
Economic resources	Income Poverty
Work and Participation	Employment Work-life balance Unemployment Education
Relationships and Care	Divorce / separation / widowhood Living alone / parenting alone Care
Community and Environment	Accommodation Community Environment
Health	Health status Health assessment Mental health Behaviours
Democracy and Values	Exercising democracy Threats / crime Equality / rights / cultural identity

### Sense of Fulfilment: 'My life is how I would like it to be'



Source: European Foundation for the Improvement of Living and Working Conditions, 2009: 19 based on European Quality of Life Survey, 2007.

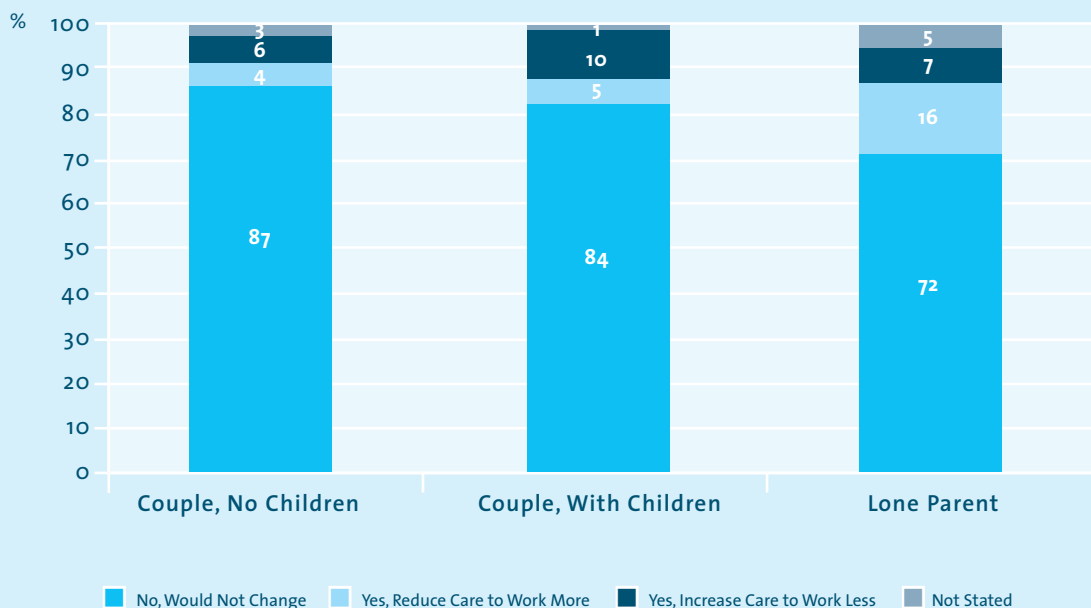
are presented in 220 charts. To give a flavour of the information in the report two examples are presented here: sense of fulfilment and work/caring balance.

A central part of well-being is a sense of purpose and fulfilment. The European Quality of Life Survey (2007) tries to capture the sense of fulfilment in life by asking respondents to what extent they agree with the following statement: 'On the whole, my life is close now to how I would like it to be', with a choice of 5 responses – 'strongly agree' to 'strongly disagree', as illustrated in the figure. There is large variation between countries, but Ireland is towards the upper end, with more than 70

per cent of respondents reporting that they have life as they want it to be. This is compared to 86 per cent in Sweden, the country with the highest sense of fulfilment; and to Latvia, where only 29 per cent agreed that their life is how they would like it to be. The European Foundation,<sup>2</sup> who reported the findings of the survey, found that poor health, unemployment, low income, and not having a partner, especially for lone parents, diminished the likelihood of having a life close to the ideal. The circumstances of many people in Ireland will have changed in this direction, since the survey was carried out in 2007.

2. European Foundation for the Improvement of Living and Working Conditions (2009) *Second Quality of Life Survey: Overview*. Luxembourg: European Foundation, based on Quality of Life Survey 2007.

### Work/Caring Balance: *Whether want to change work/caring balance*



Source CSO, QNHS, Q2, 2005

The second example presents information on whether people aged 15 to 64 with caring responsibilities have a desire to change the balance of their time between working and caring.<sup>3</sup> In 2005, more than 80 per cent of couples with or without children did not want to change their work/caring balance. However, more than one fifth of lone parents would have liked to change this balance, in the main (16 per cent) to work more. Nearly 10 per cent of couples with children indicated that they would like to increase their care and work less.

### Relevance of Social Trends for Individual and Collective Well-being

The *Well-being Matters* report provides a summary of well-being trends across the six well-being domains. The overview of social trends in Ireland (until recently) has been mainly positive. However, given the complex relation between individual and collective well-being we recognise that, by and large, this is an aggregate judgement. A strong

upward trend in a wide range of indicators allows us to gloss over the many difficulties in making inferences about collective well-being from the (mostly) individual data used in the report. Even in that context, the continuation of serious *social deficits* qualifies any summary judgement to a significant degree.

So, even where the overall trends suggest that the well-being of Irish society increased there were risks to individuals' well-being. A substantial minority of the population continue to live on low incomes which puts them at risk of poverty; the childcare and early education infrastructures remain underdeveloped and piecemeal, with implications for child, family, economic and social well-being; some people have difficulty accessing employment for a number of reasons; many people are living with chronic illness and/or mental illness, and there are difficulties accessing a poorly functioning health system. Many people with disabilities continue to experience disadvantages and there is a growing awareness of the need to integrate immigrants into our communities, given our developing cultural diversity. Indicators of social disadvantage such as low income, low

3. CSO, QNHS, Q2, 2005. Caring responsibilities included having children less than 15 living in the household, providing unpaid care for children 'other than your own or those of your spouse/partner', and providing unpaid care for ill, disabled or elderly relatives/friends aged 15 and over.



*‘Depending on how we, as individuals and as a society, deal with adversities can make a major difference to our longer term well-being.’*

education, being unemployed and holding a medical card are all associated with poorer mental health. High levels of income inequality have been found to be linked to a higher prevalence of mental illness, violence, drugs, obesity and lack of community life.

‘*Post-industrial risks*’<sup>4</sup> have also been identified and are summarised as: the challenges of balancing paid employment and family/caring responsibilities; lacking the skills necessary to access a job or having skills and training which are now obsolete; having an inadequate or insecure income or pension; and unsatisfactory and unreliable service provision. It has been argued that post-industrial society brings with it ‘discontinuities’ in family and working lives, which can entail insecurities and vulnerabilities. These ‘discontinuities’ require a different type of engagement with the institutions of the state than heretofore – greater flexibility, differentiated routes and pathways between education and employment, greater activation support to assist people into education, training and employment, and a shift towards an enabling state, with agreed standards and greater regulation.

## Relevance of Well-being in a Recession

### Recessionary Risks to Well-being

In addition to the risks which were evident even in Ireland’s period of strong economic growth, along with the risks which have emerged in the move to a post-industrial society, further risks have become apparent as a result of the economic recession. For many, these *recessionary risks* include: sharp and unexpected reductions in income, depletion of savings, having to manage on a lower income, finding it difficult to pay the rent or mortgage, and dealing with debt; job loss, fear of job loss, a deterioration in working conditions, or if unemployed limited opportunities for employment, or having redundant skills; the worry of unemployment and/or financial stress impacting on relationships with partners, family and friends; curtailments in service provision making care arrangements more precarious; tensions

emerging in communities with potential increases in crime and racism; the impact of these events on physical and mental health, along with a curtailment in some health and social services; a lack of confidence and trust in some national institutions; a perceived lack of fairness; and an erosion of the equality and rights infrastructure.

### Resilience

While these risks will impact on individual and societal well-being, resilience is a component of our make-up which can be harnessed, given supportive conditions. Our understanding of resilience derives from the notion of human flourishing which embodies autonomy, self-determination, interest and engagement, aspiration and motivation, and whether people have a sense of meaning, direction or purpose in life. Resilience can be advanced through the acknowledgement and development of people’s capabilities.

### Impact of the Recession on Well-being

Well-being is undoubtedly affected by economic upturns and downturns. A shock to one domain of our well-being may have an impact on another domain. For example, loss of a job and income can affect our relationships and health. These impacts can affect people in different ways depending on their circumstances and the context within which they find themselves. Depending on how we, as individuals and as a society, deal with these adversities can make a major difference to our longer term well-being. Some of the factors identified which can make a difference include utilisation of our capabilities, having a sense of purpose, engagement in meaningful activity, the support of family and friends, having trust in our institutions and having a sense of hope. Public policy and institutions have a vital role in providing the conditions to support individual and collective well-being and in making available tailored supports to people experiencing particular risks and vulnerabilities. Resilience in individuals needs to be paralleled at societal level by resilience in institutions to enable them to be able to adapt to the changed and challenging circumstances, as they strive to deliver an adequate level and standard of service with reduced resources.

4. A post-industrial society is one in which an economic transition has occurred from a manufacturing based economy to a service based economy.

*'In building the foundations for future prosperity it would be wise to reflect on how a more comprehensive and sustainable approach could be taken to support human flourishing and well-being.'*

## Well-being Implications

There are a number of lessons which have emerged from the review of well-being in the *Well-being Matters* report, which are summarised as follows:

- ◆ At the most fundamental level having a level of income to meet basic needs matters. This level of income is contingent both on the standard of living in the society within which one is living, as well as the distribution of income, as people compare their income levels with those around them. It is also known that while loss of income can lead to a reduction in well-being in the short-term, people do readjust to their new financial circumstances.
- ◆ While income and material goods contribute to well-being the evidence suggests that the fundamental elements which contribute to long-term well-being include participation in meaningful activity, along with affectionate and caring relationships, a secure, safe and attractive environment, good social relations, and good health.
- ◆ Context matters and the situations within which people find themselves can contribute to or detract from their well-being. These situations include their socio-economic circumstances and the values of the society within which they live. The operation of democracy, trustworthy institutions, standards of transparency and openness, acceptance and support for diversity, and principles of equality have been found to be conducive to well-being.

This knowledge of well-being provides us with some key pointers in responding to the economic recession. First, it would suggest that we should try to ensure that as many people as possible are meaningfully engaged. In the context of job losses and rapidly increasing unemployment this is a significant challenge.

Secondly, it is important to bear in mind people's basic need for an adequate income. Not only does this point to the need to ensure that people have an income which is adequate to prevent poverty, but now it also means recognising that some people have experienced large falls in their income and/or

savings which will put them in situations of financial hardship.

Thirdly, it is relevant to reflect on the impact of social comparisons on well-being. A situation where everyone is experiencing a drop in income would seem to have a lesser effect on well-being, so long as needs are met, than a situation where only some people experience income reduction.

Fourthly, we should be able to learn from the past in planning for the future. In building the foundations for future prosperity it would be wise to reflect on how a more comprehensive and sustainable approach could be taken to support human flourishing and well-being. For example, we may think differently about the desirability of fast economic growth, opting instead for a deeper and more enduring prosperity. We may focus more on intensive rather than extensive growth<sup>5</sup> and place a higher priority on sharing of gains and losses. We may take the view that future prosperity is best secured by moving away from a growth economy towards a more economically, socially and environmentally sustainable model of development. We may seek a more equal society based on the evidence that more equal societies tend to have lower levels of poverty and higher levels of social cohesion.

The analysis leads us to question the model of development we have used in the past. While this model led to unprecedented economic growth it has left social deficits in its wake and seems limited in its capacity to address the challenges facing Ireland in the current recession or to shape our future society. Building on earlier work by NESC, the analysis in the *Well-being Matters* report suggests that the way we state some of our high level goals could be modified, for example:

- ◆ From growth of total GNP to *sustainable growth*;
- ◆ From income growth to *a more equal distribution of income*;
- ◆ From absolute job creation to *participation rate*;

5. Extensive growth is achieved by using more resources. Intensive growth is achieved by using a given amount of resources more productively.

- ◆ From discrete and targeted programmes for disadvantaged groups to *responsive, flexible, person-centred, and tailored publicly funded services for all*;
- ◆ From an exclusive focus on income to *a balance between income and better provision of accessible, affordable quality services*;
- ◆ From developer-led developments to *planned and sustainable communities*;
- ◆ From housing completions to *occupancy rates*; and
- ◆ From 'survival of the fittest' to *a more egalitarian society*.

In this context, it is pertinent to raise certain questions. Three key questions are posed:

- ◆ How do we pursue both individual and collective well-being and make them mutually supportive?
- ◆ What is our vision of Ireland in ten years time?
- ◆ What is the appropriate institutional response?

*'In the context of the economic recession, the urgent and demanding problems which require immediate attention are jobs, income and the accountability of institutions.'*

## Policy Priorities

A number of policy priorities emerge from the review of well-being trends. In the context of the economic recession, the urgent and demanding problems which require immediate attention are jobs, income and the accountability of institutions.

Immediate priorities are:

- ◆ The need to address *unemployment*. There are a number of facets to this: job retention and job creation, as well as addressing unemployment, including poverty prevention. The large increase in unemployment requires diverse and intensive activation measures. In this context it is timely to consider further the development of an Irish system of flexicurity<sup>6</sup>. The *Well-being Matters* report identifies the merits of both greater flexibility (on the part of individuals and institutions) along with a sense of security or certainty (provided by institutions) to enable individuals to be flexible

and to adapt to change.

- ◆ The provision of *financial supports, including pension reform*. Some people have experienced substantial income loss, while many people have experienced at least some loss of income as a result of the recession. A range of responses is required, including an adequate level of income support for those dependent on benefits to prevent poverty, the provision of appropriate accommodations for those experiencing debt and financial stress, and pension reform.

- ◆ The *transformation of institutions and improved accountability*. Institutions and their accountability are critical in ensuring the most obvious dimensions of well-being, such as income, and participation/employment. The operation of democracy and trust in institutions is also central to people's well-being. With the banking crisis and the fall-out of the recession people's trust in some of the institutions of the state has been dented.

As well as the immediate priorities outlined above, attention needs to remain focused on:

- ◆ *Early childhood care and education*. The provision of a more comprehensive system of early childhood care and education should remain a priority as it is one area which can impact on the well-being of children and their families and communities in both the short-term and the long-term.

- ◆ *Life-long learning*. The opportunity for people to engage in education and training throughout their lives enhances their capabilities and sense of purpose as well as augmenting skills of value to the economy.

- ◆ *Care supports to promote independent living*. The well-being evidence reviewed in the report and the policy commitments in key policy documents clearly point to the need to provide care supports to promote independent living for older people and people with disabilities, as far as is possible.

- ◆ *Supports to accommodate working and other activities, especially caring*. A recurring theme throughout the report is the ongoing challenge of 'work-life' balance, especially for people (mainly women) trying to balance

6. Flexicurity involves a combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective labour market policies, and modern, adequate and sustainable social protection systems.

*‘Despite the more limited resources the challenge is to reorganise and restructure institutions to support people... by having a clear vision of the type of society we are working towards as well as systems which support new ways of doing things.’*

working and caring for children, parents or other relatives. The evidence suggests that there is merit in a collaborative approach with various combinations of family, community and state supports, depending on the needs of the family and the person being cared for.

◆ *Building sustainable integrated communities.* Given the current level of housing need and growing waiting lists for social housing, the provision of social and affordable accommodation is now urgent. The experience, expertise and knowledge of the community and voluntary sector is an important resource, especially in contributing to building social capital.

◆ *Promoting better health, including addressing adverse economic and social conditions.* While advances have been made in improving the health status of the population a number of challenges remain. These include access to health services, the prevalence of chronic illness and mental ill health, and health conditions associated with our behaviours including increasing levels of obesity. The role of primary care and primary care health teams is central to the promotion of better health and access to health services.

## Adopting a Developmental Approach

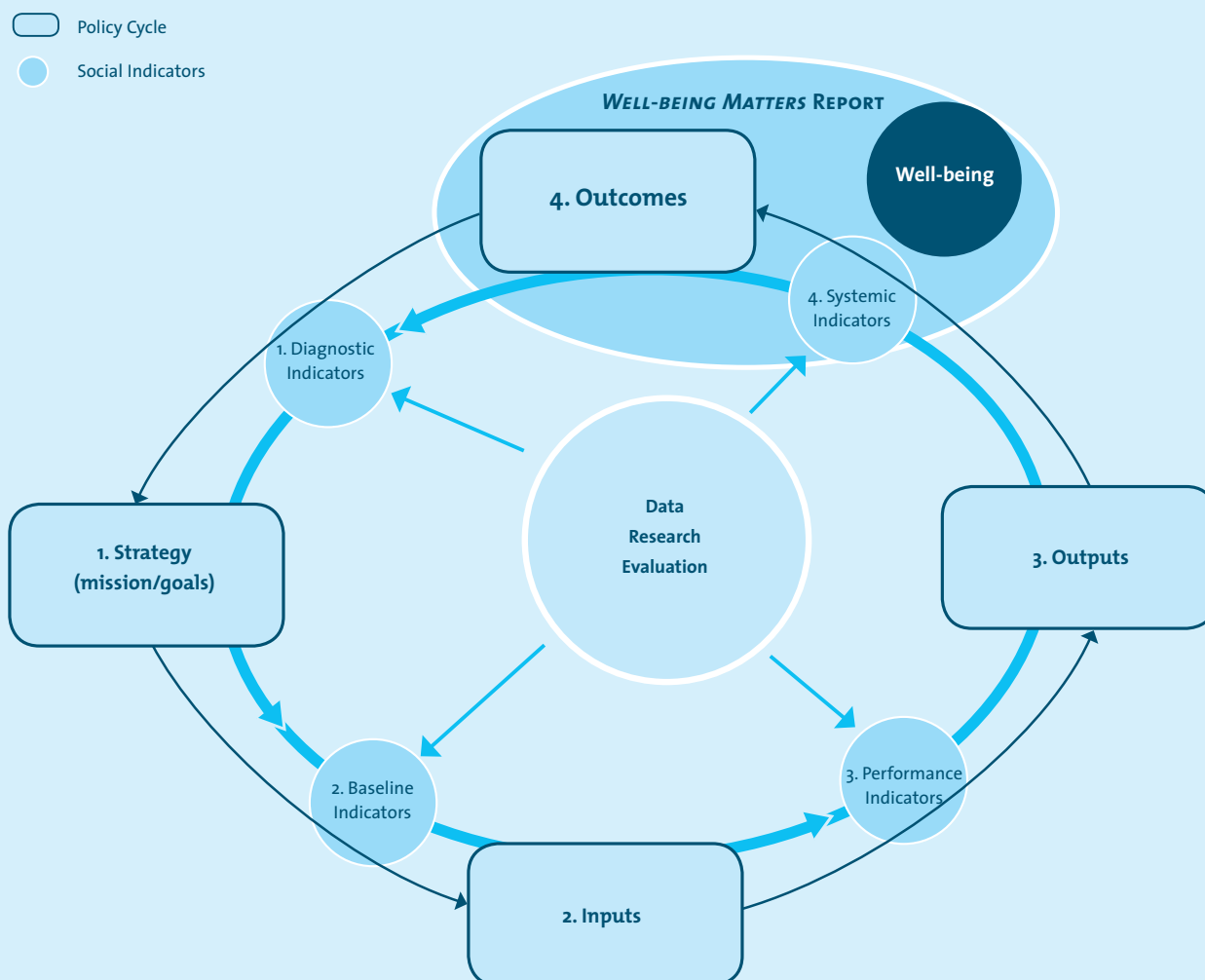
A Developmental Welfare State (DWS) has been articulated by NESC in previous reports and is applied, in part, in *Towards 2016*. A developmental welfare state is a 21st century public policy framework well suited to supporting individual well-being. The developmental welfare state recognises that people are citizens first and foremost, but are heterogeneous citizens with a changing mix of needs, capabilities and circumstances. In advocating ‘tailored universalism’ as an approach, the developmental welfare state implies that: a) services and supports, such as education and health, are available to everyone; but that b) for people with certain needs, and in certain circumstances, additional payments and entitlements to services are tailored to meet their needs. These tailored services address the specific barriers which prevent people from realising their potential.

*Towards 2016* sets out 23 high level goals with associated actions, based on a developmental welfare state approach. The analysis in the *Well-being Matters* report shows that these high level goals correspond well to the well-being needs of the various life cycle groups and remain relevant in these recessionary times. While it is recognised that prioritisation will have to take place due to more limited resources, to discard any of these goals would be a retrograde step. Indeed, the infrastructure of social supports needs to be maintained in the difficult years ahead, as it provides a foundation upon which existing and new social problems can be addressed. Abandonment of any of the goals could potentially damage the well-being of individuals who are in disadvantaged or constrained circumstances and could lead to higher long term costs to the state and to society more generally. The prioritisation of the implementation of these goals has to take place in the context of the financial stabilisation measures being put in place by the Government.

## Policy Implementation

There is a profound challenge to give traction to the developmental welfare state and to deliver the policy priorities and actions associated with the high level goals in *Towards 2016*. The recession is putting a strain on the public services with budget reductions, staffing restrictions and reductions in take home pay. Despite the more limited resources the challenge is to reorganise and restructure institutions to support people. Those working in the policy arena and in the delivery of programmes and services, along with service users, hold the knowledge and expertise to meet these challenges. They must be enabled to deliver a reform agenda by having a clear vision of the type of society we are working towards as well as systems which support new ways of doing things. The community and voluntary sector has a role to play in supporting the design and delivery of services, and in advocating the needs of disadvantaged people.

## Social Indicators in the Policy Cycle



## Policy Monitoring

The *Well-being Matters* report is also concerned with policy monitoring. In implementing policy it is important to assess the extent to which long-term goals are being met and desirable outcomes achieved. Just as important is the need to identify where goals are not being achieved, or where unintended consequences are becoming evident, with possible reasons for these effects. This requires a robust monitoring and evaluation framework which is linked to the policy cycle.

The OECD review of the Irish public service<sup>7</sup> highlighted the importance of linking policy and information processes to focus on outputs and outcomes:

*Instead of focusing on inputs and processes, more information needs to be gathered on outputs and outcomes and what has actually been achieved, so that this can better feed back into measuring how the Public Service is meeting overarching targets and objectives. Realistic expectations of performance need to be developed within organisations that cascade from the top to the individual, and additional managerial discretion is needed to achieve these goals. ... But performance measures and initiatives need to be better aligned with overarching outcomes and high-level societal goals in order for the general public to understand the benefits of the Public Service (OECD, 2008: 13).*

7. OECD (2008) *Ireland: Towards an Integrated Public Service*. Paris: OECD. [www.oecd.org/publishing](http://www.oecd.org/publishing)

*‘Understandings of well-being help us to envisage the type of society we want.’*

One way in which social indicators might better inform the policy system is illustrated in the diagram ‘Social Indicators in the Policy Cycle’. In relation to the policy cycle (rectangular boxes), all government departments and public agencies are required to develop an overall strategy statement. The detail of the strategy is provided in Business Plans and for individuals in Performance and Development Plans. These plans inform the ‘inputs’ consisting of budget, staff and other resources. Through implementation, outputs are produced, leading to outcomes. The outcomes inform subsequent strategies, and so on.

Social indicators (small circles in the diagram) can inform and support this policy cycle. Information, in the form of data, research and evaluation findings, provides the basis for the indicators. Different types of indicators are proposed, and these different types of indicators have distinct roles in informing policy development, implementation and review. ‘Diagnostic’ indicators (who, why, where, what, how) can inform the strategy. These are important so that policies, programmes and actions can be quantified and targeted at those who need them, contributing to both the efficiency of programmes and their effectiveness. Also, in asking ‘why’ certain things are happening or not happening causal reasons for success or failure in policy approaches and programme delivery methods can be uncovered.

Once the strategy has been set ‘baseline’ indicators can be established so that progress from this position, as far as possible resulting from the strategy, can be assessed. For example, baseline indicators might include things like socio-economic status, equality grounds, area/spatial dimension, or institutional status. These indicators can be based on a ‘performance dialogue’ between the users and service providers ‘at the coal face’ and those ‘at the centre’ who are responsible for oversight of the policy or programme.

Subsequently, the performance of the strategy can be measured through assessment of outputs. ‘Performance’ measures involve measurements against the baseline, and could include performance indicators, quantitative and qualitative evaluations, case studies and other methodological instruments, as appropriate. Performance measures may

sometimes include the use of ‘controls’ who have not been subject to an intervention – comparisons can then be made with those who have been subject to the intervention.

Outcomes can be assessed through the use of systemic indicators. These measure high level outcomes, often at national level, according to agreed or commonly used indicators of well-being. They can assess how Ireland is faring in an international context and can measure change over time. They should relate to the high level goals.

In summary, theories or understandings of well-being (navy circle) help us to envisage the type of society we want. The extent to which we are achieving this vision of society can be measured, at least to some degree, using social indicators (blue circular process). The measures can be compared to desirable policy goals and policy outcomes (navy cycle). Many factors come into play in designing and delivering policy, but as illustrated in the diagram, there is potential for understandings of well-being to inform the policy process – both in the indicators used for measurement and in the policy goals and outcomes sought (the blue oval shaded area, which is the concern of the *Well-being Matters* report).

### An Example

An example of how this approach might be employed is taken from Chapter 7 on People of Working Age, in Volume II, of the *Well-being Matters* report. With regard to strategy, *Towards 2016* contains the goal that every person of working age would have an opportunity to balance work and family commitments consistent with business needs. Diagnostic indicators could identify who is trying to balance work and family commitments, for example, dual earner households, lone parents – how many there are, where they are and what are their requirements, as well as issues emerging as a result of the economic recession.

The inputs would include the recommendations of the National Framework Committee for Work-Life Balance policies, any policy or legislative changes required, funding, promotion of any agreed initiatives with employers and trade unions, a range of

*‘A key factor in monitoring well-being trends and outcomes is the availability of good quality, timely data.’*

improved options to support caring (for children, people with disabilities and older people), as well as actions taken as a result of the recession. At this stage, building on the diagnostic indicators, baseline indicators can be established, setting out the number of people requiring a change to their work-life balance arrangements and a record of the current situation.

Subsequently outputs would be recorded, such as the number of flexible working arrangements available, and the numbers of people (women and men) availing of flexible working arrangements. The contribution of these outputs to the overall policy goal would be assessed using performance indicators such as recording the number of changes which have taken place, as well as institutional arrangements which have ‘helped’ to provide opportunities for people to balance work and family commitments, and those institutional arrangements which have ‘hindered’ the process. This information is particularly useful when assessed against the baseline indicators.

The systemic indicator would employ a time use survey to measure the amount of time allocated to different activities, with a view to identifying the ratio of ‘committed’ to ‘non-committed’ or free time. This indicator could be complemented by an indicator measuring satisfaction with hours of paid work and satisfaction with free time (an update of the current analysis carried out by the European Foundation for the Improvement of Living and Working Conditions).

### Data Requirements

A key factor in monitoring well-being trends and outcomes is the availability of good quality, timely data. Many improvements have been made, particularly by the CSO, in recent years. In addition, the National Longitudinal Survey of Children (Growing Up in Ireland) and the Irish Longitudinal Study of Ageing (TILDA), both currently underway, will provide important longitudinal data which will allow us, in time, to chart aspects of people’s well-being across parts of the life cycle. Even though improvements have been made data shortcomings remain, especially in the areas of disability and equality.

### Supports for People of Working Age Example

#### POLICY CYCLE

##### Strategy

To ensure opportunities to balance work and family commitments consistent with business needs

##### Inputs

Work of the National Framework Committee for Work-Life Balance Policies  
Policy (legislative) change  
Budget  
Promotion with employers & trade unions  
Improved caring options

##### Outputs

No. of flexible working arrangements available  
Nos. (both men and women) availing of flexible working arrangements

##### Outcomes

People having a better balance of work-life arrangements

#### INDICATORS

##### Diagnostic

People who are trying to balance work and family commitments – who, how many, where, what are their requirements, and impact of the economic recession

##### Baseline

No. of people requiring a change to their work-life balance arrangements  
Record of current situation

##### Performance

Record of changes  
Institutional ‘helpers’ and ‘hinderers’

##### Systemic

More equal sharing of ‘committed time’ and ‘non-committed time’ between men and women and in line with European best practice  
Satisfaction with hours of paid work and free time.

## Recent NESC Reports

Report No. 112, 2004  
Housing in Ireland:  
Performance and Policy

Report No. 113, 2005  
The Developmental  
Welfare State

Report No. 114, 2005  
NESC Strategy 2006:  
People, Productivity and Purpose

Report No. 115, 2006  
Migration Policy

Report No. 116, 2006  
Managing Migration in Ireland:  
A Social and Economic Analysis

Report No. 117, 2008  
The Irish Economy in the  
Early 21st Century

Report No. 118, 2009  
Ireland's Five-part Crisis:  
An Integrated Social Response

Report No. 119, 2009  
Well-being Matters:  
A Social Report for Ireland

Report No. 120, 2009  
Next Steps in Addressing  
Ireland's Five-Part Crisis:  
Combining Retrenchment  
with Reform

Reports are available  
at a cost from:

National Economic and  
Social Council,  
16 Parnell Square, Dublin 1  
or  
the Government Publications  
Sales Office,  
Sun Alliance House, Molesworth  
Street, Dublin 2

Reports are also downloadable  
from [www.nesc.ie](http://www.nesc.ie)

## Well-being Test

In seeking to do things differently it is helpful to have underpinning principles or criteria driving the reforms. Based on the analysis contained in the *Well-being Matters* report, a 'well-being test' is suggested, based on a developmental perspective.

Each of the criteria set out in the table have been shown, from the literature and the analysis in the *Well-being Matters* report, to be important to well-being. By focusing on **capability** we are paying attention to what an individual can do rather than what they cannot do. Using this criterion we would focus on the developmental potential of all people from an early age – pre-education, through the education system and into life-long learning.

**Agency** is an important component of well-being where respect is given to the capacity of people to make decisions about their lives. In empowering people and taking into account their views, appropriate and tailored services can be provided, with the individual also taking responsibility for their needs, in conjunction with service providers.

A related element of well-being is a sense of **purpose**. Having a purpose in life is a motivating factor which acknowledges people's contribu-

tion, whether this is in paid work, household work, care work or voluntary work.

People are **social** beings characterised by their relationships and **interactions** with others – within families, within communities, and within institutions. While public policy recognises this dimension of people's lives in many of its programmes and initiatives it is helpful to take this wider context into consideration in the nurturing of children, in the sharing of responsibilities and in finding optimal work-life balances.

There is strong evidence to suggest that more equal societies contribute to individual and collective well-being through better health, better educational performance, less crime and greater levels of trust. The implication of this evidence is to put a higher value on the **common good** through ensuring a more equal provision of services, a greater sharing of responsibilities and a greater sense of solidarity.

Well-being and **sustainability** go hand in hand with a longer term view of what is important in our lives. This view recognises that we live in a finite world with finite resources that we need to use wisely now and for the future.

WELL-BEING CRITERIA	DESCRIPTION
<b>Capability</b>	– a focus on what an individual can do with a view to developing capabilities
<b>Agency</b>	– respect for the capacity of individuals to make decisions about their lives
<b>Purpose</b>	– recognising the importance of having a sense of purpose by encouraging and supporting people to engage in meaningful activity
<b>Social interaction</b>	– the recognition that we operate in the context of a set of relationships within families, communities and wider society
<b>Common good</b>	– as individuals and as societies we do better in more equal and fairer societies
<b>Sustainability</b>	– we live in a finite world and have to use our resources wisely now and for future generations



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