



Shifting the Dial in Scotland

How Scotland Performs on wellbeing
and what it should do next



Jennifer Wallace

Acknowledgements

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Foreword



Wellbeing is at the heart of what we do at the Carnegie UK Trust. Our Trust Deed, written by Andrew Carnegie, was far ahead of its time in charging us with the duty to improve wellbeing. At that time, wellbeing was not a common form of words for the activities of charitable organisations. For much of our 100-year history, decisions on our activities were based on an intuitive, or common sense, view of what wellbeing is. We have covered diverse issues such as nutrition, libraries, village halls, further education colleges, care services and music.

So when Stiglitz, Sen and Fitoussi carried out their work on measuring wellbeing, we took a particular interest. We were keen to respond to their recommendations and rise to the challenge of setting up a national-level roundtable on measuring wellbeing. The Carnegie Roundtable concluded in 2011. Since then, we have maintained a focus on wellbeing measurement in Scotland, the UK and internationally.

In all our work, we keep an open mind about what success is and where we might find it. We knew that placing social and environmental data on an equal footing to economic data could be challenging. The fiscal crisis made it likely that this work would be even more difficult.

We did not expect to find international innovation on our doorstep. But our work has repeatedly found that the Scottish National Performance Framework is an international leader in wellbeing measurement, a sentiment repeated by Professor Stiglitz in his address to the OECD World Forum in India, in 2012. Coupled with this, Scotland also benefits from an NGO-initiative, Oxfam's Humankind Index which is raising awareness of Scotland's progress on wellbeing.

Scotland should be proud of its work to date, but not complacent. As we set out in this paper, the wellbeing approach to public policy is not yet fully embedded in Scotland. By going one step further and ensuring wellbeing is at the heart of policy development, Scotland has the opportunity not only to lead the world on wellbeing policy, but to use it as a lever to improve the wellbeing of the people. Which is surely, after all is said and done, the real point of measuring what matters.

Martyn Evans, Chief Executive

1 Introduction



If you want to be happy, set a goal that commands your thoughts, liberates your energy and inspires your hopes.

Andrew Carnegie

Wellbeing is at the heart of what we do at the Carnegie UK Trust. For 100 years, we have invested in assets (both tangible assets, such as libraries, and intangible ones, such as community capacity building) with the express aim of realising the ambition Carnegie had for the Trust to improve the wellbeing of the people.

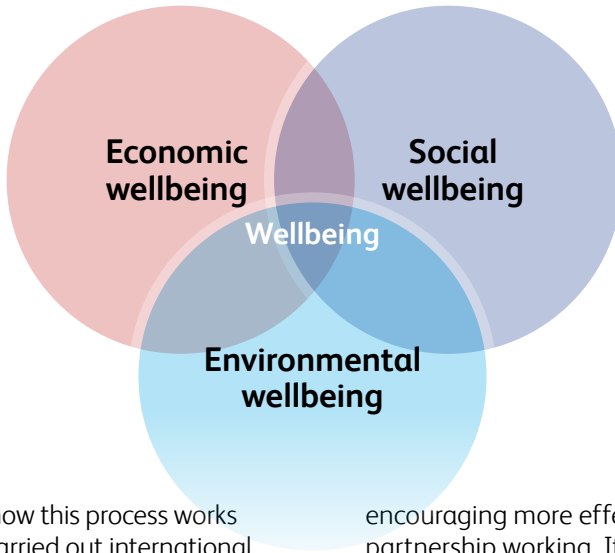
Our move from a grant-making trust to an operating trust focusing on policy development is due to a recognition that in order to ‘make change happen’ we need to be thinking much more strategically, looking at the opportunities open to society as well as the threats that challenge us. Working in this way means working in partnership with civil society, but also with government which holds so many of the levers of change in society today. This theme of government and civil society working together is one we will return to throughout this paper.

Recently, we have been involved in challenging work on moving the measurement of wellbeing away from an overreliance on GDP to a much wider understanding about what makes for a stronger and fairer society. We were interested in the argument that what we measure matters in a policy context. In advanced democracies, policy development is complex, but almost always relies on evidence of some kind. When the only evidence used, or valued, is based on economic indicators, social and environmental impacts of decision-making can be deprioritised. Using the concept of wellbeing, incorporating economic, social and environmental factors, can (at least in theory) help rebalance decision making (see figure 1).

The Trust’s work on Measuring What Matters began with the Carnegie Roundtable on Measuring Economic Performance and Social Progress in Scotland, which reported in 2011¹. We became convinced that this agenda would only ‘make change happen’ if it moved away from a rather dry and dull debate on statistics and became embedded in policy-making processes.

¹ Carnegie UK Trust (2012) *More than GDP: Measuring What Matters* <http://www.carnegieuktrust.org.uk/publications/2011/more-than-gdp--measuring-what-matters>

Figure 1:
What is
Wellbeing?



To understand how this process works in practice, we carried out international research into initiatives on measuring wellbeing that appeared, from the outside, to be successful in moving from data debates to policy change² (see box 1).

Those experiences taught us a lot about what is needed to move from data collection to policy change. It also gave us cause to look again at developments in Scotland and review them in the light of best international practice. Scotland has two wellbeing measurement programmes:

- The Scottish Government's National Performance Framework (Scotland Performs):³ This is a single framework, or dashboard, to which all public services in Scotland are aligned,

encouraging more effective partnership working. It is outcomes-based and includes both objective and subjective wellbeing measurements.

- The Oxfam Humankind Index⁴: This is a composite index developed by community consultation on what matters most to citizens' wellbeing. Over 3,000 people were involved in selecting indicators and weighting them according to their preferences. The data used to create the index comes from national surveys such as the Scottish Households Survey, Scottish Social Attitudes Survey and Scottish House Conditions Survey and is therefore robust.

² Wallace, J. and Schmucker, K. (2012) *Shifting the Dial: From wellbeing measures to policy practice* <http://www.carnegieuktrust.org.uk/publications/2012/shifting-the-dial--from-wellbeing-measures-to-poli>

³ Scottish Government (online) <http://www.scotland.gov.uk/About/Performance/scotPerforms> (accessed May 2013)

⁴ Oxfam (online) <http://policy-practice.oxfam.org.uk/our-work/poverty-in-the-uk/humankind-index> (accessed May 2013)

Box 1: Carnegie UK Trust and wellbeing measurement

1 The Carnegie Roundtable on Measuring Economic Performance and Societal Progress in Scotland.

In 2010, the Trust worked with the Sustainable Development Commission for Scotland to establish a roundtable to identify and prioritise indicators on social progress, as recommended by the Stiglitz-Sen-Fitoussi report. It made a number of recommendations regarding the National Performance Framework to better reflect a wellbeing approach.

- #### 2 Shifting the Dial: From wellbeing measures to policy practice.
- In 2012, concerned about the focus on measurement rather than policy use, the Trust worked with IPPR North to carry out international case study research in jurisdictions that were further ahead than the UK in using wellbeing data to inform policy change. The case studies included: government initiatives in the State of Virginia (USA), France, the City of Guelph (Canada), the City of Somerville (USA) and civil society initiatives in Canada (the Canadian Index of Wellbeing and the Vital Signs initiatives).

One important comment on the above is that both Scotland Performs and Oxfam's Humankind Index use similar national data sources. The difference is both in **process**, the weight given to community voices being far greater in the Humankind Index, and **presentation**, the use of a dashboard versus an index.

In addition, Scotland has access to statistically robust data on subjective wellbeing through the Office of National Statistics (ONS) Measuring National Wellbeing programme⁵. The approach of the ONS differs from the Scottish Government approach in two ways. Firstly, the Scottish Government prefers to use the Warwick-Edinburgh Measure of Mental Well-being (WEMWBS)⁶ to the four questions on subjective wellbeing developed by the ONS. Secondly, in Scotland Performs, WEMWBS is only one of 50 indicators, and is given no special status. In the ONS Measuring Subjective Wellbeing programme, the four subjective wellbeing questions are central with all other measurements given less prominence in the programme.

⁵ Office for National Statistics (online) <http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/index.html> (accessed May 2013)

⁶ NHS Health Scotland (2006) *The Warwick-Edinburgh Mental Well-being Scale* <http://www.healthscotland.com/documents/1467.aspx>

The Scottish approach is undoubtedly more political, with the government selecting salient indicators increasingly in consultation with other partners, while the ONS went through an extensive public consultation phase.

While these initiatives are often set up in tension with one another, our international work has helped us understand that while they are doing fundamentally different tasks, taken together, they provide Scotland with a powerful framework to embed a wellbeing approach to public policy.

This paper:

- Explains why wellbeing measurement initiatives are important.
- Explores whether the current mechanisms add up to a wellbeing approach to public policy.
- Describes what needs to be done next if Scotland is to lead the world on a wellbeing approach to public policy.



2 Beyond GDP

The gross national product does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages; the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage; neither our wisdom nor our learning; neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile. Robert F. Kennedy, 1968

Since the financial crisis in 2008, we've been hearing a lot about GDP. Minute percentage increases and decreases in a figure few of us understand have gripped us, signalling the difference between economic decline and that much sought-after recovery. It is perhaps a little odd, then, that at the same time, international experts have been deconstructing GDP and questioning its use as the central measure of social progress.

GDP measures the 'busyness' of the economy. And for a period of time, it was a reasonable predictor of social progress (though the economist who developed it, Simon Kuznets, counselled against using it in this way⁷). It was a barometer for whether things were getting better or worse – activity in the market can generate wealth and paid employment which, in turn, makes a lot of other things more achievable in society⁸.

But from the 1970s onwards, economists like Easterlin began to realise that GDP and 'life satisfaction' did not go up in a linear way, instead the relationship appears to suffer from the law of diminishing returns – above a certain amount of GDP per head of population, improvements in life satisfaction are far less pronounced⁹.

⁷ Scott, K. (2012) *Measuring Wellbeing: Towards sustainability?* Routledge; Oxon

⁸ Carnegie UK Trust (2012) *More than GDP: Measuring What Matters* <http://www.carnegieuktrust.org.uk/publications/2011/more-than-gdp--measuring-what-matters>

⁹ Easterlin R. (1974), 'Does Economic Growth Improve the Human Lot? Some Empirical Evidence' in P. David and M. Reder (eds.), *Nations and Household in Economic growth: essays in Honor of Moses Abramovitz*

By the 2000s, a further issue was being recognised in the UK, that GDP had ‘decoupled’ from median incomes so, while GDP went up 11% between 2003 and 2008, median incomes were virtually flat¹⁰. While the use of GDP as the sole indicator of social progress was always questionable, this lost connection between GDP growth and the experiences of individual citizens presents a more fundamental problem. The failure of GDP as a measure of social progress presents an opportunity to reconsider what we mean by social progress and for us to develop systems that better ‘measure what matters’.

This international debate on the limits of the use of GDP gathered pace in the fiscal crisis and it was led by the Stiglitz-Sen-Fitoussi Commission, instigated by President Sarkozy of France, to identify the limits of GDP as an indicator of economic performance and social progress, including the problems with its measurement¹¹. Their conclusion was that ‘wellbeing’ was a more useful concept, and that by framing our measurement systems around wellbeing, governments can better understand trade-offs between economic, social and environmental factors and ultimately make decisions to improve outcomes for citizens.



¹⁰ Wallace, J. and Schmucker, K. (2012) *Shifting the Dial: From wellbeing measures to policy practice* <http://www.carnegieuktrust.org.uk/publications/2012/shifting-the-dial--from-wellbeing-measures-to-poli>

¹¹ Stiglitz J, Sen A and Fitoussi J-P (2009) *Report by the Commission on the Measurement of Economic Performance and Social Progress* http://www.stiglitz-enfitoussi.fr/documents/rapport_anglais.pdf

3 Understanding wellbeing

Statistics are people with the tears washed away. Victor Sidel.¹²

Debates about wellbeing can be traced back to Aristotle and often involved confusing language as people contrasted eudemonic with hedonistic wellbeing. More recently, academics and others have spoken about quality of life, happiness¹³, flourishing¹⁴ and evaluative wellbeing¹⁵.

There are essentially two separate theories of wellbeing:

- Subjective wellbeing, such as happiness or evaluative wellbeing. These approaches tend to give you one number, for example the percentage of the population that is happy, or satisfied, at any given time. Or the average satisfaction score of the population – usually out of 10. You can then break these down using statistical techniques and find out what makes people happy or satisfied

with their life. The focus of wellbeing policy, then, is to improve those things to maximise overall wellbeing. Analysing subjective wellbeing tells you some interesting things. For instance, unemployment has a scaring effect on your wellbeing, with the negative impact lasting much longer than your spell of unemployment¹⁶. A wellbeing approach would prioritise keeping people in work even if it meant pay cuts. In another area, once you've got enough money to get your basic needs met, you'd need to have your salary increased by five times to get the same impact on wellbeing as you get from volunteering¹⁷.

- Objective wellbeing which is far more typical in social policy terms. Measuring outcomes, or quality of life, is usually done through a range of objective indicators at an individual level – what level of schooling did you get, what is your household income and so on. In this mix, you also often

¹² Distinguished University Professor of Social Medicine at Montefiore Medical Center and the Albert Einstein College of Medicine in the Bronx, New York and author of *Social Injustice and Public Health*, Oxford University Press

¹³ Layard, R. (2011) *Happiness: Lessons from a New Science* Penguin, London

¹⁴ Seligman, M. (2011) *Flourish: A new understanding of happiness and wellbeing – and how to achieve them* Nicholas Brealey Publishing

¹⁵ Diener, E (2000). *Subjective well-being: The science of happiness and a proposal for a national index*. *American Psychologist*, 55(1), 34-43.

¹⁶ OECD (2012) *How's Life?*

<http://www.oecdbetterlifeindex.org/#/000000000000>

¹⁷ Ibid

get society-wide information on issues such as pollution levels, for example. What makes objective indicators into a wellbeing approach is the focus on developing a holistic picture built up of different indicators relating to different aspects of wellbeing, rather than focusing solely on service-specific indicators (for example, health indicators for health policy, education indicators for education policy and so on). For this approach, the relationship with wellbeing goes in the opposite direction than the subjective wellbeing data – you build up a picture of wellbeing through individual indicators which are then presented either as a dashboard or as a composite index.

What is important is that whichever way you come at it, drilling down into subjective wellbeing to find out what affects it, or building up a picture of objective wellbeing from a range of indicators presumed to impact on wellbeing – the end result is a very similar list of ‘domains’ of wellbeing.

3.1 Domains of wellbeing

Different stakeholders use different language to describe the key elements of wellbeing. In our *Shifting the Dial* report, we looked at eight separate wellbeing indicator projects and found that they were remarkably similar. Table 1, over the page, repeats this exercise with Scottish initiatives and shows the combined list of major domains from *Shifting the Dial* combined with those from the ONS, OECD Better Life analysis, the national outcomes from *Scotland Performs* and the indicators used to compile the *Humankind Index*. The *Canadian Index on Wellbeing* and *Virginia Performs* are included as additional international comparators.

Both dashboards and subjective measures depend on indicators – subjective measures use them to explore what impacts on subjective wellbeing, while dashboards use them to build up an overall picture of wellbeing. While some wellbeing measurement systems have only one indicator per domain (like the *Humankind Index*), others have multiple indicators making the analysis more detailed (for example, *Scotland Performs* and the *Canadian Index* both have a large number of indicators, 50 and 64 respectively). What is important is not to lose sight of the fact that these indicators are proxies for wellbeing, they are touchstones, and they are not perfect nor are they complete. For example, when we measure children’s dental health in

Table 1: Domains of wellbeing used by wellbeing measurement initiatives

	OECD How's Life Report	ONS	Scotland Performs	Oxfam Humankind Index	Canadian Index on Wellbeing	Virginia Performs
Income	✓	✓	✓	✓	✓	✓
Employment	✓	✓	✓	✓	✓	✓
Housing	✓		✓	✓	✓	
Health	✓	✓	✓	✓	✓	✓
Work-Life balance	✓	✓		✓	✓	
Education	✓	✓	✓	✓	✓	✓
Social connections	✓	✓		✓		
Civic engagement	✓	✓			✓	✓
Environment	✓	✓	✓	✓	✓	✓
Personal security	✓	✓	✓	✓		✓
Subjective wellbeing	✓	✓	✓	✓		
Transport			✓	✓		✓
Leisure and culture			✓	✓	✓	
Tolerance and equalities				✓		
Subjective wellbeing, dashboard or index	Subjective wellbeing and dashboard	Subjective wellbeing and dashboard	Dashboard	Index and dashboard	Index and dashboard	Dashboard

Scotland Performs, it is a proxy for those children living in a household where they are well cared for. The difficulty of accessing high-quality data for all domains was raised by all of our international case studies and is also evident in Scotland. Selecting appropriate indicators to act as proxies is as much an art as it is a science.

The table shows that in Scotland our two key initiatives include the majority of the domains included in our international case studies. But there are some differences. Scotland Performs does not include a proxy for social connections, though Oxfam Humankind Index does, again using official data sources from the Scottish Household Survey to identify the proportion of people who said they feel their area has a 'Sense of community/friendly people'. The Humankind Index also includes:

- an indicator on work-life balance, which they see as a proxy for good relationships with family and friends, from the ONS publication 'Regional Labour Market Statistics' which provides data on the average working week in Scotland. This is recognised as an imperfect proxy.
- an additional domain not mentioned in the international case studies for tolerance and equalities, from the Scottish Social Attitudes Survey, which asked whether people felt that Scotland should get rid of all prejudice.

Despite falling voting activity, neither the Humankind Index nor Scotland Performs presents information on voting registration or voting activity. The international evidence suggests this would be a useful indicator to include. Similarly, while some effort is made to measure social connections by the Humankind Index, neither it nor Scotland Performs presents information on volunteering rates.

3.2 Describing wellbeing: dashboards, indices and headline figures

The complexity of wellbeing is its strength but also presents a considerable challenge. GDP came to dominate as our primary measure of social progress because it presented as one figure (the GDP figure sits at the top of a 'pyramid' of complex economic data). Proponents of a wellbeing approach have therefore been debating whether to develop an alternative single figure. On the one hand, a single figure could capture the public's imagination the way GDP has; on the other hand, it would be subject to similar complaints made about GDP that trying to describe the complexity of social progress in a single number will lead to unintended consequences.

There have been three ways that wellbeing approaches to measuring social progress have tackled this issue:

- To report **subjective wellbeing** as the 'headline' measure. This is the approach taken by the Office of National Statistics in the UK. Underneath the 'headline' measure, there are a range of indicators which are known to influence wellbeing. A similar method has been used in France, though with less success.

- To report a **dashboard** of indicators. This is the approach taken by Scotland Performs. It is similar to Measuring Australia's Progress, the OECD Better Life Index and Virginia Performs. This method appears to be the most common approach used by governments, and was promoted by the Stiglitz-Sen-Fitoussi report.
- To report a **composite index**, a single figure made up of a number of indicators of wellbeing. This is the approach taken by the Humankind Index. Indexes can be simple equations based on the percentage change in indicators over a period of time (the approach taken by the Canadian Index), or they can be weighted to emphasise certain indicators more strongly within the calculation of the final index number (the approach taken by the Humankind Index). No government we studied has used a composite index approach.

Each of these approaches has advantages and disadvantages. Our international research found that each was trying to achieve subtly different objectives. Understanding what they were trying to achieve, and their parallel strengths and weaknesses can help us explore whether they come together into a coherent wellbeing approach to public policy



4 A wellbeing approach to measuring and promoting social progress in Scotland

What we measure affects what we do; and if our measurements are flawed, decisions may be distorted.

Stiglitz, Sen and Fitoussi, 2009

The previous chapter identified three ways of approaching wellbeing measurement: subjective wellbeing, a dashboard of indicators and a composite measure. In the initiatives that we studied, it was common for only one approach to be used. The exception to this was Canada, where Vital Signs programmes (established by Community Foundations) set out local and national dashboards of indicators, while the Canadian Index of Wellbeing presents a composite measure and a dashboard. At a local level, in the City of Guelph, subjective wellbeing was combined with a dashboard of indicators approach.

We found nowhere that had the combination of all three approaches that we find in Scotland: a dashboard of indicators through the Scottish Government's National Performance Framework, an NGO-driven composite index and access to subjective wellbeing through the UK-wide ONS wellbeing programme.

Scotland is in a fantastic position to build on these initiatives and develop

a coherent approach to wellbeing. But frustratingly, debate often centres on whether one of these mechanisms is 'better' than the others:

- The ONS approach is perceived as 'shallow' and focussing too heavily on happiness rather than a deeper understanding of wellbeing;
- The National Performance Framework is seen as disconnected from communities and citizens, and often seen as an internal performance management system rather than a wellbeing approach to public policy;
- The Oxfam Scotland Humankind Index is criticised for lacking statistical robustness due to its use of weights in the data to influence the overall index figure in favour of indicators considered important by citizens during the consultation exercises (the indicator data itself is from national surveys and is statistically robust).

Each of these criticisms has a kernel of truth, but setting one up against the other is to fundamentally misunderstand their purpose. By better understanding their roles in a coherent wellbeing approach, we can begin to see how each adds to the whole, giving Scotland's approach to wellbeing the opportunity to be 'more than the sum of its parts'.

Our international research identified a number of ways in which we can use wellbeing measures in the policy cycle. These can be condensed into three aims:

- To spark a debate on wellbeing
- To develop policies to advance wellbeing
- To evaluate the impact of policies on wellbeing

What we found was that some approaches to delivering these aims were more successful than others. Composite measures sparked debate, but were not enough on their own to develop new policy solutions. Government dashboards were great at developing policies, but failed to capture the public's imagination. Subjective wellbeing measures worked well as evaluative tools, but were not often effective ways of sparking debate on wellbeing and social progress.

In this section, taking each in turn, we explore what this means in a Scottish context.

4.1 Sparking a debate

The role of politicians and governments

Our international work found a strong role for politicians in sparking a debate. The case studies included two mayors (in Mayor Farnbridge in Guelph and Mayor Curatone in Somerville), a Governor (Mark Warner in Virginia) and a French President taking on the role of using wellbeing to define the vision for society. John Swinney, MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth is playing a similar role in Scotland.

These vision statements are important as they signal, in each government, that they are no longer going to put GDP at the top of their priority list but rather focus on a range of wellbeing indicators. The Scottish approach in the revised 2011 National Performance Framework is similar to what we found internationally, talking about a smarter, fairer, healthier, greener and wealthier Scotland. The overall statement of purpose (see box 2), which sits at the top level of the National Performance Framework, has been criticised for maintaining a central position for economic growth.¹⁸

Box 2: The Scottish Government Purpose Statement

The Purpose of the Scottish Government is to focus Government and public services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.

What makes this different to normal political statements is first the holistic approach – looking in the round at what would improve wellbeing. And secondly, the difference is the commitment to put in place a system of measurement to be able to track progress against the vision statement. In most cases that we

¹⁸ Oxfam Scotland (2011) *Revising Scotland's National Performance Framework: A briefing from Friends of the Earth Scotland, Oxfam Scotland and WWF Scotland* <http://policy-practice.oxfam.org.uk/our-work/poverty-in-the-uk/~/media/0862E084A0E24125AA29E9914EA178F3.ashx>

reviewed, governments used a dashboard approach (some in conjunction with subjective wellbeing). No government used a composite index approach.

Our international case studies also raise a warning for the Scottish approach, based on the experience in France. President Sarkozy was a leading advocate of the move away from GDP as the sole measure of progress, and established the Stiglitz-Sen-Fitoussi Commission. However, even prior to the election of President Hollande in 2012, the electoral cycle had impacted on the President Sarkozy's interest in the wellbeing project, which became increasingly marginal and reduced to a small number of papers from INSEE (the French national statistics authority).

Both Virginia and Guelph moved very quickly away from the leadership being located in one person, the political visionary, and towards a cross-sectoral interest group – in Virginia, this is the Council on Virginia's Future, in Guelph, it is the Leadership Group on Wellbeing. Virginia also put their system on the statute books, making it difficult for the next Governor to change the system, locking it into their model of government.

The role of civil society

Those working on wellbeing measurement come from a range of backgrounds: environmental, economic and social policy. But across all three areas, there is a growing sense that we

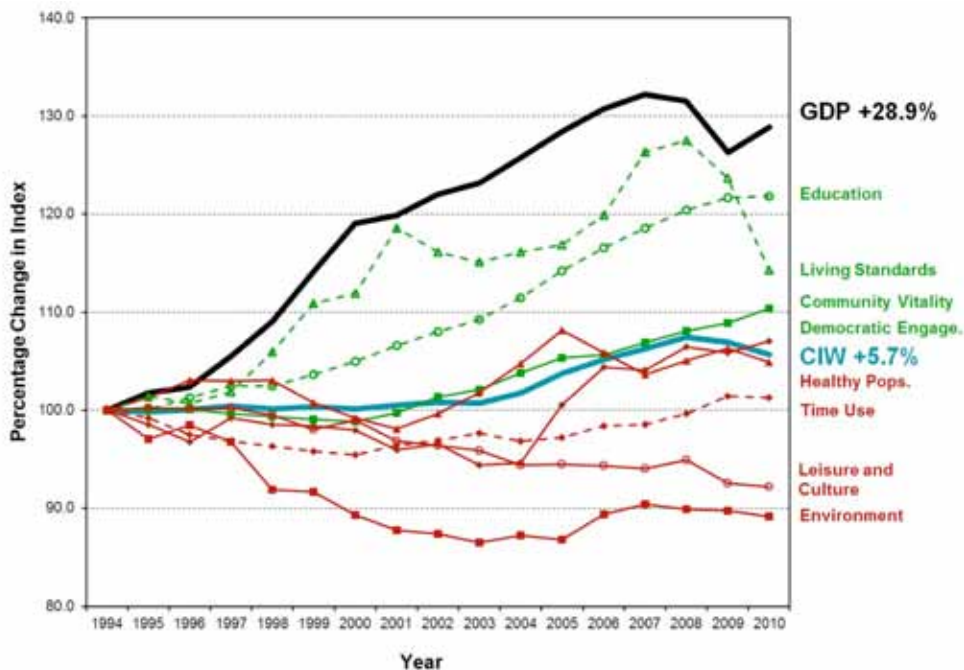
are going through a paradigm shift, which the New Economics Foundation have called the Great Transition¹⁹. Debating wellbeing, and what makes a good society, can be seen as part of this wider debate.

But to successfully move the debate forward, it has to be wider than a debate about measurement and statistics, and it has to involve a far wider group of people than it has to date in Scotland.

In our international work, we found more evidence in Canada than other jurisdictions that a debate was happening with citizens about what social progress is and how it should be achieved. At a national level, the Canadian Index of Wellbeing has gathered a significant amount of press and public interest. The most recent Canadian data was released at the end of 2012 and the press focused on the fall-off in wellbeing since the recession, and the gap between wellbeing and GDP. The index shows clearly that GDP has increased since 1994, but wellbeing has increased by far less²⁰. And over the past 20 years, it is clear that overall wellbeing has been affected by an increase in income but a drop-off in leisure and culture. Presented in this way, it invites its audience to ask more questions of government and of themselves (see figure 2).

¹⁹ New Economics Foundation (2009) *The Great Transition* <http://www.neweconomics.org/publications/great-transition>

²⁰ Canadian Index of Wellbeing (2012) *How are Canadians Really Doing* <http://www.ciwi.ca/>

Figure 2: Canadian Index of Wellbeing 2012

The index is criticised amongst statisticians and others who argue that you cannot reduce wellbeing to a single number. However, these criticisms perhaps misunderstand the purpose of the Index. Its purpose is not to find the one number that all social progress can be condensed into. It is rather to show general trends in wellbeing and spark a conversation from that data on whether this is progress or not.

We saw few examples of community engagement in the development of subjective wellbeing approaches, and similarly little in the way of subsequent public debate. It should be noted

that the ONS is an exception to this, as they did carry out a large scale consultation exercise with the public. But for dashboard approaches, all the examples we explored used a range of indicators selected through community engagement exercises.

In Canada, the Canadian Index of Wellbeing, the Vital Signs programme and the City of Guelph all worked with communities extensively to understand what wellbeing meant to them. This gave them a level of credibility when talking about whether wellbeing was increasing or decreasing (see box 3).

Box 3: Community engagement in the City of Guelph

The City of Guelph is a municipality with a population of 122, 000 people in Ontario, Canada. Developed by the Mayor from a belief that system-wide thinking was necessary to tackle complex social problems, the programme uses the Canadian Index of Wellbeing as a framework. Community engagement is a key aspect of the work of the Guelph Wellbeing Leadership Group. In addition to a large-scale wellbeing survey they are:

- Hosting ward-level conversations and web interactions.
- Developed a ‘workshop in a box’ tool for residents to download from the website and provided training to community leaders to allow them to host their own wellbeing conversation.
- Going out to public places and community organisations to host ‘Places and Spaces’ conversations with residents. This is designed to take the conversation out into the community, making it more accessible to those traditionally harder to reach.
- Hosting a ‘Telephone Town Hall’ meeting with 700 residents participating in a questions and answer forum from their own homes.
- Hosting a ‘Fall Forum’ for community members to discuss the emerging findings of the engagement activity.
- Engaging neighbourhoods in a Photovoice project, where residents use photography to research being well in neighbourhoods in Guelph.

They talked extensively about the role that the community played in selecting the indicators – they said that the legitimacy of the programme came not from an expert view of what wellbeing is but from the fact that it wasn’t what academic experts say wellbeing is – it’s what the people of Canada told them wellbeing is. This is a powerful message.

The Scottish Government did not carry out any community engagement on the development of the National Performance Framework. The Carnegie Roundtable criticised this lack of participation, seeing it as a necessary part of the process of gaining legitimacy

for the wellbeing measurement programme. In contrast, the Humankind Index carried out consultation with community groups and undertook survey research with YouGov to inform their work. In government schemes, there can be a perceived tension between democratic, elected representation (through the government) and participatory democracy. However, we would stress that each of the government case studies we investigated included a participatory element to their work and have benefited from a wider level of interest in the measurement than is apparent in Scotland at the present time.

4.2 Wellbeing policy development

Our international case studies found less evidence than we had hoped for on direct policy changes as a result of using wellbeing measurements. In part, this is due to the early stage of many of the initiatives, but it is also a function of a system that works both horizontally and vertically across governments: it can be difficult to trace back the contribution that the wellbeing measurement approach had to the eventual policies that are developed.

We identified three policy uses of wellbeing measurement:

- **Identifying gaps:** Using a wellbeing approach to policy development often highlights issues that were not previously seen as policy priorities. For example, the quality of the local environment came out strongly in the City of Somerville. Alternatively, it can show differences in experiences between different groups in society. In Toronto, it helped them explore the experiences of young people to develop solutions to counteract a rapid increase in violent crime.
- **Shifting to prevention:** In general, wellbeing data appeared to shift policy attention from remedial policies to preventative ones. For example, by focusing on prevention to improve health outcomes (as in Virginia) or using physical activity to reduce crime (as in Toronto), the wellbeing perspective appears to encourage decision-makers to look for creative ways of improving wellbeing by focusing 'up-stream'.
- **Joined-up solutions:** Wellbeing measurements provide government with a holistic view of the impact of current policies. In our case studies, this was often followed by a renewed emphasis on findings joined-up solutions and overcoming the dominant, silo-based way of working.

What all of these examples show is something that the Virginians called the **pursuit of why**. The data itself doesn't give you all the answers, it didn't tell the Canadians why immigrants were so unhappy in their jobs, or why young people in Virginia were getting such a rough deal out of the care system. For the answers, they had to ask a range of stakeholders, including the people directly affected, why are some groups doing so much worse and why are some doing so much better?

Following the Christie Commission²¹ and the Scottish Government's endorsement of its key messages around the need for both preventative working and joined-up working in public services, it is clear that Scotland is already making progress on these policy agendas. What is harder to find is evidence that National Performance Framework is actively contributing to these agendas and a key element of the emerging 'Scottish model of government'²².

In addition to the efforts made by the Scottish Government to use the National Performance Framework as a tool for horizontal integration, they have also used it as a key element of vertical integration. Where horizontal integration refers to joining-up between government departments, vertical integration refers to strengthening the linkages between central and local government. This has traditionally been managed through financial arrangements, such as ring-fencing of service specific budgets. As part of their rethinking of public services in 2007, the Scottish Government fundamentally changed the relationship between central and local government through a process called Single Outcome Agreements. These agreements set specific, shared outcomes for the Community Planning Partnerships

(bringing together health services, local councils, local fire and police services and others, including the local voluntary sector). The Single Outcome Agreements are based on the National Performance Framework, but with local flexibility allowing the CPPs to focus on locally-determined priorities. On agreement of the outcomes, financing is agreed, with no ring-fencing from the Scottish Government. The vertical link between the National Performance Framework and Single Outcome Agreements is clear, but what is less clear is the extent to which the logic of the NPF and its holistic approach to wellbeing is followed through at local level.

The Carnegie UK Trust is currently supporting Oxfam Scotland to develop a policy assessment tool, which would allow members of the public and civil servants to quickly 'weigh up' whether proposed policies are likely to improve wellbeing. This tool reinforces the need to see wellbeing in a holistic way and highlight areas where policy proposals could be improved to make them more wellbeing positive. It will also highlight the need to consider the impact on equalities groups. The tool will be available later in 2013 and it is hoped that local community planning partners will be amongst those using it to plan policies and maximise the positive impact on all domains of wellbeing.

21 Scottish Government (2010) *The Commission on the Future Delivery of Public Services* <http://www.scotland.gov.uk/About/Review/publicservicescommission>

22 Elvidge, J. (2012) *The Enabling State: A discussion paper* <http://www.carnegieuktrust.org.uk/publications/2012/the-enabling-state---a-discussion-paper>

4.3 Evaluating impact

One of the key benefits of wellbeing data is providing an overall sense of direction of travel – in general, are things getting better or are they getting worse? This is the strength of the composite index approach, but it can be difficult to relate changes to specific policies.

Developments in England have focused on using subjective wellbeing data as a programme evaluation tool, led by the Cabinet Office. Outside government, the Big Lottery has recently used subjective data as a tool to evaluate its wellbeing programme²³. In these cases, subjective wellbeing appears to be useful for programme evaluation, but it would be difficult to do this for a general population as there are simply too many things that go into people's subjective assessment to be able to say whether it was a government intervention that made the difference.

Dashboards can help show whether specific interventions have had an impact on wellbeing indicators. We can see, for example, that since 2006 Scotland has made progress on a 24 out of 50 indicators including:

- Improve people's perceptions about the crime rate in their area
- Reduce reconviction rates
- Improve the responsiveness of public services
- Reduce the proportion of individuals living in poverty

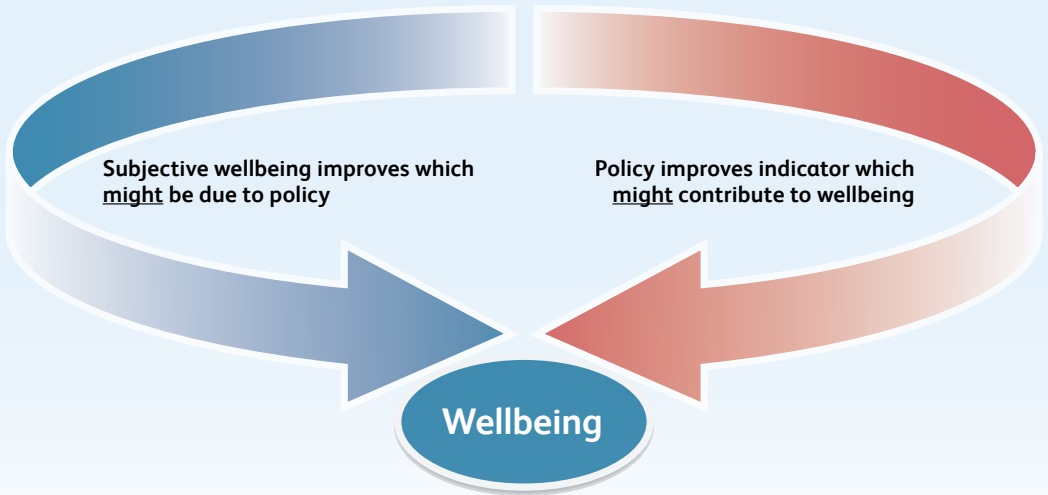
- Improve access to suitable housing options for those in housing need
- Improve people's perceptions of their neighbourhood
- Reduce Scotland's carbon footprint
- Improve the skill profile of the population
- Increase the proportion of young people in learning, training or work
- Reduce premature mortality

A number of Scottish Government policies will have influenced these changes. For example, the ban on smoking in public places is likely to have contributed, at least in part, to the 12% decrease in premature mortality since 2006. A focus on rehabilitation in criminal justice may well have impacted on the reduced reconviction rates. However, it is difficult to say whether this means that the overall wellbeing of people in Scotland has improved.

As the diagram on the following page shows, both approaches (objective indicators and subjective measures) experience a similar problem – in order to prove the relationship between action and impact, a 'logical leap' must be made. In subjective wellbeing, you are asked to believe that it was the policy, and not a range of other factors, that caused the change in subjective wellbeing. For objective measures, evaluations are often designed to show that the policy intervention impacted on the indicator, but the overall impact on either individual or societal wellbeing remains unquantified.

²³ Big Lottery (2012) *Evaluating Wellbeing: Evaluating how BIG is supporting projects that focus on well-being in England* <http://www.biglotteryfund.org.uk/research/health-and-well-being/evaluating-well-being>

Figure 3: The “logical leap” in objective wellbeing indicators compared to subjective wellbeing indicators



Dashboard approaches have one further problem – people can get overly attached to the indicator and forget the key point is how all of the indicators work together to create an overall picture of wellbeing. In Virginia, we found that they rarely used cross-sectoral indicators, so health would continue to evaluate with health-related wellbeing indicators, education with education and so on. Keeping it together as a holistic view of societal progress is not easy given the tendency towards silos in the public sector. Again, it is unclear the extent to which Single Outcome Agreements are encouraging shared accountability for outcomes at a local level.

Neither approach is therefore without difficulties, but even taking this on board, there is a significant gap in evaluation in

Scotland in terms of the extent to which policies are directly impacting on the indicators, and whether improvements in those indicators are having any noticeable effect on subjective wellbeing (either through ONS data or through the Warwick-Edinburgh Mental Wellbeing data). Similarly, it is unclear as to the extent to which a holistic approach to programme evaluation is being carried out, for example using Single Outcome Agreements as the indicator set for evaluations of local initiatives.

The problem for advocates of wellbeing is that without such information, the debate continues to be one of measurement rather than about developing or sustaining policies that have been shown to impact on wellbeing.

5 What should Scotland do next?

Through the National Performance Framework, we have tried to construct an assessment of national performance that is not just a report card about the Government. It is about all kinds of things, such as how people live their lives, how they want to live their lives, their aspirations, and their hopes in our society. John Swinney, MSP, Cabinet Secretary for Finance, Employment and Sustainable Growth, September 2012

Both Scotland Performs and the Humankind Index have the potential to make a positive impact on the policymaking process. They can spark debate, help develop a vision, help generate new approaches to policy making and give a different way of evaluating programmes and social progress as a whole. In summary:

- Indexes like the Humankind Index appear to work best outside government to spark a debate. None of the governments we spoke to wanted to combine their dashboards into composite index, but as a campaigning tool to raise awareness of general trends in wellbeing, they can be effective.
- Dashboards help to develop new approaches to policymaking, particularly in relation to preventative and joined-up working. Governments using dashboards, like the Scottish Government, usually link this agenda to whole-systems approaches to public services and outcome-based performance management.
- Subjective wellbeing can provide an interesting ‘direction of travel’ figure and can be used to evaluate programmes. However, to really understand what is happening, it needs to be used in combination with a dashboard.

Our Shifting the Dial report made a series of conclusions that apply to Scotland as they do to the UK and other jurisdictions (see box 4).

Box 4: Conclusions from Shifting the Dial

- Wellbeing is an important **complement to traditional measures such as GDP**, rather than a replacement for them.
- **Leadership** is critical for this agenda to prosper. Without leadership to drive through change, we will be left with measurement systems that are not acted upon.
- Maintaining the momentum behind wellbeing will be eased if a **broad-based coalition of support** is established.
- To engage people with wellbeing, it is vital that the **presentation** of the data is user friendly.
- Both policymakers and wider civil society can use wellbeing measures as a way to **monitor our overall progress** and direction as a society.
- Wellbeing measures and an analysis of the drivers of wellbeing should be used to **identify policy gaps** and issues that are not receiving sufficient attention by policymakers.
- To ensure a wellbeing perspective is built into policy assessment and evaluation techniques, it should be built into **programme evaluations**.

Our experience in carrying out our Scottish, UK and international work on measuring wellbeing is that few countries have the opportunity Scotland does to develop a 'wellbeing approach to policy'. Of the three recommendations in Shifting the Dial (visible leadership, using wellbeing data in policymaking and mobilising a wellbeing movement), Scotland is already making progress. However, at present, the different strands of Scotland's approach and the overall interest in wellbeing, are not combining to create the society-level interest that we saw in Canada and, to an extent, in Virginia.

Similarly, while we have strong political leadership behind Scotland Performs, and the mechanisms in place to deliver a joined-up wellbeing agenda at local level through Single Outcome Agreements and Community Planning Partnerships, our research suggests that initiatives which are too closely aligned with one person, or one political party, can be lost in a change of government. This is particularly the case if there is no sustained interest and involvement from a broad-based coalition of support for the initiative.

It is the view of the Carnegie UK Trust that this would be a retrograde step and we therefore suggest a number of potential ways forward.

Our recommendations are designed to build on both the government, cross-party and third sector interest in wellbeing to develop a wellbeing approach to policy in Scotland.

6 Recommendations



- 1 Embed Scotland Performs and the National Performance Framework in legislation.** This is the approach taken in Virginia and has helped ensure that Virginia Performs survives changes in Governor (as happens regularly due to a one-term rule). The Scottish Government should bring forward legislation to require there to be a publicly available overview of Scotland's social progress as well as an annual report with a linked parliamentary debate. This would ensure that the Scottish Parliament has the opportunity to use Scotland Performs to hold the Scottish Government to account.
- 2 Review the impact of the National Performance Framework.** The Scottish Government should review the implementation of the National Performance Framework, particularly in relation to its use in policy development processes at national and local level.
- 3 Capitalise on the interest from civil society organisations.** The Scottish Government and civil society should work together to share their experiences on wellbeing policy development. For example, this could be through a cross party group on wellbeing or a government advisory group on measuring wellbeing. Facilitating discussion and debate between the third sector and public sector partners could assist in creating a culture of 'the pursuit of why' to ensure data is used to inform decisions made across a range of stakeholders.
- 4 Make up for lost time by engaging with the public.** The Scottish Government should engage the public in a refresh of the National Performance Framework. Scotland Performs is alone in the international case studies we explored in not engaging with the public during the development of the dashboard. Including the public directly in the process would increase the legitimacy of the dashboard and potentially increase public interest in it. Further, there is a risk that at a local level, public involvement in Single Outcome

Agreements is de-prioritised as it is not seen as an integral part of the overall approach. This refresh should include a concerted effort to improve communication with the public, politicians and civil servants about Scotland Performs.

- 5 Support Community Planning Partnerships to see Single Outcome Agreements as a wellbeing approach.** Some Community Planning Partnerships engage the public on the development of Single Outcome Agreements, but few seem to see this as a wellbeing issue. The current debates on the Community Empowerment and Renewal Bill are not grasping the opportunity to articulate a local wellbeing vision. The Scottish Government should reinforce links between the national and local, give support to Community Planning Partners and encourage greater information sharing on wellbeing.

- 6 Facilitate the understanding of wellbeing policy by carrying out holistic evaluations.** The Scottish Government should issue guidance on using the National Performance Framework holistically in the evaluation of national and local policies. At present, there is very limited information on the impact that the National Performance Framework is having on decision-making and, unsurprisingly, this also means there is little evidence of the impact of policies on wellbeing (as measured by the NPF). There is a risk that evaluations will continue to be silo-based, looking only at the most directly impacted upon outcomes, rather than taking a wellbeing approach.



The Carnegie UK Trust works to improve the lives of people throughout the UK and Ireland, by changing minds through influencing policy, and by changing lives through innovative practice and partnership work. The Carnegie UK Trust was established by Scots-American philanthropist Andrew Carnegie in 1913.

Andrew Carnegie House
Pittencrieff Street
Dunfermline
KY12 8AW

Tel: +44 (0)1383 721445
Fax: +44 (0)1383 749799
Email: info@carnegieuk.org

This report was written by
Jennifer Wallace, Policy Manager, June 2013

www.carnegieuktrust.org.uk



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