Notes from the Latin American Conference on Measuring Well-Being and Fostering the Progress of Societies

Measuring the Progress of Societies

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Coordinator




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10 años
FORO CONSULTIVO CIENTÍFICO Y TECNOLÓGICO, AC

INEGI
INSTITUTO NACIONAL DE ESTADÍSTICA Y GEOGRAFÍA

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Introduction

Mariano Rojas

The Latin American Conference on Measuring Well-Being and Fostering the Progress of Societies was held at the Palacio de Minería in Mexico City from May 11th to 13th, 2011. This event is the first in a series of regional conferences to be conducted within the Global Project on Measuring the Progress of Societies before the 4th World Forum to be held in New Delhi in October 2012.

The Latin American Conference on Measuring Well-Being and Fostering the Progress of Societies was hosted by Mexico's Scientific and Technological Consultative Forum (www.foroconsultivo.org.mx) and the National Institute of Statistics and Geography (www.inegi.org.mx). In addition, the Inter-American Development Bank, the United Nations Economic Commission for Latin America, the Organization for Economic Cooperation and Development, the Statistical Conference of the Americas, and the Development Centre of the OECD participated as conveners.

The purpose of the conference was to establish a productive dialogue on how to conceptualize and measure well-being, as well as on the convenience of going beyond national output indicators -such as Gross Domestic Product- to assess the progress of societies. The Conference also sought to reach a set of recommendations that the Latin America region could take to the IV World Forum in New Delhi.

The participation of members from the academic and statistics communities in Latin America, as well as from public and social actors in the region and around the world was large. The conference encouraged the interaction among these communities in order to simultaneously address issues of conceptualization, research, measurement, and use in the public-policy arena of the new indicators of well-being and progress.

In an effort to further disseminate the dialogue that took place during the Conference, the Initiative Measuring the Progress of Societies: A Perspective from Mexico presents these notes from the presentations made by members of the Initiative. It is important to remark that these notes are not a verbatim transcript of what was said by each of the presenters.

Scientific and Technological Consultative Forum

Civil Association

The Law of Science and Technology, published in June, 2002, proposed some important modifications to the legislation on this matter, such as: the creation of the General Council of Scientific Research and Technological Development, the identification of the National Council of Science and Technology (CONACyT) as head of the science and technology sector, and the creation of the Scientific and Technological Consultative Forum (FCCyT).

The FCCyT is integrated, at the same time, by a Board of Directors that consists of 20 representatives of the academy and the business sector, 17 of them are directors of diverse organizations, and the other three are researches elect of the National System of Research (SNI).

In this sense, the FCCyT is part of the General Council of Scientific Research and Technological Development in charge of governing the grants that the Federal Government is required to give in order to support, strengthen and develop scientific and technological research in general in the country. The FCCyT is in charge of presenting before the General Council of Scientific Research and Technological Development the opinions of the scientific, academic, technological and productive sector communities to make proposals concerning scientific and technological research policies and programs.

The FCCyT has three fundamental functions in accordance with the Law of Science and Technology:

Its first fundamental function is to be an autonomous and permanent consultant organism of the Executive Branch –with the direct collaboration of CONACyT, several State secretariats and the General Council of Scientific Research and Technological Development–, but it also serves the Legislative Branch.

Its second fundamental function is to be an expression and communication organism for the science, technology and innovation system (CTI). Its purpose is to favor the dialogue between the members of the National System of Research and legislators, federal and state authorities, and businessmen, fortifying this way the collaboration relationships between the members of this three-element system –academy-government-business.

It is important to highlight the continuous and permanent work with the legislators of the states of the Republic, particularly with the members of commissions in charge of reviewing education and CTI matters in the different states. This relatively close relationship, positions FCCyT as a pertinent actor to contribute, together with some other elements, to CTI federalization and financing advancement. In this sense, it is possible to contribute to the work of CONACyT, and to the work of the Ministry of Economy, and Science and Technological state councils to update local laws, in a way they can become more consistent with the Federal Law of Science, Technology and Innovation.

The FCCyT has as well started to work on finding mechanisms to establish international links through diverse multilateral agencies. All of these, oriented to the permanent search of consensus regarding actions and plans proposed in the Special Program of Science, Technology and Innovation (PECiTI).

Regarding the third fundamental function –CTI communication and dissemination– the Forum uses different means, from direct communication through forums, workshops and other work meetings, to the use of mass communication and internet. To provide just an example, our new website offers now a greater diversity of services to users, including a great variety of mechanisms (summary of CTI news, *Gaceta Innovación* (Innovation Gazette), statistics (section known in Spanish as Acertadístico), CTI evolution data, information about legislative chambers and states of the Republic, *blogs,* among others) in order to allow a more accurate analysis of our development in this area. An unequivocal sign of advancement is the increasing number of visits to FCCyT website, in more than one order of magnitude.

Summarizing, The FCCyT is an autonomous and impartial authority in charge of examining CTI development in the country. However, our challenge is to increase the social awareness on this matter, always starting from the premise of the social commitment of science, because knowledge *per se* loses part of its value if its utilization and application to improve the conditions and sustainability of the life in the country is not achieved.

Presentation

Juan Pedro Laclette

Up until recently, a country's wellbeing was measured only in economic terms, especially regarding the gross domestic product (GDP), i.e. the production of goods and services, ignoring issues such as justice, freedom, health, tolerance and distribution of wealth, among others.

Many are still surprised today by the existence of the Happy Planet Index, and even more so by the fact that Costa Rica holds the first place, followed by Vietnam and Colombia, because we believe that the more developed countries would be happier simply because they have higher GDPs.

This is why it is so important to build indicators to measure societies' wellbeing according to their experiences, and to allow the decision makers of each country to define the policies that need to be promoted in support of development and wellbeing, and to incorporate them for their optimal operation.

With this in mind, the Latin American Conference on Measuring Wellbeing and Fostering the Progress of Societies took place in Mexico City. It was organized by the Scientific and Technological Consultative Forum, the National Statistics and Geography Institute, as well as the Inter-American Development Bank, the Economic Commission for Latin America, the Organization for Economic Cooperation and Development (OECD), the Statistical Conference of the Americas, and the OECD Development Centre.

It was carried out with the participation of 50 speakers, and enjoyed the presence of 669 representatives from 53 countries, including statistical, academic, civil society and policy design leaders. Over a three day period, specialists from various fields, such as health, education, economy, sociology and psychology, exchanged their experiences and proposed elements which should be included in the human wellbeing indexes, according to their areas of expertise.

Although they already consider material life conditions, quality of life and sustainability, it is necessary to take a closer look at differing experiences, as well as people's life conditions and expectations.

It must be clarified that these indicators must be useful to policy design and decision making. They must include the so called subjective indicators, which relate to that which is important to people, such as their perception of their own lives, affections and expectations. In this regard, gender focus should also be considered, as well as the use of leisure time, and areas used for leisure.

With the publication of the *Notes on the Latin American Conference on Measuring Wellbeing and Fostering the Progress of Societies,* the Scientific and Technological Consultative Forum searches to contribute to the current dialogue on the subject, and especially the construction of indicators which will permit a better evaluation of the conditions needed for the development and wellbeing of Mexican society.

The above mentioned publication is not a transcript of the conferences, but rather a text providing the main ideas expressed by the speakers during their sessions.

May 11th, Wednesday

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Antonio Prado
Eduardo Sojo
Juan-Pedro Laclette

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Mario Amano

Deputy Secretary-General of OECD

Notes taken from the Opening Session, May 11th, Wednesday » Introductory address

Statistics and Public Policies. "Better policies for better lives" Our work encompasses nearly all areas of public policy, from macroeconomic to entrepreneurship, from fight against corruption and tax havens, to biotechnology, from health to competition, from education to development aid, renewal energy, and corporate governance. In all these areas we measure and analyze, and we identify best practices. Statistics are a critical pillar for this policy work; they provide us with the essential foundation for analysis and benchmarking work. They are at the heart of our best policy recommendations and they play a key role in our work on assessing the well-being of people and fostering the progress of societies.

Well-being beyond GDP. There is today a consensus that we put too much emphasis on measuring economic production, principally through Gross Domestic Product, and not enough on assessing what truly matters to people. Too many important policy decisions are still being taking with gdp per capita as the main measurement rod. Of course, GDP will continue to play a pivotal role in our statistical system, but we need to complement it with indicators that measure well-being more thoroughly. The OECD is now stepping up its statistical work on three major areas that matter for well-being and progress: material living conditions, quality of life and sustainability.

Measuring Well-being. Measuring well-being requires looking not only at the functioning of the economic system, but also at the diverse experiences, living conditions, and expectations of people, as well as the conditions for sustainable growth. These measures should capture various forms on inequalities: inequality in income, wealth, health, education, by gender, and between ethnic groups. In other words, measuring well-being should contribute to a continued and more effective focus on equity, social cohesion, and the implementation of the millennium development goals. Some may consider that this approach is out of reach for many countries, whose statistical systems are only at the initial stage of development. In reality, we believe that the measuring well-being agenda provides to these countries a framework for medium and long term statistical development. It also shades light on possible improvements in the use and analysis of existent official and non-official data. Recent measurements of objective and subjective dimensions of equity and well-being in Latin America prove that this work is both feasible and relevant for low and medium income countries. While this is a long lasting endeavor that has to be implemented and incremented, we should not leave for tomorrow the tasks that we can start to implement today.

> ***"Too many important decisions are still being taking with gdp per capita as the main measurement rod. Of course, gdp will continue to play a pivotal vote in our statistical system, but we need to complement it with indicators that measure well-being more thoroughly"***

Key Message: developing better statistics is not an end in itself, it is a means to enhance policies that improve the well-being of people and therefore, foster the progress of our societies. Measurements of well-being should inform specific policies aimed to increase equity, social cohesion, and decent working, housing conditions, access to education and health care services, democratic governance and civic engagement. These and other key goals determine what we have to measure, how measurements have to be transformed into useful knowledge, and how this knowledge has to inform policy design and decision making.

"Measuring well-being requires looking not only at the functioning of the economic system, but also at the diverse experiences, living conditions, and expectations of people, as well as the conditions for sustainable growth."

Antonio Prado

Deputy Executive Secretary of ECLAC

Notes taken from the Opening Session, May 11th, Wednesday » Introductory address

Measuring Well-being. It is fundamental to develop measurement statistical tools that would allow us to generate basic information for the decision makers in the area of public policy. Such tools are necessary and irreplaceable for the designing and implementation of measures and strategies that foster social progress and the well-being of citizens. ECLAC considers that this conference is of high importance. The importance is showed by the wide range of national and international institutions which have gathered here to analyze methodological and conceptual matters from development issues. During this process, the statistical measuring of development plays a central role along with the actors that are in charge of producing the information and the ones using it for decision making.

ECLAC's strategic vision, recently expressed by the document *"La hora de la igualdad: brechas por cerrar, caminos por abrir"*, suggest an agenda for development based on the right equilibrium between society, market and the state, under the idea that there must be growth to equalize, and equalize to grow.

It is acknowledged that the provision of reliable, timely, important, and mostly accessible, public statistics is a basic function of the state; it is a function with the nature of a public good given its significant role as a fundamental tool for supporting public management and planning.

We look forward to become a central link between national, regional and world information, based on methodologies that allow generating comparable data at various geographical and political levels.

Recently, we have entered emergent areas and new measurements of great impact to the public, economic, social and environmental policies. To this effect, the Commission has encouraged the development of vital statistical systems; it has promoted the generation of environmental statistics, information and communication technology statistics, statistics with a focus on gender, and social cohesion indicators, all thanks to the identification of new data information necessities arising at the international level, which constitutes a challenge to national statistical institutes. These new data information necessities are present in all areas of study linked to development topics, and the measurement of well-being is no exception. The conceptual changes that have been established since the very evolution of the concept of well-being, have been determining such necessities, from the economic vision that links well-being with the measurement of disposable income against a basket of consumer goods, to the current boom of multidimensional measures of well-being and poverty, through the measurement of the concept of basic unsatisfied necessities, and the measurement of subjective well-being.

> ***"This new data information necessities are present in all areas of study linked to development topics, and the measurement of well-being in no exception"***

Eduardo Sojo

President of INEGI, Mexico

Notes taken from the Opening Session, Wednesday May 11th » Welcoming words

Role of Statistical Institutes. The Statistical offices have a lot to contribute with to this matter; we can contribute by making measurements comparable among countries, and at the same time allowing comparisons between regions and between cities; we can provide quality in the information, in such a way that arguments can focus not only on how to measure data but also on the implications of the data; we can contribute by helping the discussion about progress and social well-being becoming an informed discussion.

"Statistical offices can contribute by helping the discussion about progress and social well-being becoming an informed discussion"

Harmonization and Standards. In almost all topics measured by the Statistical offices, we have concepts, standards, classifications, norms, which make information suitable for comparison. Regarding to the subject of well-being and progress of societies, we still have much to do: we need guidelines, instructions, standards, concepts, classifications, defining what dimensions to measure and how to measure them. There is also a lot of work left to do on how to transform all this information on well-being and progress of societies into decision making and public policy, and how to integrate those data so the society knows more and participates more.

Juan-Pedro Laclette

General Coordinator of the FCCT, Mexico

Notes taken from the Opening Session, May 11th, Wednesday » Welcoming words

Studying Well-being. For a long time, progress and well-being were topics not fully understood and suffered from speculation. During the last decades, a scientific approach to study well-being has emerged. There are new conceptualizations, and new methods to adequately measure well-being. Explanatory theories are being raised, and these theories undergo a process of corroboration.

When understanding better what are the factors that are relevant to well-being, and how they interact each other, a better assessment and design of public policy is reached along with the positive impact of increasing the well-being of our societies. Social research shows that income is not the only determinant of well-being; this is why we talk about going beyond income when measuring well-being and including other instruments associated with the concept of a quality daily life. We talk about Development that goes far beyond economic growth. These are approaches that pay attention to people's own judgment of their well-being. It is evident that the study of well-being and progress is not exclusive propriety of any particular discipline or organization; it is a multidisciplinary and multi-organizational work. Thus, the subject is being analyzed from the fields of psychology, sociology, economics, anthropology, political sciences, etc. It is also a collective Latin American effort joined by actors in charge of establishing statistical instruments, as well as actors in charge of setting development policies within multinational organisms.

> ***"During the last decades, a scientific approach to study well-being has emerged. There are new conceptuaizations, and new methods to adequately measure well-being. Explanatory theories are being raised, and these theories undergo a process of corroboration"***
>
> ***"It is evident that the study of well-being and progress is not exclusive propriety of any particular discipline or organization. It is a multidisciplinary and multiorganizational work"***

Inequality. Gapminder (www.gapminder.org) is an application that I present as a provocation because it shows statistics from the last 200 years for 200 countries in the world, and these statistics include two measures that are considered hard metrics: one is life expectancy, which is a health and well-being indicator that summarizes other indicators, and the other one is income, which is the traditional indicator for well-being. In 1800, all countries had a life expectancy below 40 years, and all countries had an income below 800 or 1000 dollars. As time goes by, European countries set aside, they start to develop, their wealth increases, and their health increases. Underdeveloped countries followed this initial trend of European countries, mostly in respect to life expectancy extension, but not so much in regard to economic improvement. The main measures responsible for the extension of life expectancy come principally from medical technology advancements like vaccines, use of better drugs, and use of antibiotics. We have significantly extended life expectancy of the human being, but we realize that if the world was all poor and with a short life expectancy at the beginning of XVIII, the world is extraordinarily unequal at the beginning of XXI.

"We have an extremely unequal world, we have a group of countries that enjoy from a lot of the attributes of well-being and we have a great majority of countries that have improved their life expectancy but not so much their well-being"

"Latin american people surely appreciate monetary income, but there are also other values in our region like family values and leisure"

We have an extremely unequal world; we have a group of countries that enjoy from a lot of the attributes of well-being and we have a great majority of countries that have improved their life expectancy but not so much their well-being.

The current relative position of Latin American countries: the good news is that countries in our region have an intermediate position between the highly developed world and the poorest world. Countries in Latin America have a lot of homogeneity in these basic indicators. However, inside our countries, we can talk about states and cities that have conditions similar to those in Africa. There is great inequality not only among countries but also inside countries.

Latin-American View. From a very fascinating indicator, the Happy Planet Index (www.happyplanetindex.org), our interest in bringing the Latin American view arises. Various surveys where statistically representative samples of the population in our Latin American countries are interviewed, individuals in latin america in general, feel happier than they should according to their monetary income. For instance, in several evaluations, Costa Rica turns out as the happiest country in the world. These evaluations are based on indicators such as life expectancy, life satisfaction, and ecological footprint. People in Costa Rica care a lot about environmental preservation, not only about scientific and technological development, or innovation, but also about caring for the planet. Therefore, this indicator shows the Latin American profile: Latin American people surely appreciate monetary income, but there are also other values in our region like family values, leisure, etc.

A great number of countries in the world are using renewable resources beyond their renewable capacity. This is leading us to a gradual deterioration of the planet, to climate change, global warming. Any approach to human development should consider the limits of sustainability that planetary resources are posing to us.

Antonio Prado

Deputy Executive Secretary of ECLAC

Notes taken from Session 1: Setting the scene » Keynote address

Inequality and Distribution. There is a fundamental element, the dimension of income distribution among population, which cannot be approached with monetary aggregates from national accounts. Inequality is an essential aspect when measuring well-being.

Inequality is the great outstanding debt in latin america. Not just income inequality but all its dimensions. We've been through periods of economic boom, economic growth with important improvements, but we do not move forward in the same manner when it comes to income distribution indicators.

We can see a certain progress from the point of view of the gini coefficient – there was a reduction from 2002 to 2009 in almost all countries in the region – a decrease in income concentration. Even though such trend is a fact, it is also a fact that in the region, the gini coeficcient still remains large, significantly larger than in other regions of the world. From the point of view of income, the region is more unequal. The Gini coefficient average for 18 countries in Latin America is 0.52, in the United States and Canada is 0.345, and for 22 OECD countries is 0.289.

Inequality and Public Policy. After government transfers, the decrease of the Gini coefficient in OECD countries is much bigger than the reduction we see in Latin America. The income distribution policy in oecd countries is much more effective, therefore, these data foresee the necessity of deepening public policy in regard to income distribution.

Well-being beyond GDP. It is important to have in mind the different capacity that households have when reacting to shocks because of the low level of assurance and asset poverty. Another point is educational attainment: completion of secondary education between young people from 20 to 24 years old is low among low-income households, and increases as income per capita grows. Educational attainment is lower in rural areas at the secondary level, which is absolutely essential in this moment of great technological development and structural change in all economies and mainly, in economies of our region.

> ***"Inequality is the great outstanding debt in latin america. Not just income inequality but all its dimensions"***

Another essential element in assessing well-being is the quality of work, and the vulnerability of work. We must consider the labor market as well as the insertion in the labor market when evaluating well-being. In respect to health, and health services, a proxy indicator is the infant mortality rate. By different levels of instruction, the situation is really serious. It is clear that the issue of instruction is related to the infant mortality rate. We should consider inequalities by gender: Poverty and indigence are getting bigger and are growing over time among women; there is a "feminization", so to say, of poverty in the region. Hence, income, education, location, ethnicity, are essential dimensions for this definition of well-being.

But we also have to consider more qualitative dimensions. The perception of injustice in income distribution is a perception that changes significantly. There was a reduction in the number of persons who consider that a very fair income distribution prevails, and an increase in the number of people that feel there is injustice in income distribution, from 2007 to 2009, and this was a period were GDP per capita was growing, poverty was lessen and income distribution improved. Also, when looking at the perception of political institutions, we see that in the case of distrust, the levels are very high and even higher when considering that there is tremendous injustice in income distribution and wealth processes.

"It is a fact the gini coefficient in the region still remains very large, significantly larger than in other regions of the world"

Proposal. In this sense, our document *la hora de la igualdad* suggests to the states of the region establishing policies to reduce social gaps, all social gaps and not only securing a sustainable growth with increases of productive efficiency. Maintaining inequality reduction requires structural changes from the point of view of production, it requires the capacity of productivity growth and on the distribution of productivity appropriation among various sectors in the society, along different regions. The topic of heterogeneity in productivity is close to ECLAC because of its connection to the distributive dimension from the point of view of long term. Policies on income transfers are essential, and had a central role in poverty and inequality reduction, but in order to sustain it in the long term, productivity is fundamental.

Indicators. In short, we have to strengthen the production of objective indicators traditionally used in latin america for the purpose of measuring well-being and inequality, such as income generation and access to education and health, and improving their quality. In particular, ECLAC emphasizes that the national accounts system should remain as a key tool of information. We should broaden the objective indicators on emergent topics or relevant aspects of known dimensions. For instance, not only access to services, but their quality and outcomes achieved. The subject is not only providing access to education, but quality education and to attain education completion. Not just income, but heritage. Systematically producing subjective indicators on people's perceptions.

Martine Durand

Chief Statistician, OECD

Notes taken from Session 1: Setting the scene » Keynote address

Trust on Official Statistics. I think is fair to say that in many countries, and not only OECD countries, there is an increasing gap between the image that is provided by official statistics, in particular macroeconomic statistics, and people's perception of their own living conditions. This gap was already evident before the financial crisis but I think that now we can say the crisis has exacerbated the sentiment. But more fundamentally, the crisis has not only highlighted areas where our statistical capacity remains deficient, but also, it has undermined the public trust on official statistics on public policies, and more importantly, on the functioning on democratic processes. Restoring confidence in our statistics, in our institutions, in our policies, requires providing evidence of what matters to people´s everyday life.

Well-being beyond GDP. GDP is a very good measure for measuring macroeconomic activity. It is needed for macroeconomic policies; it measures output, productivity, capacity utilization; it is also helpful to assess the competitiveness of economies and beyond that the demand for jobs. But it is not a good metric for well-being. The reason why is that it includes economic activities that may reduce well-being. For instance, if you commute from home to work and back, you are consuming a lot of energy and spending a lot of time, which is not good for your well-being, but it is counted as positive contribution to GDP. Or, some things that are included in GDP but do not contribute to well-being, are remedies to the cost of economic growth. Take national disaster for instance, this is not going to contribute to the well-being of people, but the reconstruction will be counted as positive in GDP. Beyond the quantities, it also excludes many dimensions of qualitative nature that matter for well-being: education, health, trust in institutions, governance. And, importantly, it does not inform on whether well-being can be sustained over time.

> ***"It is fair to say that in many countries, not only oecd countries, there is an increasing gap between the image that is provided by official statistics, in particular macroeconomic statistics, and people´s perception of their own living conditions"***

OECD Framework. OECD´s current framework: looking at individual situations in each country rather than on macroeconomic conditions of economies, how different groups of population fare in relation to average conditions; we are also looking in terms of outcomes, not in terms of inputs or outputs; we are looking at both objective and subjective aspects of people well-being. Understanding better what people feel is also adding to the information base. In terms of scope, we are concentrating on three broad domains: material living conditions, quality of life, and sustainability. Under material living conditions, we get rid of the things that contribute to GDP but do not contribute to well-being; we look at income and wealth, at jobs and earnings, and housing. Under quality of life: work and life balance, education and skills, social connections, civic engagement and governance, environmental quality of life, personal security, and we have added subjective well-being as one of the dimensions of quality of life to complement those objective dimensions.

This framework adds the dimension of sustainability of well-being over time – sustainability requires preserving different types of capital, not only natural capital, but also economy capital, physical capital, and human capital. If you want to maintain the prospects for better education, better skills, better productivity, better income, you need to preserve your human capital and your social capital as well.

Material Living Conditions. We have seen that what happens at the level of the entire economy does not necessarily reflects or tells us what happens to household´s purchasing power. Over the past decade, real GDP has grown in many countries faster than household disposable income. It is very important to measure household own production that are not market services. If you include non-market services household income increases, and of course in countries where most of the services are provided often by women in the households, that makes a big difference, if you include them in the income, the income improves, as it is the case for Mexico. We are also developing standards to measure jointly not only income but also wealth because for material living conditions you can be rich in income and poor in wealth or you can be rich in wealth and poor in income, so is important to look at the two together.

“GDP is a very good measure for measuring macroeconomic activity; it is needed for macroeconomic policies, output, productivity, capacity utilization; it is also helpful to assess the competitiveness of economies and demand for jobs. But it is not a good metric for well-being”

“Understanding better what people feel is also adding to the information base”

Quality of Life. We are trying to get better indicators from national statistical offices and official sources on indicators such as life expectancy, infant mortality, birth rate, as well as subjective indicators. It is fair to say that for subjective indicators, there is little that is actually collected by national statistical offices, and we have to rely on surveys that are conducted by private sector institutes. The oecd is currently working together with members, on developing guidelines for national statistical offices on how to measure different aspects of subjective well-being that over time could be included in official surveys. It is interesting to see that in Mexico, where GDP is not as high as in many OECD countries, life evaluations are very positive compare with the number from the rest of OECD countries. It’s important to understand why this is so, and this is what we´re trying to do by getting additional information form subjective indicators.

Sustainability. What makes society sustainable? It requires looking at a broad range of assets, some of they are understood and measure like produced capital and financial capital, but our major challenges are how to measure environmental capital, human capital, intangible capital and social capital.

Ellis Juan

Representative of IDB in Mexico

Notes taken from Session 1: Setting the scene » Keynote address

GDP Limitations. From its creation, GDP was conceived as a measure of economic activity, or perhaps, in a more accurate way, as the market value of goods and services produced. This obviously has its limitations, since the goal of computing the market value of the production of goods and services is not to measure well-being; it does not include leisure goods, services people provide within the household, etc.

Moreover, this measure of GDP only considers the flow of production and income. It does not consider changes in the stock of resources. Hence, we include increases in production and sale of crude oil but we do not include changes in reserves. It also does not take into account the erosion of natural resources or other resource leaks by either climate change or other effects. For instance, when a country suffers a natural disaster, which is very common in southern Mexico, GDP in that year might increase as a result of the reconstruction. These shortcomings make it very difficult to compare GDP between countries with abundant resources and countries with limited resources, or between countries that take good care of their natural resources and countries that do not care, or even between countries that have to spend a substantial part of its revenues to fight crime and on safety issues, and countries that have a security level that allows them to spend a much smaller percentage.

Several of the proposed alternative measurements of GDP have been collected in some form in methodologies used nowadays. Consequently, the last thing we would want right now is to discard the efforts already being made in search of Systems that are yet to be tested. However, we must accept that while adjustments and expansions made to national systems certainly have enriched the description of the economic system, they do not provide good measures of well-being and quality of life.

> *"The goal of computing the market value of the production of goods and services is not to measure well-being"*

Measuring Quality of Life. At this time, there is no definition of quality of life that has a total consensus. Each discipline has emphasized different aspects. Among different meanings, it is recognized that it is a broad concept and multidimensional as well, not only because it requires consideration of various aspects of people's lives but also because it includes external aspects to the individuals, like interrelations between them, institutions and social practices of each place or region.

Although the inclusion of subjective indicators to measure some of these dimensions as a whole has been subject of much debate for years, is now accepted that subjective indicators are not only necessary but relevant, and that the combined use of objective and subjective indicators obviously provides a much more complete perspective on well-being. Studies that we have made at the IDB on these topics have led us to conclude, at least so far, that measuring the quality of life does not necessarily requires building a measure of synthesis, we think rather that a good quality of life measure should consider the various dimensions of this concept.

"It is now accepted that subjective indicators are not only necessary but relevant, and that the combined use of objective and subjective indicators obviously provides a much more complete perspective on well-being"

First, we must take into account the ability of individuals to face life, such as health conditions, education and own experience, which correspond to the concept of quality of life, understood as the capacity for life. Second, we should consider material living conditions, including income, consumption, housing, access to health, education, insurance and employment conditions. Third, we would have all that constitutes the quality of economic, social, and institutional environment in which individuals function, is another way if you want, to approach the concept of quality of life, in this case is about objective and external conditions of individuals that somehow determine their existence and which also includes political and institutional variables that are the basis of the functioning of a society, like national, economic, social, and environmental outcomes, for a country as a whole.

And finally, but not less important, are the subjective opinions that individuals have about their own quality of life. Among these variables, the most important is the appreciation that individuals have over their own lives, that is, their life satisfaction or happiness in any way. For instance, when talking about the employment variable and analyzing its dimensions, as the percentage of a population, we are measuring economic activity and higher employment means higher economic activity. Or when we measure wages, we are saying that with higher wages comes an increase of aggregate demand capacity by society. However, employment has a subjective variable that is very important and from which we know very little, that is, access to formal employment, which gives the individual a sense of being useful to society, and in some way, of certain dignity, these two variables –to feel useful and worthy- are of fundamental importance in the conduct of this individual and his citizenship.

Perceptions can influence policies that are adopted in a democratic system through their impact on voters, on public decisions, and on the control over public institutions and public officials. Perceptions may also influence the effectiveness of policy because it may affect individuals own expectations, their trust in institutions and attitudes of cooperation with state institutions. Finally, perceptions can inform the political debate about whether the policy objectives aim to what the government wants, pertain or not to what people really see as their own objectives to satisfy their well-being.

One thing we are sure of is that in the near future it will not be enough for governments and policy makers to achieve excellent indicators of economic and fiscal performance. When measuring performance, it will be required to include important references to the people's perception of quality of life. Only this way we can continue building a more righteous and more equitable society.

Alberto Ortega Venzor

General Director of Strategic Affairs, INEGI, Mexico

Notes taken from Session 2: Measuring Well-being and Progress in Latin-America » Introduction by the President of the Chair

Measuring Well-being. The goal was that the national statistical offices in latin america seriously consider supplementing gdp with indicators about well-being and progress in the region. It is clear that the mission of statistics is to uncover reality and measure it, and reality is measured so that society can make right decisions in every way. The reality is a complex reality, and a very important factor in this reality is the culture. Cultural factors make it difficult to discover reality and therefore to measure it, because this reality is dynamic, is changing, and we are constantly facing a new complexity. In this sense, measuring well-being in Latin America must necessarily take into account cultural factors in our region that are not global indicators, but that actually go in depth to discover this reality, so that it can be measured and make better decisions.

Cooperation. A key factor in our region, Latin America, is cooperation. I believe that all those statistical offices in the region that decide to get serious and start a process of incorporating additional indicators to GDP, must be clear about the fact that we should cooperate, and have a broad cooperation program in Latin America. In the case of INEGI, we have always followed the tradition of having cooperation programs in Latin America. What we have to do is a supporting network so we can all move forward and improve on this measure of reality.

Information for Users. I believe that one of the things that need to be taken into account in all these processes, is that information must be produced in accordance with the needs of users and not for the pleasure and joy of statististicians and especially, of producers of official statistics. What good are statistics and information that do not respond to a need? The topic of this conference is going in that direction: it exists already in the international environment, on public policy makers, in national statistical offices, in international organizations, the conviction that we have to give more information to answer the needs of users. This information must be of quality and relevant, as a condition to build public policies that induce well-being and progress. It is some sort of chaining of what is fetched from reality, the problems, conditions, to inform in a the clearest and most objective way, so that later, those who are responsible for generating public policies have effective and useful elements for their work.

> ***"Measuring well-being in latin america must necessarily take into account cultural factors in our region"***

Indicators. The statistical community in Latin America faces a new complexity, and we must cope with that complexity. The great task, in my view, is to define the relevant indicators for this step resulting from the collapse of the paradigm to which it refers Eduardo Lora. Secondly, how many indicators is another critical issue, because if we put in black and white and prepare the whole battery of indicators with what has been said during this meeting, we would be in fact, facing a very large number of indicators. On the other hand, there is also the idea in this context, that the incorporation of these indicators should be a gradual incorporation. It would be unwise, very difficult, and very negative, trying to go in a somersault and go from having no indicators in this sense to have a suitable battery of indicators. And, another important issue, I think this project would be worth uploading to the Statistical Conference of the Americas. And finally, the great challenge is how to integrate the objective and subjective measures: why? To generate information that gives appropriate answers to real problems, and no appropriate answers to wrong problems.

Nora Lustig

Professor, Tulane University, USA

Notes taken from Session 2: Measuring Well-being and Progress in Latin-America » Social inequity and well-being

Income Distribution Inequality. From the ethical/philosophical point of view, there are two diametrically opposed schools: one, its main thinker Nozick, and Rawls in the other. Nozick is the ideology of libertarians; libertarian ideology is not very common in Latin America and neither in Europe, but it is in the United States. And in this case, the only inequality that is unacceptable is that which comes from illegal processes or lack of competition in the markets. If there is competition in the markets, and there is legality –where illegality is defined in different ways such as robbery, slavery, corruption- the distribution that arises, no matter how unequal it may be, is desirable. According to this view, the state's role must be limited only to protect the physical safety of individuals and the individuals' property, and any form of taxation beyond that is considered a theft and slavery.

"Inequality might destroy the social fabric in terms of inducing self-destructive or antisocial behavior"

At the opposite pole is the Rawlsian view. Regardless of its cause, inequality is unfair. The way in which Rawls rationalized it was as follows: imagine we are in a situation where we don't know where we are going to live, in what socioeconomic group we will be – he called it the veil of ignorance- Where would we better live? In an egalitarian or inegalitarian society? if we do not know where we will stay is probable that we will always choose an egalitarian society because the probability of being poor is low. This reasoning led to the predicament both from the ethical point of view and from the functional point of view, and that is what has brought the rawlsian principle that a central role of institutions and the government is maximizing the conditions of the more disadvantaged.

There is a social welfare function implicit in the solution of the market, even in perfect competition, and this social welfare function is an unfair social welfare function because it weighs more the income of those with higher income. This is one of the fundamental theorems of welfare Economics. That is, you can imagine that the market is place where you vote with money, the ones who have more have the most votes to say what the society will produce and at what price, and what will eventually become the salaries of employees. Very often, economists believe that prices signal just efficiency. But behind prices is the initial distribution of wealth, and if it changes, relative prices, including our relative wages, all would be different.

Inequality and Dysfunctional effects. It has been shown that a society with initial inequality can reproduce this inequality infinitely and generate less growth. In other words, the inequality brings out dysfunctions from the point of view of another factor which is GDP, GDP growth can be less, precisely when inequality prevails.

Inequality can generate other aspects that are not desirable, like the adoption of unsustainable policies that may lead to disturbances or to a coup d'etat. This was an issue that we in Latin America lived especially in the 60s, 70s and even 80s. Attempts to correct situations of inequality led to the destruction of democracy.

Furthermore, inequality might destroy the social fabric in terms of inducing self-destructive or antisocial behavior such as crime, domestic violence, alcoholism, drug addiction, etc. This inequality is no longer an ethical issue, but the dysfunctionality of inequality because of its implications on other aspects that interest us: economic growth, political stability and harmonious social fabric.

Inequality and Subjective Distress. It has been found that in some societies people do not perceive inequality as something aggressive because they believe is a reflection of opportunity and mobility, ie, there is inequality but I will be in the higher groups at some point, if I try hard enough I will get there. The problem is when inequality is perceived as a product of the deployment, where only rich people have the power to generate the benefits and have control over resources and status, in that case, inequality causes subjective distress

Inequality in Latin America. We know that Latin America is the most unequal region. The Gini coefficient for Latin America is above 50 on average, whereas for other countries is always below, differences are between 30 and 60 percent with advanced countries or in comparison to Europe and Central Asia. And that inequality creates, although Latin America has much less poverty than other regions because it is a middle-income region, an excess of poverty for its level of development. The excess of poverty is a product of the great inequality.

Latin America has been having some good news in recent years. Since 2000 – in some countries before, in others after- inequality has begun to decrease. There are two main factors for this: one, there has been a fall in the premium for tertiary education compared to other levels of education in the region, ie, the wage gap by educational level has been falling. Another thing that has happened is that public transfers have become more generous and more progressive, more directed to the poor. And since recent years have also been characterized by a boom, there is a sense that the continent has become more inclusive. According to the report on mobility of the World Bank, there has been an increase of the middle class and poverty reduction. In this sense, it seems that there is progress, and it is important to recognize this, however Latin America remains the most unequal region.

"It has been shown that a society with initial inequality, can reproduce this inequality infinetely and generate less growth"

Measuring Inequality. Many times, visual reality does not match what the statistics tell us, and perhaps this has to do in part with the fact that we are not capturing a very important part of what defines inequality, this is, what happens at the top of the distribution? The history of inequality is mostly written by what happens at the top. Eclac has long been trying to impute, to compare national accounts, wages, and salaries, with the salary accounts of Surveys, this is also done for the non-wage income, but there is always the feeling that is ultimately an arbitrary method. An alternative is to do what they do at the top income project ("Top incomes") of Anthony Atkinson, where they take a sample of tax declarations, and they have created a method for calculating the income of the top and complete the curves. For example, information obtained for the Gran Buenos Aires showed that the Gini coefficient rises between 2 and 3 percentage points when doing this adjustment. It gives us a clearer idea that perhaps societies that appear more equal are not so because we are leaving out a large group of the population.

Another alternative could be to design a module that every few years, every 5 or 6 years, tries to capture what happens at the top of the distribution for greater clarity of where we stand in terms of inequality and not staying with this feeling of not knowing what we are really measuring, because we do not have other mechanisms and we are left with what surveys have given us so far.

Mariano Rojas

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Notes taken from Session 2: Measuring Well-being and Progress in Latin-America » Well being and income

People´s Well-being. The well-being of people is not the same as the well-being of consumers; people are much more than mere consumers. I have outlined this several times with the phrase "There is more in life than the standard of living". The standard of living matters, but there are many other things, and for many people there are many more important things. In my case, this is not a normative statement, this is a being, an assertion that is corroborated, and the advantage of using subjective well-being is that we get to corroborate such claims.

"The well-being of people is not the same as the well-being of consumers, people are much more than mere consumers. I have outlined this several times with the phrase "there is more in life than the standard of living"."

When we talk of well-being, we need to talk about the well-being of specific human beings, of people. People's well-being is not the well-being of consumers. Access to goods and services that meet material needs do matter, income matters, but is not the only thing that matters in generating well-being. Income is just an instrument for well-being, it is not well-being. And, as an instrument, we can measure its contribution; an economist would talk about the marginal contribution of income to well-being. We can measure the costs of well-being from generating income and we can measure the benefits generated by that income and make a cost benefit analysis of until what instance the instrument is valuable, and until when we should use alternatives. This is useful because it allows us to have a public policy of greater impact on people's well-being just as they perceive it.

Measuring Well-being. The measurement of well-being was dominated by two traditions: a philosophical of well-being attribution; in this tradition, is the philosopher who tells us who and who doesn't enjoy well-being, the philosopher also tells us what aspects are relevant for well-being. There is another, which I call well-being presumption, where we have theories that convincingly show us where to draw attention, and one of these theories is the utility theory, whereby it is understood that the purchase of goods and the ability to do so is essential to well-being. These are theories that, from the point of view of well-being, have not been substantiate, and are also theories that have generated a huge list of indicators in the world of objects, ie, we measure objects but we never enter the world of the subject, and how this person lives his/her well-being.

Well-being is an experience. The well-being that is relevant to people is the one that is being lived, experienced, the one that people feels; that is the well-being in the world of subjects. And that is the inherent subjectivity of well-being. Well-being as an experience, as life experience, is a matter of subjects, it happens in the world of subjects and not in the world of objects.

We have the advantage that, unlike physics, our subjects talk, report and can tell u show they feel, how they appreciate life. This is valuable information that until now has not been compiled entirely. People summarized it in phrases like "my life is going well", "I am Happy with myself", "and I am satisfied with my life". We can ask those questions and see what the well-being of people is.

Understanding well-being as a person's experience. Asking people, we have useful information to know what their well-being is and what explains it. In some cases, this report does not match what the theory or the philosopher says; in many cases it does. Let's recall that theories are partial, are disciplined.

Income and Well-being. We have found that income and wealth are related to each other. There is a positive and logarithmic relationship, ie, the weights have greater value in the low-income range than in the high income, and as income increases there is a moment when they are of almost no worth, they do not contribute to the subjective well-being of people. This relation is not the same for everybody, people have values, have things that appreciate more than others, and depending on the values, for some people income has a bigger weight and for others it does not. To compare income among people and assuming that it gives us well-being indicators leads to many errors.

One finding that has been called the Easterlin paradox is that in time series when income increases for all, the impact of income on well-being is less than when we do an analysis in a moment of time, what we call cross-sectional analysis. From this, a literature has emerged which shows that much of the impact that income has on well-being is due to its status function, by allowing us to access goods that place us above others, this is a positional factor.

When everybody has more income, the status remains the same for all and thus, income loses much of its impact. We have also noticed that well-being not only depends on what I have but also on what I aspire to, and sometimes aspirations are triggered faster than income, creating frustration among people. All this is important for the analysis of income distribution because unequal distributions make us compare ourselves with the ones that own Italian luxury cars, etc, and that creates frustration in people.

What is the relationship between income and well-being? It was assumed for a long time that income was the key variable to well-being, but we have realized that the relationship is not close. In doing econometric studies and calculating indicators for goodness of fit, we see that are very low. What this tells us is that a greater income does not necessarily means more well-being, and that income is insufficient as an indicator for well-being; there are other things, it depends on many other things. For those who are engaged in public policy this is relevant because it implies an expansion in the basket of tools to enhance well-being. For those concerned about sustainability, it means that there are other options to create well-being that are probably less harmful to the environment.

"Well-being is an experience. The well-being that is relevant to people is the one that is being lived, experienced, the one that people feels; that is the well-being in the world of subjects. And that is the inherent subjectivity of well-being. Well-being as an experience, as life experience, is a matter of subjects, it happens in the world of subjects and not in the world of objects"

The relationship between income and well-being is not a very close one because there are things in life that are worth more and cannot be bought, such as human relations and social coexistence. There are needs that are met by non-material goods that cannot be bought, like psychological needs. People have values and appreciate things differently. All this makes that income, while important, is not the sole determinant of well-being.

Life Domains. As people, we exercise in many dimensions, we are parents, we are workers, we are husbands, and we are consumers. All this generates well-being. We have studied how these different aspects of life influence life satisfaction and with data for Mexico and Costa Rica we have found that family satisfaction is very important. Also, having a rewarding job is as important as how much you earn in that job. We found that income affects some aspects but not all. Education, controlling for income, influences satisfaction in many aspects of life; education has benefits on well-being that go beyond income. This is why we must talk of education as ability for life and not only as ability to produce. Free time is valuable, we must learn how to use it gratifyingly and although it does not appear in the accounting of GDP, it does create well-being. Human relationships are critical. Health, not only physical but mental, contributes to well-being. The work is a source of well-being; above all, having a rewarding and challenging work. Participation gives us empowerment and it also contributes to well-being.

Well-being and Public Policy. We must measure subjective well-being because it provides us valuable information and contributes to a high-impact public policy. One thing we are working on is what we call "pro-well-being growth", this is: IF we are going to grow, at least we should make it with patterns that further contribute to promote the well-being of people.

Resources are limited, if we had unlimited resources we would measure everything, but with limited resources we face the dilemma of choosing between scope and depth: Should we go depth into refine our national accounts? There is an opportunity cost. Should we expand the scope and incorporate other indicators? I think that, on the margin, we get more benefits for research and public policy if we choose scope rather than depth. In this way, we will have better information, better research, better public policy, and well-being and progress that reaches people.

"The relationship between income and well-being is not a very close one because there are things in life that are worth more and cannot be bought, such as human relations and social coexistence. There are needs that are met by non-material goods that cannot be bought, like psychological needs. People have values and appreciate things differently. All this makes that income, while important, is not the sole determinant of well-being"

Eduardo Lora

Chief Economist, IDB

Notes taken from Session 2: Measuring Well-being and Progress in Latin-America » Paradoxes of well-being and societal progress

Subjective Indicators. The use of subjective indicators, including happiness and life satisfaction, but also other areas, can reveal many interesting things about well-being and about how individuals see themselves and how they see their societies.

In many ways, perceptions do not reveal many surprises, and that's what we expect from the relatively traditional view. For example, in general, on average, countries with higher per capita income levels tend to have higher satisfaction levels. But once one enters to analyze deeper, one starts finding things that are not that obvious or easy to explain. For example, one finds that some of the richest countries in the region have average levels of satisfaction; this is the case of Argentina, Chile, and Uruguay which are countries with the highest income in the region; and finds some countries that are relatively poor, like Guatemala, at high levels of satisfaction. Then, there is much more than income, which is verified as soon as one begins to see these statistics.

Perceptions and its Limitations. Perceptions are not a direct reflection of reality because they are influenced by cultural patterns, they are subject to ambiguities of interpretation, they are subject to biases of complacency, they are affected by expectations and aspirations, they are influenced by individual factors, and they may be inconsistent with the same decisions taken by individuals. One has to know how to read perceptions and each of these limitations gives rise to a paradox. That paradox is going to show that there is a chance of using the information of perceptions in a way that is interesting and tells a lot about individuals. Rather than imposing our theoretical models, we have to understand how they think. Perceptions are the result of the interaction between mental models of individuals and some aspects of reality that they filter into their heads. Therefore, our goal is to try to discover the mental models and what they tell us about the satisfaction of individuals.

"The use of subjective indicators, including happiness and life satisfaction, but also other areas, can reveal many interesting things about well-being and about how individuals see themselves and how they see their societies"

Perceptions are strongly influenced by cultural patterns. For example, if we wanted to order the countries by the objective health conditions, in the best position would be countries with the highest life expectancy: Costa Rica, Chile, Uruguay, Mexico, and one would expect that the satisfaction of individuals with their health were similar to this ranking. But it is not, health satisfaction of individuals has virtually nothing to do with their life expectations or any other health indicator. At the top of the ranking are Costa Rica and Chile with very similar health conditions, one (Costa Rica) very satisfied with health and other (Chile) very dissatisfied with health. The Guatemalans have the worst health conditions in Latin America but are very happy with their health. What really are behind are cultural patterns, which in this case have to do with something that is the tolerance or intolerance to health problems. While Costa Ricans are very tolerant of their health problems, Chileans are not so. A paradox that is important:

Paradox of culture: rankings of perceptions often say more about the cultural differences than about objective differences in the quality of life.

A second limitation is that perceptions are subject to ambiguities of interpretation. For instance, when I ask someone in a survey: are you satisfied with your work? People are going to respond the way they think about their job. We externally, if we try to use objective indicators of quality of work, we may think that the quality of work has to do with whether labor laws are met, if there is formality, stability in work, paid vacations, social security registration, etc. But the people's quality of work is what people say is the quality of work. And when you ask people what is their job satisfaction, we find that it has nothing to do with whether the job is formal or not, it has something to do with the level of income, but very little with job formality. There is an ambiguity of interpretation, I have not defined to individuals what quality of work is, and I could not do it because what interests me is not my definition of satisfaction but their satisfaction.

What do individuals care about in the quality of work? They care something about income but above all they care about giving the best of themselves every day at work, they care that their views are taken into account, they care that in the job there's someone who supports them and who cares about their career progress, and they care a lot about losing their jobs -job security- and it turns out that those things are not being measured. Here an important paradox that we call:

Paradox of interpretation: individuals know better than experts what is the quality of their personal experiences (like quality of work).

Another limitation is that perceptions are influenced by biases of complacency, that is, in general we judge ourselves better than we judge others. No matter the culture, but generally in all cultures people judge social conditions harder than personal conditions, that is the bias of complacency, and will always appear, and depending on how I make the question I can get different answers. This is called:

Paradox of aggregation: aggregated views of individuals about themselves are more favorable than the individuals' opinions on the aggregates.

An additional limitation of perceptions is that they are greatly affected by expectations and aspirations of individuals. For example, people who have no education believe that most children in their country get a good education and the ones who have a lot of education believe that in their country no child gets a good education. What is important here is the well-defined pattern that expectations have, and the mindset that an individual has about what good education is. Obviously, those who have no education have very low expectations of what is good education and believe that everyone in the country receive good education. That brings us to what is known as:

Paradox of expectations: the ones who have had more hardship, have tend to judge in a milder form social policies.

We must keep in mind that perceptions may be inconsistent with the decisions and predictions of economic theory. There is not a rigid model to which perceptions of individuals are responding to, among other things because people do many things that reduce their satisfaction, we eat more than necessary, or smoke more than necessary. We are unable to anticipate the utility that certain things give us. For example, very wealthy people complain that they overwork but they still do it, or we believe that buying something will give us a great pleasure but satisfaction soon disappears. Instead, we are amazed at the satisfaction we get from a work of art. People stop doing many things that would give more satisfaction. People are not a machine for utility maximization. Even in poor families, they fail to make fundamental improvements to their home that later boost their satisfaction. For example, in Mexico there is a very famous project, that of Piso Firme: People do not put a firm floor to his home not because they lack money but because the lack momentum, but this could trigger their satisfaction with life. They could not foresee that if they made a small effort they would receive a great satisfaction. Individuals stop doing things that would protect them against major risks: not having health insurance, or not saving for health issues. That brings us to the last paradox I want to mention:

Paradox of irrationality: humans (and their opinions) do not have the consistency of the "homo economicus" in which the traditional economic theory is based.

Implications. The first is that perceptions cannot replace but complement the objective indicators. They help us to enrich our view of reality; they help us know what is important to satisfaction and what is not. They allow us, among other things, something very interesting for those who do national accounts and look at things with economic values, assessed aspects of life that have no market. For instance, if one uses information on satisfaction and its determinants, since the income of people influences their satisfaction it can implicitly calculate the value of anything else that affects satisfaction. Therefore helps us to know when markets work well, whether or not differences exist between the values that individuals implicitly perceive and the values things have on the market.

Uses of Subjective information. Measuring quality of life does not mean that that's going to be the goal of public policy. It does not imply that one is going to judge the success of each policy area by the satisfaction. It does not imply that public efforts or resources are allocated by the weight that each person or the society assigns to the domain. That alone tells me the individuals are concerned about, not how to spend public money. Nor does it mean that one must ignore problems that do not matter to people; if they are important then there must be leadership so that people's perceptions change.

"Perceptions can not replace but complement the objective indicators. They help us to enrich our view of reality; they help us know what is important to satisfaction and what is not"

The subjective information in the end can serve the government and politicians in many ways; it can serve to know what are the policy areas individuals will support and which are not. It can help assess public goods that have no market, such as basic services, social benefits, and safety.

Jeff Dayton Johnson

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Notes taken from the Parallel workshops » Social inequity and well-being

Middle Classes in Latin America. The impact of global financial crisis on Latin America was a significant impact, with much heterogeneity depending on the country, but with a significant economic slowdown. But although significant, in most countries was temporary in the sense that the economic recovery has been faster and stronger in Latin American countries than in countries outside Latin America. There is an interpretation that says that the macroeconomic resistance of the region is partly thanks to the strong role of domestic demand, specifically the demand of the middle-class –from that economic purchasing power of the middle class.

> ***"The macroeconomic resistance of the region (to the global financial crisis) is partly thanks to the strong role of domestic demand, specifically the demand of the middle-class –from that economic purchasing power of the middle class"***

During the economic boom that preceded the financial crisis there was a historical reduction of poverty that had an impact on reducing inequality. Here there is also a subject of the middle classes because there are many households in the region that are not longer poor. Our motivation is to see in what economic conditions are the middle groups of the income distribution, and if they are actually able to be the engine of growth in the region.

How should we define the middle class? We begin by defining a middle class not in a sociological sense, but seeing in a very naive way people who are in the middle of the income distribution and then we define a group -the middle group of the income distribution-starting with the household that has the income in the median and taking the group of households that have 50 percent of this income to 150 percent of that income. First, it is a measure that is relative. It differs from other measurements that are based on absolute amounts. This is a measure that can be applied to any economy in the world, it is very important for comparison between Latin American countries and OECD countries. Second, it is a measure that varies with the level of economic inequality in the society. Others use the purchasing power of the three quintiles in the middle of the income distribution, but that will always be 60 percent of the population. Our measure may vary depending on the inequality.

Now, with this definition, what have we found about the sector in the middle group? There is much variation in size, in countries like Uruguay, Mexico and Chile about 50 percent are within that group, and in countries like Colombia and Bolivia just over a third of the population is within the middle group. No country in latin america has the sector of the middle group similar in size to what we find in wealthier countries. In Italy, for example, two thirds of the population, a very typical result for European countries, is in those middle groups of the income distribution.

Working situation. We have information on four countries: Bolivia, Brazil, Chile, and Mexico with the distribution of occupational status of the heads of households in the middle groups. For the proportion of workers with formal employment, meaning that technically they are contributing to social security, what we see is that only in Chile there is a situation where more than half of those workers of the middle sector have a formal job; in other countries, most workers in the middle sector have informal work. In Bolivia, 90 percent of the people in the middle group work in informal jobs.

This means that although they have an income level that places them in the middle of the income distribution, they are vulnerable to problems like losing their jobs, going ill, to retire or wanting to retire.

A first public policy recommendation is to improve the system of social protection, including pensions, to address the situation of informality, because informality is a majority situation for workers in the middle groups in latin america.

Education. The inter-generational social mobility via education tries to measure the probability that a Latin American adult has a higher educational level than their parents, and by different levels of education. The problem begins at secondary school where those social rates of inter-generational mobility are very low compared to other developing countries. If your parents completed high school, the likelihood that you have more education than they is about 50 percent, is lower than elsewhere in the world.

Fiscal Policy. Fiscal policy is not only tax policy or collection policy; it has to do with the expense. We made a very detailed analysis of Mexico and Chile by decile of income distribution- tax burdens by decile as a proportion of average income decile. What we find is that in Mexico there is some tax progressivity. There is less progressivity in Chile, but in both countries there are very low levels of tax collection, and there is a very important progressivity in public spending as a share of the beneficiaries of these expenditures.

The situation in the middle deciles is quite neutral, in Chile the decile 6 pay more than it receives, and in Mexico receives more than it pays. If households of the middle group have the impression that the quality of public services they receive from the state is low, especially if they pay from their own pockets for private education or private health services, they will feel they are losers in the fiscal contract with the state. This is very important for the political role middle groups can play as defenders of democracy. Middle groups are supporters of that social contract so long there’s a reasonable level of quality of public services.

So, any tax reform must be accompanied or preceded by a reform in the quality of basic services provided by the state.

Isidro Soloaga

Professor, COLMEX, Mexico

Notes taken from the Parallel workshops » Social inequity and well-being » Reflections on the Regional Human Development Report

Diagnostic. If we use the Gini coefficient, Latin America has 10 of the 15 most unequal countries in the world. A characteristic of our region is that inequality is high and persistent. Although in recent years inequality has declined slightly, levels are high for any international standard. Inequality has many faces: territorial, gender, race. Inequality is endemic and with low socioeconomic mobility. The central diagnosis is that the transmission of inequality is manifested at the household level.

"The idea is to rethink public policies from the standpoint of inequality, not only from the point of view of poverty. Until now, public policy has been focused on fighting poverty and neglected inequality"

Public Policy Approach. As a different approach to public policy, we suggest the public policy approach of operating restrictions. The restriction may be on the household side, in what is not seen. One must see restrictions that are taking place, and focus on the relative importance of the household, the state and the markets. For example, in the case of education, if there is low enrollment in secondary education policy might be to increase the number of shifts, but the issue is that families would not send their children to school even if they were close to home. The public policy tries to understand whether the family is credit constrained, and so on.

Another element is to try to "see what is not seen." We focus on two parts: aspirations and empowerment. In a connected society, the typical person sees that with efforts he can go up the social ladder. However, in a stratified society what we observe is that this person has people around with similar characteristics and similar restrictions, but cannot make that leap to improve his indicators or ones for the next generation. There is a segmentation of aspiration in stratified societies. We found in surveys for three cities (Buenos Aires, Mexico City and Managua) that for people of high socioeconomic status, college is more important and for those of low socioeconomic status is much less important. This is linked to some literature that shows that the aspirations we have for our children at 15 or 16 years is a very good indicator of what we expect from their educational level at the age of 30. Socioeconomic status is one of the most important factors for the cognitive development of boys.

Inequality policy. The Regional Human Development Report concludes with a new approach to the design of public policy: the idea is to rethink public policies from the standpoint of inequality, not only from the point of view of poverty. Until now, public policy has been focused on fighting poverty and neglected inequality. The proposal is to have it as an important ingredient and adopt a comprehensive scheme that includes both restrictions at the household level and systemic constraints. To apply the three Rs approach (Reach, Range, and Reason). Where Reach refers to reach individuals, households, communities for which they were designed. Range is taken into account all factors, both "what is seen" as well as "things that are not seen." Finally, the Reason per se is a need for public policy and not only because it helps to improve the impact of public policy.

José Gregorio Pineda

Researcher, UNDP

Notes taken from the Parallel workshops » Social inequity and well-being » Global Human Development Report

Human Development. In the report last year we saw that for a group of 135 countries, there is a global trend of improvements in the human development index (hdi) in the last 40 years. In fact, only three of the 135 countries failed to have an HDI level higher than they had in 1970. That was a trend shared by many regions in the world, including Latin America.

But that story of global progress also was accompanied by a series of challenges. One of them is sustainability, especially measured by the environmental point of view. There has been a relationship between the emission levels that countries have and their level of development, mainly through the way they produce, ie, it relates to the income component and not necessarily to the education and health component. The notion that advances in human development have been associated with at least a deterioration in terms of carbon emissions, not necessarily is justified by the progress that has been achieved in the non-income component of HDI, but rather by the pattern of economic growth of countries.

We want to foster a sustainable human development, thus breaking the notion that progress in human development is associated with social costs, mainly by the income component. To give a definition of sustainable human development that not only preserves, but as far as possible, expand freedom and the capabilities of people, not at the expense of future generations, and that we can make any effort to reduce risk of future catastrophic events that could put an end to the progress made as a society.

Equity and Development. Why worry about inter-generational equity if at the same time we do not care about the equity we have in the same generation of today? To incorporate aspects of intra-generational equity will be the key to designing policies at the inter-generational equity. There is much literature showing that part of our unsustainable behavior is associated with the imbalances that exist in terms of capacity, economic justice, and inequalities that lead and exacerbate unsustainable behavior that we have globally. Part of our goal is to find and identify positive synergies between inter and intra generational equity.

When we incorporate the component of education and health, Latin America is not so unequal. In a more global concept of development, we are not necessarily the most unequal region. However, the HDI shows the development of an average individual, but that average individual does not necessarily enjoy the level of education, income or health because it depends on how the distribution is. The level of inequality has been declining significantly mainly due to the education and health components, but the level of income inequality persists.

Sustainable Development. We want to identify synergies and see what those countries and experiences are that we would like to understand that enable to break with the contradiction of having policies that lead us to improve the level of development, reduce inequality and making it in a sustainable manner. Identify what are those countries that have relatively low inequality with respect to its relevant group, what are those countries that have a level of human development relatively good compared with the relevant group, and look at two other components associated with sustainability: sustainable environmental performance measured by three indicators such as emissions, deforestation and the level of water use; and see if sustainability issues have relatively modest impacts at the local level with indicators such as air pollution and water access.

"To incorporate aspects of intra-generational equity will be the key to designing policies at the inter-generational equity"

The list of countries that begin to emerge includes countries such as Costa Rica and Tunisia, whose indicators of environmental performance are sustainable. It also includes some countries that have sustainability in some dimensions, either in deforestation or water use. We highlight the fact that no developed country has a sustainable level of emissions.

Poverty and Environmental Dimensions. A Multidimensional analysis of poverty with indicators that have environmental implications such as the components associated with the use of contaminated water, lack of access to improved sanitation and air quality. It seems like this environmental deprivation contributes in a disproportionately manner to multidimensional poverty: globally, 8 of every 10 households who are poor in a multidimensional way are deprived in two or three of these indicators. It is important because the environmental implications have an impact on the daily livelihoods of households. Households that most depend on agriculture and fisheries are affected by environmental impacts. In health, we know there are water-borne diseases, lung diseases, air pollution, and studies suggest that insect-borne diseases are going to be affected by global warming.

We should think about integrating concepts of equity in environmental policy design and to preserve future opportunities for development.

Stefano Bartolini

Professor, University of Siena, Italy

Notes taken from the Parallel workshops » Well-being and Income » Social capital and GDP as predictors of variations in subjective well-being

Subjective Well-being and Economic Growth. Subjective well-being trends show substantial variability across countries. In the past 30 years, subjective well-being has increased in some countries and decreased in others. The central question is what predicts these variations? What kind of variables predict if well-being will increase or decrease in various countries? In particular, I compare the predictive power of GDP against the predictive power of social capital on changes in subjective well-being over time and in the same sample of countries.

Much of the literature on subjective well-being revolves around the question of how likely it is that economic growth increases people's happiness. One famous answer is the so-called Easterlin paradox: subjective well-being does not increase when income grows. Recently, there have been doubts about the existence of this paradox in a couple of investigations from Stevenson (2008, 2010) that analyze a large sample of countries and show that subjective well-being is positively correlated with average GDP. The response of Easterlin (2009) is that it is necessary to distinguish between the short and long term, ie, the relationship between subjective well-being and GDP would be different if we consider time series in the short or long term.

Social Capital vs. GDP. A sample of data from the World Values Survey was selected, which includes all countries with time series of at least 15 years with a social capital variable, participation in various types of groups or associations, in order to compare the predictive potential of social capital against the predictive power of GDP on the same sample of countries. By replacing the GDP with social capital (the share of population participating in at least one group or association) in exactly the same regression, the same sample of countries and time horizon, the relationship is positive and significant. The difference in the predictive power of these two variables is very clear: GDP does not predict in any way changes in subjective well-being and these variations are highly predicted by social capital. Social capital is a broad concept, but I focused on the relational sense, that is, measuring the quality and quantity of relationships between people.

A first conclusion is: GDP has no predictive power on variations in subjective well-being at 15 years, while social capital matters a lot.

When performing the same type of analysis with a shorter time horizon of 6 years, as social capital variable we use trust and the database we use is the European Social Survey, we obtain the result that trust predicts very highly variations of subjective well-being over 6 years. GDP is significant over shorter time horizons; it predicts much less than social capital but predicts something. Social capital has great predictive power over the medium and long term.

"The problem is the social quality of growth, at what social costs are we obtaining growth. United states teaches us that growth can be obtained with very high costs in terms of social capital; this is the kind of policies that do not work for subjective well-being"

Using the same data in a horizon of 2 years with the same variable of trust, the result is that trust predicts much less. GDP is significant with a high coefficient and predicts much of the variation over 2 years.

By comparing the medium term with the short term, with the same data, we have that the coefficients of short-term social capital are much smaller than the medium-term coefficients. In contrast, the coefficient of GDP is much larger in the short term than in the medium, and is more significant in the short term. The conclusion is that in the short run the capacity of social capital to predict the subjective well-being is much weaker. In contrast, gdp becomes more and more important in the short run.

Easterlin seems to be right; the important thing is how long the time horizon is. In the long run GDP does not matter. The opposite is true with social capital, it is very important in the long and medium term, but the correlation tends to evaporate in the short run.

Policies for Social Capital. When we ask what kind of policies we need to do we must ask- Do we want a strong effect on well-being which tends to get lost as time goes by? In this case we could maintain the obsession our societies have with economic growth. If we want an effect on well-being that is slow but durable, then it would be important to focus on policies for social capital. For example, in the USA, economic growth was accompanied by a strong decrease of social capital and waning of happiness. The lesson for policymakers is that growth policies should consider the possible adverse effect on social capital. It does not mean that economic growth is not important; the problem is the social quality of growth, at what social costs are we obtaining growth. United States teaches us that growth can be obtained with very high costs in terms of social capital; this is the kind of policies that do not work for subjective well-being.

Graciela Teruel

Researcher, CONEVAL, Mexico

Notes taken from the Parallel workshops » Well-being and Income

Multidimensional Poverty. The official definition of poverty in Mexico considers two main axes: one income axis and an axis of deprivation which is related to guarantees and rights to social development. It uses not only income but expands the concept to social rights. The official measure of poverty in Mexico becomes a multidimensional measurement and considers 7 indicators: income, quality and living spaces, access to basic services in housing, access to health, access to social security, lack of education and access to food.

What do we call multidimensional poverty in general? We have first a line of well-being related to both the basket of food and to the non-food basket, valued at the income represented by those two lines, and we call multidimensional poverty to the interaction of all those who do not earn enough income to meet the income for well-being and also have at least one deprivation. An additional definition is what we call extreme multidimensional poverty where we have a second line of nutritional well-being: those who do not have enough income to cover nutritional needs and have three or more deficiencies make up the group of extreme multidimensional poverty.

In 2008, Mexico had 11.2 million people in extreme poverty, 36 million people in moderate poverty, and 35.2 million people vulnerable by some deficiency but which are not vulnerable in terms of income and 4.8 million people with no deficiencies but that are vulnerable in terms of income. The measurement of poverty in Mexico combines the structural well-being level (social rights) with the situational well-being (current income).

The 7 indicators were not selected but are identified in the Law of Social Development. CONEVAL interprets the law but it is important to recognize that these indicators were not an academic proposal by the directors, but they were already given in the law.

Better Metrics. Using indicators in addition to income allows us to approach public policy from different types of efforts and identify different types of populations. Income represents a temporary or transitory well-being. It is documented that income has a measurement error; there is evidence that households have less incentive to correctly report their income in order to belong to certain social programs. Therefore, there is a need to find objective indicators that more accurately approximate what we measure. An alternative is to use expenditure rather than income as a proxy for consumption. The advantage is that spending is generally reported with less measurement error and better approaches to permanent income, ie a long-term measure of well-being.

> ***"Using indicators in addition to income allows us to approach public policy from different types of efforts and identify different types of populations"***

We need indicators that are pertinent: to agree on what we measure, long or short-term well-being, cyclical or structural. That are accurate, that measure as closely as possible what we measure. That are timely: to have information sooner. Relevant: in the case of access to health services, if everyone has access, there would be one deficiency less and the indicator becomes irrelevant.

Saamah Abdallah

Researcher, New Economics Foundation NEF, UK

Notes taken from the Parallel workshops » Well-being and Income

Measuring Well-being. Initially it was thought that well-being could be measured by looking at income. In the 60s and 70s arose the idea of making a list of all the things we think are important, such as health, education, income, etc.; And as experts deciding which things are important for the well-being and which ones to measure.

Then subjective methods brought our attention, distinguishing three. One is evaluative; it is to ask people if they are satisfied with their life, what they think about their life, how they feel. This measure has a bit of cognition, is a quick response. Another is hedonic; it is to ask whether the person is happy, you can be happy now but not satisfied with life, they are different things. The last is subjective but also has some features from the list of things; they are the functioning accounts, which are based on sociological and psychological studies that consider the existence of universal needs for everyone, not just basic things like eating and drinking, but also psychological things. Three psychological needs arise that are important to everyone: autonomy, social relationships and self esteem. It may be that these things are important to everyone but can be satisfied in different ways.

We have a model for combining the different ways to measure well-being. External conditions and the proper functioning create feelings of happiness and life satisfaction. It is a dynamic model, which means that there is feedback. Well-being means positive feelings and good functioning. Other factors in the model are drivers of well-being, things that allow well-being.

Public Policies. Can we use well being to shape policy? There are at least five ways that well-being can influence policy:

1. Understanding people, understand what the things that impact well-being are. For example, recent data shows that having to commute has a very strong and negative impact on well-being, this impact is greater than we assumed when no data were available. A policy might consider how to make our workplace not so far from our house.

2. Finding balances between two costs, for example, between unemployment and inflation. We know that unemployment is much more damaging to the well being than inflation.

3. Identify population groups in need. Not only use the income to identify deprived groups, but to see what groups have very low subjective well-being.

4. Advocating. We have known for a long time about the negative impact of the use of passive transport like using the car for short trips, while cycling is much better for health. Showing that people who ride bicycles or walking are happier than those who go by car, you can convince the public and policy makers.

5. Evaluation. By building an airport we wonder how much do we have to pay you because there is more noise? Studies have shown that this methodology does not work very well. Another way is using data from the well-being. You can measure the well-being of the people who are close to the airport and compare it against the well-being of those who are farther to say how much the noise from the airport costs in terms of well-being.

Marco Mira d'Ercole

Statistics Directorade, OECD

Notes taken from the Parallel workshops » Paradoxes of Well-being

Subjective Well-being. To some extent, we have always emphasized that we need to consider subjective well-being as a multidimensional concept, and that it is important to distinguish between different elements. The first is the assessment of life satisfaction, which has the element of cognitive evaluation that the person makes about his own life. It is affected by what people remember about that experience and is typically measured through household surveys. Then there is another component, emotions or feelings experienced, which is a concept that is closely related to the "here and now." For research, it is important to distinguish between a positive and negative side, that is, positive emotions like joy, and negative emotions like sadness and anger. Because these feelings are measured in the "here and now" they have the potential to be affected by different ranges and inform about various aspects of people's lives. Third, a more recent concept that has been central in various discussions on statistics, the eudaimonic well-being, which refers to a range of positive functionings such as the meaning of life, competence, and autonomy.

But most of what we know in terms of empirical factors of subjective well-being is based on the measurement of life satisfaction. But how much we know about this measure? I would like to make some comments about it. First, on the statistical quality of measurements in terms of a number of criteria: reliability, response burden and validity. The reliability of the instrument is normally determined through a scale test, observing how people respond to the same question. About the response burden, we generally know that this is a question that causes a slight burden on respondents as the question is easy to understand. Validity is a concept with various angles between statisticians: we speak of face validity; convergent validity that has to do with how different measurements of the same concept relate to each other; and construct validity, even in this respect the measures are appropriate.

"We are moving from paradoxes to new paradigms"

In terms of the relationship over time between average income and life satisfaction, there is no relationship between average life satisfaction and average income expressed as GDP per capita. The variables are not measurable, cannot be related at least a transformation is made in each of them.

Other factors beyond income that are also important for life satisfaction are: age, gender, sex, governmental quality, commuting, inflation, noise pollution, risk of terrorism, risk of crime.

Expected Outcomes. To increase the number of countries for which there are official measures of subjective well being; improving the international comparability of measurements of subjective well-being establishing common standards used by national statistical agencies; improve the quality of measurements by establishing best practice in questionnaire design and to improve the usefulness of the data collected to establish general guidelines on the appropriate frequency and survey instruments, to collect data on subjective well-being. The conclusion is that we are moving from "paradoxes" to "new paradigms".

Pablo Tactuk

Director of the National Statistics Office, Dominican Republic, and President of the Executive Committee of the Statistical Conference of the Americas, ECLAC

Notes taken from the Parallel workshops » Paradoxes of Well-being

Paradoxes of Human Well-being. In my country (Dominican Republic), the 2010-2030 national development strategy is based on a definition of human well-being, and says that "it is the satisfaction of needs in a framework of freedom, equity and solidarity." This remark leads to the notion that human well being is explicitly or implicitly a fundamental value for any development strategy. In this context, paying attention to the paradoxes that affect human well being is not merely an academic exercise but one of vital importance for the present and future of national societies and humanity.

"Human well being is explicitly or implicitly a fundamental value for any development strategy"

Here are some paradoxes that have occurred frequently in the Dominican Republic. In our country, population segments with first-world levels of well-being coexist with others of third or fourth world living standards. Also, some sectors of economic activity that account for most of the country's production have low levels of productivity. Another paradox is the need for the market to develop while there is lack of access to credit for millions of people.

Economic growth also occurs with the increasing number of poor people. In some periods there has been economic growth and a rising poverty rate. There has been growing inequality and unemployment despite economic growth. There is economic growth, along with less hope of a better future. There have been pro-cyclical policies have often contributed to the increasing economic fluctuations rather than alleviate them. There has also been economic growth with deteriorating environmental quality or public safety. Also, slow reduction of poverty and rapid increase of poverty in times of crisis. There was even a year, in 2003, in which poverty reduction was similar to what had been achieved in economic growth 10 years prior to that year. This means that within a year it was lost what had been achieved in ten years.

Another paradox that has happened is that dynamic sectors, the ones that drive the economy, are not very well linked to other economic activity. There has also been reduced quality in education just at the time of greatest need to be competitive internationally. Same with outdated and ineffective legal frameworks at the time that investment and citizens require greater legal certainty. And there has been a technology development but also a widening gap between the levels of knowledge.

Paradoxes are signs or symptoms of malfunction in the economy or in the government or social institutions, but not they are not the problem per se. Behind every paradox there is a complex problem that has to be studied in depth, with research data, hence the important role of statistics in the search for solutions.

Measuring Well-being. Well-being cannot be measured by summarizing only a few variables. In case of establishing an international measure of synthesis for well-being, it has to take into account a significant number of variables, much more than what national accounts have right now.

This is easily understood by returning to the National Development Strategy of the Dominican Republic, starting from a definition of human well being. Its vision also focuses on that value. The strategy revolves around four strategic axes, for each strategic axis set of broad objectives are established, for each general goal a set of specific objectives, and for each specific objective a series of lines of action. In addition, each strategic axis is accompanied by qualitative targets, indicators and quantitative targets. Qualitative indicators are only 70. This means that not only nationally but for all provinces and municipalities the National Statistical System and the National Bureau of Statistics have an enormous responsibility to produce quality and timely indicators. Ideally, well-being measurement could be applied to small geographic areas, allowing priority on the most needed demarcations. However, with the exception of information that comes from census, it is difficult to obtain measurements at that level of disaggregation mainly for cost reasons. Here there is a paradox of measurement, the higher the level of difficulties and problems of a country the less likely it is that adequate measurements can be made and properly public policy and decision making can be taken place.

"The concept of well-being should be in the core of the human person in its entirety, as well as their integration into society"

I want to emphasize in the need to increase efforts to measure well-being. The concept of well-being should be in the core of the human person in its entirety, as well as their integration into society. We must avoid two steps, one is wishing to measure it very easy, and another is to double the existing measures.

Eduardo Wills

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Notes taken from the Parallel workshops » Paradoxes of Well-being

Change of Paradigms. I would like to start by mentioning some of the aspects that put us in the situation of why we are revising our thinking and approach to development: we have a globalized financial crisis worsened in recent years, we have great natural disasters and climate change, there are very large levels of inequality in income distribution, particularly in Latin America, which is often reflected in conflict and violence, and we have a prevailing economic model that is based on the idea of creating rising consumption and maximization of profits, and nowadays we are definitely seeing that this model is not fully viable and needs very deep correction, and perhaps the most important point is that traditional economic instruments do not assess satisfactorily how citizens perceive their own well-being. Traditional economic models have always been designed from the academy, from the elites and governments of our countries, and very little have we been concerned in asking the average citizen how he/she fees about his/her life in general and what the factors that generate satisfaction and dissatisfaction are. Hence, this concept of subjective well-being, I think it is a very important concept, because it is showing that there must be a paradigm shift in the approaches, in the ways of thinking.

"We have to point out to models of change that think about man and society in a different way"

We could say that the paradigm that has prevailed has been based on the idea of a reality external to the individual, which is an objective reality, and that there is a universal truth. But faced with that kind of thinking we have other paradigms, in particular that the quality of life and well-being is something that it can only be defined in a subjective manner and by the individual that experience it, that reality can be socially constructed, that is not the product of absolute truths but it is socially constructed through dialog and negotiation or from participation, and also that the new models that stand before the difficulties we face today cannot point to maintain a status quo that is creating serious problems of inequality, injustice, poor income distribution, but we have to point out to models of change that think about man and society in a different way. I would like to notice that throughout this discussion of subjective well-being, what is behind is a paradigm shift. Therefore, before we see as limiting the fact that cultural differences exist, that there are differences between individuals, that people have different goals in life, I think we should remember that these are precisely the variables that make up the discussion on the subjective well-being and we have to investigate and understand them better.

Well-being beyond GDP. I had the opportunity to work on a program to the poorest regions, the more helpless, of greater social conflict in the country, something in a very close manner with farmers, indigenous and rural people of Colombia. And we from Bogotá, a little bit centrally, thought that what we needed to bring to these regions and these people were material goods, more roads, more schools and obviously improve the level of income. By creating spaces for discussion and deliberation, the big surprise we had is that people did care much for their road conditions, their standard of living, but mostly what they were asking for was, first, to be heard by the central government, and second, be treated with dignity as persons; thirdly, to be considered agents of change, that is, competent people to generate their own models of change, and fourth, also requested us to understand better the specific strategies that communities developed in the regions, for example, to resolve the issue of economic survival and the issue of insecurity. Colombia is a country that has had social conflict for over fifty years, but the communities have survived and in many cases have been strengthened. That is, people do not remain passive in the face of adversity, but are organized and develop strategies to resolve them, and particularly in Colombia we found that the of associating, working collectively, what we call social capital, was a very important strategy to reduce levels of insecurity. Even in recent research we have done on the perception of insecurity in Colombia, a country whose objective conditions of violence are great, we encounter the surprise that perception is not so high because people have either managed to adapt or, have effectively managed to generate strategies that have successfully resolved this problem and they continue to survive.

Well-being in Latin America. Latin American countries do not have a level of GDP per capita as high as other countries, but we have a level of life satisfaction proportionally higher. That is, we have some positive conditions from our Latin American culture that, despite adverse conditions, make people live with more satisfaction than in other countries. And I think that our research must focus on trying to find what Latin American positive culture factors explain this. In particular, I have focused on three of these dimensions, on which I have been conducting my research.

Goals and aspirations: Definitely in our society we find that individuals establish their life aspirations and goals into three groups. (1) There is a large group of people who simply requires surviving through the day, spend the month, and these people set realistic goals that they meet, so their level of satisfaction may be higher. People, who work in our huge informal sector of our cities, indeed survive and meet their realistic goals. (2) There is a second group that has some goals in life based on excessive consumption, to have more and more, with an increasingly emphasis in material goods, goals usually very high and probably unachievable, people who presumably are not very satisfied. (3) And we have a third group of people, that is increasing in our societies, they are reducing their consumption levels and are making a major effort to change their lifestyle to a life well lived, people who voluntarily reduce their consumption levels, who want to spend their free time with family, friends, in activities that will satisfy them, people who want to live harmoniously with the community and the environmental surroundings. So there's a large group that is reducing certain goals and aspirations some of which can generate a significant level of satisfaction.

Subjective Well-being. Around the concept of subjective well-being and its paradoxes, I would like to point out some aspects that we must consider. First, it is a multidimensional concept; we have many dimensions included in subjective well-being, from the individual's own conditions, people who tend to be more optimistic than pessimistic in life, to group characteristics and social relations. And we have different domains with different meaning for people and that can contribute in a major way in the level of subjective well-being. In particular, the domain of job satisfaction or occupation in general, taking into account people working at home or caring for elderly people, is a very important source of personal growth and satisfaction. The domain of health and life expectancy is very important, the economic domain with the standard of living, safety, personal relationships and community.

Second, subjective well-being is also multi-level and our methods of analysis so far start to incorporate multilevel regression methods where one can add individual variables with social variables. Because you cannot add individual measurements as if they were the product of social aggregates, we have to consider every measure in its proper perspective. We have a very important framework that is multidimensional and multilevel but these multiple levels of well- being should also be classified as opportunities, processes and outcomes. Because the well being is also to some extent a life process, people who seek only being "satisfied" with life or "being happy", almost never achieve it. Life satisfaction is the result of a process of a life well lived, so we have to understand well being in a phenomenological way, that is, how we live it and develop it as a process. And to attain this well being, we have the opportunities given by our environment, our habitat, and favorable or unfavorable environment of our cities and countries. And finally, we have some results that will make people function well; to live a life well lived in freedom which we can choose freely.

May 12th, Thursday

Opening Session: Education, equity and development

Juan Ramón de la Fuente

Session 3: Education, Health and Working conditions

Carlos Tello
Miguel Székely
Julio Sotelo
Anousheh Karvar

Session 4: How to better use and improve existing data for measuring well-being

Paul Cheung
Carlos Olivares
Jon Clifton
Eduardo Sojo
Francisco J. Labbé
Eduardo Pereira Nunes

Parallel workshops

3.1 Education and competencies

Miguel Székely
Juan Cruz Perusia
Elena Azaola
Jorge Bustame

3.2 Physical and Mental Health

Julio Sotelo
María Elena Medina-Mora Icaza
Ramón Florenzano
Gabriela Villareal

3.3 Employment and Working conditions

Anousheh Karvar
Agustín Salvia
Zulma Sosa de Servín
Carlos Tello
Eduardo Wills

Juan Ramón de la Fuente

President of International Association of Universities, UNESCO

Notes taken from the Opening Session, Thursday May 12th » Keynote speaker » "Education, equity and development"

Aspects of Education. Education, at least in principle, improves people's capacities, closes the gaps of inequality and is, or should be, a lever for development. Education must appear as a catalyst for progress and welfare. This is true as long as education has certain characteristics, one of them, is that it must be inclusive, that is, equitable in access. This is a problem not solved, not only in Latin America but also in more developed countries. It must also be an efficient education. It is about the fact that education should really constitute a social permeability mechanism. In Mexico, education was an instrument of social mobility in the twentieth century, without education we could not imagine the construction of our middle class, but for various reasons, education has lost that role as a mechanism of social mobility. Finally, the other element is the quality. Education without quality is not lever for development or instrument of social mobility. I would like to point out two dimensions of quality, one that has to do with the knowledge, skills, and another which is also in crisis today that has to do with principles and values. Quality education must have a technical component of skills, knowledge, but also an ethical component that generates commitments.

Knowledge Economy. Education should be seen as a mechanism for development, for individual development and for collective development. That is the ultimate purpose of education. An education system that is not achieving that the education provided is a tool, a lever for individual and collective development, is not working. Knowledge becomes a key element in the process. Research is the one that creates the knowledge, education transmits knowledge and innovation transforms knowledge. Thus, education, research, and innovation are inseparable factors in a system that pretends to be an efficient, inclusive, and quality system. What has happened is that there is a new relationship, or has become clearer that there is a relationship, between knowledge, wealth, health, employment and economic growth, which has been called the knowledge-based economy. That is, knowledge ceased to be something abstract, something exclusive. Knowledge is recorded, are patented, are exported, are rented, they enter a more complex dynamic than they had until recently. Another key element is that knowledge fosters, in my opinion, a development with freedom, a democratic development with margins for the plurality, tolerance, and dissent. Of course, if we accept the great reflection

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of Unamuno that "Only he who knows is free, and even freer is the one knows more", knowledge fosters growth with freedom.

Clearly production is the result not only of capital and labor, but also and above all, knowledge. Knowledge-base economy is the capacity society has to incorporate to its productive unit goods and services resulting from knowledge, science, technology.

The topic became popular at the end of the last century with a World Bank document. This document says that knowledge is essential for development, and includes what experts called the strategic dimensions to an economy based on knowledge. What does it take to move towards a development model based on knowledge? We need a solid base of human capital, a modern and dynamic infrastructure, an efficient national innovation system, and a well-balanced economic and institutional regime. This immediately created much controversy about whether knowledge is a global public good or not. Some argue that knowledge cannot be a public good and that the private sector should be the engine driving new knowledge. I am against this proposition. Knowledge is as public as the international security or environmental protection because it benefits everyone and is not limited by geographical boundaries.

"Education in our countries is still very unequal; there is no equity in access, and therefore it won´t be an instrument of social mobility"

"To enter into the knowledge-based economy, knowledge needs to be generated. Research in latin america is lagging. Latin america is much closer to africa than to the rest of the world"

What are the gateways to the knowledge society? The first is education. The second is the concept of knowledge as a public good, the open science. Science is no longer a personal activity. Now, the way forward is to make science reach to the most possible as quickly as possible. In Mexico, the science does not touch people's lives. Science must be owned by everyone. The third gateway to the knowledge society is research. Research transforms investment in knowledge and the innovation transforms knowledge into better goods and services that can be commercially successful and socially valuable.

In the area of higher education there are great unbalances at the global level. United States and Western Europe are certainly regions in the world who take the lead; they have achieved two thirds of its population with higher education. Latin America and the Caribbean are in the middle of the road, the poorest represent only 6% of the enrolled. Education in our countries is still very unequal; there is no equity in access, and therefore it won´t be an instrument of social mobility.

Development and Public Spending on Education. In the case of Mexico, spending on education is below what would be expected in relation to the increased spending per capita. One way to interpret these data is that we are not only spending less in proportion to what we need, but perhaps we are spending badly. This leads us to think that not all is about increasing spending, but is how we spend it. To enter into the knowledge-based economy, knowledge needs to be generated. Research in Latin America is lagging. Latin America is much closer to Africa than to the rest of the world. High-income countries contribute with 60 percent of the total investment in research and development, and their GDP is more or less the same. In the case of middle-income countries, while their GDP per capita accounts for 6 percent of the total, investment in science and technology is lower. The economies of Asia (including South Korea, Singapore) contribute 24 per cent of GDP per capita but are contributing almost 30 percent to the expenditure on research and development.

Inequity and Education. Japan, Finland, Norway and Denmark are countries with less inequality within the rich countries. The countries with less inequality are those with better educational outcomes. But equality is reflected in other indicators, and the process gets feedback, equality is cause and effect at the same time of the quality of the education system. Life expectancy is higher in countries with less inequality. The inequality in rich countries is conditional on a complex interaction of variables of well-being and progress. In less unequal economies the prevalence of mental illness is lower. Inequality is associated with a wide range of social pathologies. In areas with greater inequality there is an increase of violent crime. In most unequal nations there is a greater proportion of the prison population, and there is greater incidence of drug use and mental disorders. Therefore, it is essential to have social strategies aimed at closing the gap of inequality.

Final Thoughts. I believe that science and education do not guarantee development, just as economic growth does not guarantee well-being. But one of the biggest obstacles to progress in society is ignorance. I believe that society and science are irreplaceable allies for progress.

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Carlos Tello

Professor, UNAM, Mexico

Notes taken from Session 3: Education, Health and Working conditions » Introduction by the President of the Chair

Multidimensional View. The idea of a measurement of well-being and progress of societies that goes beyond the simple indicator of income per capita to include other indicators is a multidimensional view of well-being that gains adherents. Long ago the work on this task started; I remember the efforts of the King of Bhutan, which has implemented the program of the United Nations Development with its Human Development Index, what ECLAC has made in its reports on the general state of the population and now recently the excellent work on the *Hour of Inequality.* Here in Mexico, CONEVAL has made progress in defining and we already have a multidimensional index of poverty, and there is the extraordinary work the OECD has done in its various conferences to advance in this direction.

> ***"It is necessary to find a precise definition, as accurate as possible, of the threshold to which we aspire in each of the indicators"***

Important Aspects. The first is that, it is good to go in the right direction, that is, on this multidimensional measure of well-being, but despite progress there is still much to investigate, much to do, especially in the field of the measurement of various elements and within that the right combination of objective and subjective indicators. A second conclusion is the importance of cultural differences that exist in every nation and within nations. A third conclusion is the need to find a precise definition, as accurate as possible, of the threshold to which we aspire in each of the indicators. For example, in education, what is the threshold? Is it number of years, quality, or a combination of both? At some point it was debated whether having drinking water at your door in the house or indoors was the same as a difference in the threshold. A final conclusion is the specific weight of each of the indicators. We still give a very large weight, from my viewpoint, to the indicator that reflects the amount of things we want to accumulate and show that we are better, that we are making progress.

Miguel Székely

Professor, ITESM, Mexico

Notes taken from Session 3: Education, Health and Working conditions » Education and competencies

The case of education is an extremely interesting case that reflects very clearly the power of information. In the 70s and 80s the big discussion revolved mainly around the amount of education or coverage. That was the priority; the coverage of Latin American was in average 60 percent for elementary education, and now reaches about 94 percent on average. Since that was the priority, the figures generated in the education sector were mainly of coverage, showing how many people attend school. These numbers fueled the decision-making by identifying areas where expansion was necessary. In the late 80s and 90s, due to the economic situation in Latin America, the subject of education disappeared a little from the agenda. Educational coverage requires investment of resources to expand educational resources, and took second place because public spending fell down in most countries, although the trend of giving priority to educational coverage continued.

In the XXI century there is a major change in two areas: first, in the economic context because spending does not have marked restrictions, but secondly, a tendency arises from measurements and statistics that suggests that the issue of coverage is not the most important, in part because high levels of coverage had been achieved and also because it´s been recognized that regardless of access to education, an equally or more important element is the quality of education. It was concluded that in order to make measurements that are comparable across countries, we had to measure the skills and abilities of students. It was identified that the most relevant factor is not necessarily the amount of data and information that a person has, but other skills like the ability to use technology, self-criticism, teamwork, and ultimately the ability to learn in a lifetime.

The OECD decided to focus the measurements on three areas: mathematical ability, reading and science in general. It focused on these three because they are areas where the concept of competence can get operational relatively easier. Traditional models in Latin America in the last century were models oriented towards memorization and accumulation of concepts. For instance, the focus was memorizing grammatical rules by heart. In this new approach is not so important to know by memory the rules but to know how to apply them in a practical use. For example, the PISA test measures how much a student can understand what he or she reads, communicate it and synthesize it.

"It´s been recognized that regardless of access to education, an equally or more important element is the quality of education"

Measuring Education. Mexico has incorporated two types of measurements, international like PISA and national like the national standardized tests like. The first benefit is that it generates for the first time some information about the quality of education. It is not perfect or complete information, but even with its limitations can be used for making concrete decisions on educational policy. It allows comparing educational levels between regions, states, and socioeconomic groups. The second benefit is transparency and accountability. We can also compare the effect of different types of interventions; in the case of Mexico we have brought together these quality measurements with two types of instruments, with public policy and with other accreditation systems that reveal that educational institutions have generated elements that impact quality. A fourth advantage is that these measurements help establish goals and incentives in the education system. Finally, it has served to clearly guide all stakeholders in the education system. PISA has been helpful and is very attractive in the field of measurement because the test predicts very well how the future of students will be.

"The most relevant factor is not necessarily the amount of data and information that a person has, but other skills like the ability to use technology, self-criticism, teamwork, and ultimately the ability to learn in a lifetime"

The development in the measurement has not been accompanied by a process of information and training on how to use it. Usually figures each year are seen without going a step further and use them to make better decisions and see the information over time.

We have two approaches to measurement: international test that have a number of advantages such as comparison; on the other hand, national examinations, whose advantage is that instead of being a sample they are censal measures with information at the level of students; the disadvantage is that it is comparable across countries.

What tests like PISA tell us is that in Latin America there is an enormous challenge in terms of educational quality. The big challenge is moving from these measurements to use the information for better decisions. Moving from diagnosis to analyze the data and detect causality between factors. Also, to link these measures to specific goals that can be measured over time.

Julio Sotelo

Chief Advisor of the Ministery of Health, Mexico

Notes taken from Session 3: Education, Health and Working conditions » Physical and mental health

Life expectancy. Thanks to scientific progress in the domain of knowledge, its application and economic improvement, the human being for the first in the history of humanity lives two lives. In developed European countries in the early twentieth century, 100 years ago, the life expectancy of humans was about 35 years at birth; now in any country with a reasonable socio-cultural condition, including almost all of Latin America, life expectancy has more than doubled. Human beings have a reasonable expectation of dying old, expectation that humans did not have throughout history. Now, a child born today in any situation has a reasonable expectation of dying of 80 years old. This is the most dramatic change that has occurred in the history of mankind.

Epidemiological Transition. Now we know that development and life expectancy are directly related to income level and the level of development of society. In Mexico, the most frequent cause of death was exogenous diseases, environmental diseases and basically infectious diseases. For example, diarrhea was the cause of infant death, now no longer exists as a significant cause of death. This parameter is replicated in almost all infectious diseases, and leads to a transformation that has been termed the epidemiologic transition. In all countries, lag-related diseases are rapidly disappearing from the stage. Instead, all emerging problems are increasing, almost none is new, but they are all statistically dramatic and innovative in the development of human health. Basically all diseases associated with the endogenous environment are the causes of death of human being. If we differentiate between exogenous and endogenous diseases, in the exogenous (parasitic, viral) the success of modern society has been dramatic, we have eliminated them, successfully prevent them or they do not longer exist. Now what has taken place is of endogenous origin, ie, degenerative diseases, which are rapidly growing. In the first ones, medicine is highly successful, and even cheaper. Now, medicine is bad and expensive worldwide, including highly developed countries, at the new epidemiological overview. Our level of knowledge and effectiveness is limited.

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>
> ***"We will have to deal with aging. We have to redefine it. Time ago it was a matter of numbers"***

Cardiovascular disease is now the queen of the stage. The degenerative and diabetes are growing uncontrollably, associated with the great epidemic of humanity, obesity, considered almost as an incurable disease or of extreme difficulty to be cured.

New diseases, mainly all kinds of addictions, like diabetes and metabolic diseases, are the only possibility of breaking the ongoing success that life expectancy has had.

Aging. We will have to deal with aging. We have to redefine it. Time ago it was a matter of numbers. The first time we spoke of it with a substantially concern was in the 70s and it was determined that 65 years was the cutoff age for an institute of aging. We must find solutions to new scenarios: aging, chronic illness, hypertension, gender equality and women's development and competitiveness, and so on.

Anousheh Karvar

National Secretary, French Democratic Confederation of Labour (FDCL), France

Notes taken from Session 3: Education, Health and Working conditions » Employment and Working conditions

Sustainable Development Model. A new sustainable model requires a new social model, based on changes of production processes, on our consumption patterns and on ethical conduct. These changes can only be accepted if all steps necessary to develop a new and well understood model are prepared and taken into account. A sustainable development model should be use to define the future of productive activities, meaning that we require efforts in the area of research and innovation, and first of all in changing education and lifelong learning. The jobs of the future that arise from new activities will be very different from those works we know today. Many of the works we know today will disappear; this is a crucial issue in an environment marked by unemployment crisis in all over the world. It is crucial that we anticipate the effects of these changes, and we must focus on two areas: we must concentrate on education and lifelong education, and professionalization, that is, job security and professional mobility. These are two opportunities to improve an important component of well being -work life- as we have to fight for better working conditions and higher paying jobs.

The social costs of the new targets set required an investment. It should be a joint effort of employers and their employees, and should be reflected in policy. We must share the weight evenly in all sectors of society. This equity in the burden of change would make the society accept this massive transformation in a much more positive way.

Public Policy. We will face economic, social and environmental challenges, three well-known pillars of sustainable development. We require policies that need to be reviewed and adapted as necessary, and in some cases radically reoriented. In a democratic society citizens must decide what policies should be implemented to reach sustainable development. We need to address all the problems, what information should be in the hands of users. Access to relevant information is important, is the element of democracy. The requirement for sustainable development requires linking the activities with our statistical knowledge of the three components.

These issues were the basis of a referendum in France. The Council's recommendation was to favor a board-type model based on 15 environmental indicators, considering that if we provide the media, citizens will be able to assimilate the information. It was limited to three elements: (1) to improve the statistical understanding of the environmental component, (2) to understand the social component of sustainable development, especially its strength, and (3) how often it should be updated. To understand the inequalities including labor, we must do more surveys to businesses and individuals. Another challenge is the active participation of citizens in the very development of the indicators. We cannot be observers of how the gap between official data and the perception of individuals broadens. Identify mechanisms for cooperation between citizens and institutions of statistics. The model should be presented in clear terms so that it can be disseminated.

The main obstacle is the common definition of quality of work. Budget constraints will restrict new research and reduce the frequency of investigations that are already in practice.

Paul Cheung

Director, UN Statistical Division

Notes taken from Session 4: How to better use and improve existing data for measuring well-being » Introduction by the President of the Chair

Official Statistics. Existing data sources include both official and unofficial statistics. There is much confusion about that official statistics is trying to control information and its environment, and that we are the only source of information for understanding society and economy. I believe that official statistics are just one of many sources of information. Official statistics have some very interesting features: first of all, statistics come from very strong national institutions that have worked for a long period of time on testing the statistics throughout history, over applicability and over usefulness. Therefore, official statistics are important because they are reliable, comparable and of high quality. But restricting our understanding of society and well-being only based on official statistics would be very narrow.

Official statistics is an institution of great importance as it is why a country is independent, impartial and has high quality information. This has been so for many years, it is not something that just emerged, it is part of history, of tradition, of the fundamental structures of countries, and therefore the official statistics do not move as fast. We must be very careful and when we move carefully is because we do not want to alter or weaken that important foundation. I think that the lesson learned today is that there is some cautious movement asking for a framework, international compatibility, indicators, and experiments on subjective data. Many countries are already collecting subjective data but there is some movement in that direction. Therefore, there will be a need for countries to identify a segment of the data provided by the Statistical Office and at the same time data provided by an NGO or the private sector. That is, with all the information on the table, it all depends on how smart the government of each country is in using this information.

> ***"I think that the lesson learned today is that there is some cautious movement asking for a framework, international compatibility, indicators, and experiments on subjective data"***

A good government with all the really important data available can make a big contribution to the progress of societies.

Carlos Olivares

Adviser, Latinobarometro, Mexico

Notes taken from the Session 4: How to better use and improve existing data for measuring well-being

Measures of Well-being. Latinobarómetro is a public opinion survey conducted annually in 18 countries with about 20,000 interviews representing 500 million people, citizens over 18 years in Latin America. It focuses on development issues, democracy, economy, society.

There is a need to develop more precise indicators on both sides of the observation, both objective and subjective. The economic sentiment is an indicator composed by the past, present and future view. The degree of inequality has a significant influence on the way economic expectations evolve. By contrasting the evolution of GDP and the evolution of economic sentiment, we see that GDP is more volatile than economic expectations if we take the average of the region as a whole.

> ***"There is a need to develop more precise indicators on both sides of the observation, both objective and subjective"***

If we consider countries with low social gap, there is some consistency with the evolution that the real economy has. There is an overlap in some points, but when we see what happens with the middle social gap a greater degree of congruence between the evolution of GDP and the real economy is observed. In the higher social gap high economic expectations are clearly below the growth rate of the economy. There is no linear relationship between the economic expectations and growth. Economic expectations in Latin America are determined by exogenous factors.

In the case of income distribution, there are cases where countries with low social gaps have the lowest perception of fairness in the distribution of wealth and countries with high social gap perceive that the distribution is fair. In some cases the Gini coefficient improves but the perception of income distribution gets worse (Peru, Mexico, Chile, Salvador, Nicaragua), and in others, the Gini coefficient gets worse but perception improves (Ecuador, Costa Rica and Colombia)

As for the perceived level of violence and murder rate, the case of Bolivia has the lowest homicide rate in the region, but in the perception of violence is one of the highest. On the other hand, the opposite occurs with Venezuela, where the perception of violence is relatively low compared to the rate of homicides.

The challenge we face is how to improve the indicators. The researcher must go to solve the new challenges to better improve in measuring well being indicators and create effective public policies in our countries.

Jon Clifton

Deputy Director, Gallup, USA

Notes taken from Session 4: How to better use and improve existing data for measuring well-being

Measuring Well-being. Very often, measurements of well-being are under criticism because they are soft indicators. But in recent years we have learned that these are some of the most important indicators that leaders should follow all over the world. For example, in Egypt and Tunisia, if you look at traditional economic indicators, that the leaders were following until the revolutions that happened in recent months started, they were all improving. If we saw GDP for Egypt or Tunisia, both indicators show a positive trend for 5 years (2005 to 2010). If we look at the HDI, both in Egypt and Tunisia it looked exactly the same. What is most interesting is that when we see the traditional economic indicators, usually subjective well-being is statistically correlated with these indicators, but in two cases in the last year this was not the case. In Egypt, only four years ago 25% of individuals were considered by Gallup as people in prosperity, but five years later it was about 10 to 12%, which practically equated Egypt with Palestine. This is to show the importance of why it may be that well-being indicators are not the soft indicators under criticism and at the same time they are hard indicators, because maybe if the leaders have seen this coming, had also seen that they were approaching a time of revolution.

In 2005 and 2006 we integrate a team of survey experts. We had to have consistent frameworks and methodologies for practically every country in the world. Since 2005 we have done surveys in 160 countries, only this year we will have 150 countries in the survey. The organization has consistent well being measures for all countries in the world. How Gallup does it? How do we standardize this in so many countries? In the United States we do this through phone calls, but in the rest of the developing world, the telephone penetration is not the same, so what we have to do is to conduct direct interviews face to face.

> ***"If there's anything that leaders can start working on right away to get a positive impact on well-being it would be to start on creating good jobs and great jobs"***

87% of people around the world say they were treated with respect all day yesterday, while 93% of Mexicans say they were treated with respect. Mexico is a little above the world average, but we cannot see the affects of data in isolation; we must see them as a whole considering the negative affects as well. So, when you add them in a single number, the number one country for positive experience in the world is Venezuela with 86%, Panama is number two with 84%.

In the case of negative affects, 18% of people worldwide said they experienced sadness yesterday, 20% was the figure for Mexico. 20% said they had a deep anger, 23% had much physical pain, 29% spent a lot of stress and 31% had many concerns. People who have more pain in their body every day are in Bahrain, Iraq, Palestine and Bosnia. But these are the measurements that do not correlate perfectly, although sometimes they do move together with traditional economic indicators. When we see something like the building of a cigarette factory, or construction of a prison, it would increase GDP, but not necessarily increase the well being of that community or that country, or their daily happiness or sadness.

In respect with global migration patterns, something Gallup sought to achieve was to answer the question 'would you leave your country permanently? It was no surprise that 56% said yes in the UK or France. One quarter wanted to leave Germany. One in six would leave the country permanently and the reason is for good jobs but also because it does not have a high level of well being. The last question is where they want to go all, and the number one place is the United States: 165 million around the world would like to permanently relocate to the United States. This is because of the availability of good jobs and great jobs and whether or not well-being actually exists in their societies.

The one single thing that we found, that the entire world has in common; the one single thing that Mexicans have in common with Americans, is they all want a good job. And what we found is that if you do have a good job or a great job your well being is significantly impact and you are significantly more likely to have higher well-being. If there´s anything that leaders can start working on right away to get well-being positively impact it would be to start on creating good jobs and great jobs.

Eduardo Pereira Núñez

President of IBGE, Brazil

Notes taken from Session 4: How to better use and improve existing data for measuring well-being

International Measurement Norms. Since the first Global Forum of the OECD in Palermo, some statistical leaders stressed the role that the Statistical Commission and Statistics Division of United Nations play and have played for many years. Both have played an important role to adopt and disseminate frameworks to encourage the comparison of national statistics to measure progress and sustainability of societies.

During the second OECD World Forum in Istanbul, the chief statistician of the United Nations presented how to enhance international understanding and classification of frameworks. After reading the research we can see that almost for 60 years the availability of international standards has been a useful tool to facilitate statistical comparisons between countries. They have been reliable tools and they are more efficient than creating national standards, whether with official or unofficial data. The adoption of international norms in statistics helps developing countries improving their national statistics. It is crucial to maintain the integrity and credibility of official statistics since international standards give us a comparative framework. Lack of international standards in national statistical systems can result in many countries producing low quality data that cannot be used to make a comparison.

We do not need more statistics, what we need is to develop a new framework and organize existing data in a different way, this proposal is useful for all countries, because in this way it would be possible to obtain more information, produce more information and have more knowledge about the well being and progress of our society, using the data we already have.

National Inequalities. Time Use surveys could be a useful mechanism to make the link between the use of time and well being, as many surveys could consider a new framework of national and international inequalities. It would also be possible to calculate the value of housing services produced based on final consumption and measure the contribution of each household income to GDP. This method could help some developing countries to improve the measurement of the multidisciplinary nature of poverty and could also be useful to define the quality of life differently. In addition, surveys of time use for households could put on our hands new statistical data on hours worked by residents of the household and define the new flexible forms in the workforce. We could analyze the division of labor among household members and the growing participation of women in the workplace. We could also see gender issues, evaluate the use of time in culture, to measure poverty and identify vulnerabilities in childhood, women, seniors, and in different ethnic

> ***"It is necessary to integrate different aspects of well being in the same framework to create a comparable system of official information of well being and progress by country"***

groups. However, it is necessary to integrate different aspects of well being in the same framework to create a comparable system of official information of well being and progress by country.

National statistical offices should take into account that we have two different types of users. Short-term users of statistics are those from financial markets. Financial markets move at breakneck speed and for statistical offices is very difficult to keep up and show them in national accounts. For other users, the national accounts system can be reduced to GDP. But we not only have that information, there are users who require other type of information.

The Statistical Institute created a new system to apply household surveys. In this innovation we took on the task of creating a new method to form a household survey based on income and expenditure. We take into account existing data and create different dimensions of poverty. This method contributes greatly to use existing data to measure poverty, inequality and identify sub-national regions in which vulnerability of children, women, elderly and indigenous people, is evident.

Francisco J. Labbé

President of INE, Chile

Notes taken from Session 4: How to better use and improve existing data for measuring well-being

Quality of Information. The first fundamental problem in defining well being is what variable we should consider as valid to define well-being. GDP is absolutely necessary but not sufficient and in some cases leads to erroneous conclusions. For example, the seventh region of my country, the central area, specializes in vineyards, and a large percentage participates in the regional GDP. Four years ago there was an oversupply of grapes and the increase in production meant a significant drop in grape prices, of such magnitude that the price that year became 10% of what had been the previous year. With that price a lot of small producers went into poverty and suffered, but regional GDP figures showed a dramatic increase. This is another example of cases in which the GDP shows something different from what we really want to measure. We have a huge amount of variables we should consider.

The second problem, if we agree on the basic variables to define well-being, is how to weight. Not all variables are worth the same. We might think of developing a social utility function, the problem is that theoretically it had been demonstrated by Arrow in the middle of last century that it is not possible to form that social utility function. Even if we could find those weights, the problem is that they are different for each country and vary in the same country over time. Consequently, finding a single indicator of well-being really seems like a mission impossible. In any case, these variables of well-being have two dimensions: the economic and non-economic. If we take a model, Stiglitz's perhaps, we could say that all of us, individuals, governments, we have different types of capital: social, human, physical, natural, cultural, and understanding the concept of capital as one that produces a flow of something in time, we could say that well being is after all a flow produced by those capitals, at the end we may define it as a well being capital. The transfer of these capitals to future generations is what creates social progress. Perhaps this model could explain why some regions of Central America seem to be happier than others in the southern cone, although the latter have a higher income per capita.

> ***"The topic of well being is an issue that is here to stay and is a subject we all need to consider more seriously in the coming years"***

In Chile, we have today a number of limitations - our national statistical system is more decentralized than the systems in Mexico and Brazil. We have a number of institutions that produce statistics and national accounts belong to the Central Bank of Chile. There is no integrated system of social statistics; there are indicators that do not exist, duplicity, etc.

We must generate a discussion about what we mean by national well being. The topic of well being is an issue that is here to stay and is a subject we all need to consider more seriously in the coming years. The discussion should define national priorities on what subject areas we must measure, allowing building a system of socio-economic statistics to measure -and measure with quality- this statistic, and it should enable to strengthen institutional mechanisms for running the statistical system. We should define the objective and subjective indicators by subject area. If each country defines its own indicators we would have a very large number of indicators not very comparable among themselves and here there is an important work by all the institutions of the OECD, United Nations and other international institutions.

To achieve better statistical quality we need to improve the quality of social statistics within the national statistical system. To do this we hope to develop a system of social statistical management, incorporating an integrated system of household surveys. We expect the standardization within the national statistical system of concepts, definitions, measurement criteria and methodology for the calculation of indicators and protocols to improve the quality of the data. We must improve the management of administrative records. Chile has a huge amount of administrative records; however, we do not use it.

Eduardo Sojo

President of INEGI, Mexico

Notes taken from Session 4: How to better use and improve existing data for measuring well-being

Quality of Information. Three general considerations: First, for the INEGI, to better use and improve the quality of existing data to measure well-being of societies is not an option but an obligation. The law that governs us tells us very clearly, we need to generate quality, timely, accurate and relevant information to contribute to national development. For this we need to better utilize what we already have but also to improve the quality of existing data.

Second consideration, for many countries and Mexico would not be something new to generate indicators on the well being and progress of societies. We already generate a large amount of information in our countries that helps us to measure some of the elements of the well being and progress of societies. We also already measure qualitative information, for example, we have a monthly household survey that allows us to identify consumer confidence. We also have a confidence indicator for the producers, and we measure perceptions of households on safety.

Third, the idea of complementing the traditional indicators that measure progress with subjective indicators has been gaining ground. We all agree that progress has many dimensions, GDP and national accounts have limitations. Those who make the national accounts system know for what it works and for what it does not. Progress has different dimensions and we need to supplement what we have done.

At INEGI we established the line of measuring progress and social well being as a priority research line in the institution. We created a group of people who are investigating and we have formed a fund to invite academics and research projects. Indicators should be of three types: one, the ones we already have, that we measure; second, objective indicators, and thirdly, the subjective indicators. We will not have a synthetic indicator but a group of indicators that allow us to better measure. This research group also studies how to use the system of national accounts for better indicators of well being: to the national disposable income, work at home and in-kind payments from governments are added. We also want a proposal to incorporate questions about satisfaction and life domains in our system of surveys. Well-being indicators seen in isolation gain lots of headlines, but they say very little about how this information may be used for public policy.

"For the inegi, to better use and improve the quality of existing data to measure well-being of societies is not an option but an obligation"

Elena Azaola

Researcher, CIESAS, Mexico

Notes taken from the Parallel workshops » Education and competencies

Gender Stereotypes at School. The study we make collected information about a very broad spectrum of behaviors, attitudes and stereotypes, which is manifested by gender discrimination. We understand by violence or gender discrimination all those attitudes, behaviors, beliefs, stereotypes, practices and values that penalized boys or girls because of being so; we do not look only to overtly aggressive or harmful behavior.

“A new sustainable model requires a new social model, based on changes of production processes, on our consumption patterns and on ethical conduct”

Empirical evidence. We conducted a survey of more than 26 000 students. It is nationally representative, included all types of schools, urban, rural, indigenous, and different socioeconomic levels. Questionnaires were accessible to children; we worked with various tools such as tales, stories, and drawings.

Boys are responsible for a greater number of aggressions in schools than girls, but boys and girls are victims of these attacks almost equally. Two thirds of children said they had received at least one physical assault during the past two years, the most common for boys are kicks and punches, and for girls hair-pulling and pushing. We found that 6.3 percent of children spontaneously said that the first thing that they would change in their school is that there was not so much violence. Another finding is that violence is seen as a more severe problem in urban schools with lowest level of marginalization, not in the most marginalized but those of higher socioeconomic spectrum that we surveyed in urban areas. Another point is that psychological violence has the highest incidence, targets both boys and girls, but it is girls to which affects more. A fifth of the girls reported to have suffered attempts of sexual abuse by their peers. Girls are much more likely than boys to leave behind all gender stereotypes. We also found that the teachers do not always have specialized knowledge or tools to identify the types of violence and know how to work with them in schools. More than three-quarters of children said they felt well or very well in their schools, however, the highest percentages of those who said they felt bad and very bad in school are native boys.

There are many things that are also issues of discrimination and do not appear to be appropriately addressed by teachers. Children reported that boys are discriminated against by their physical appearance, grooming, speech, walking, and teachers noted that generally poor children are discriminated. Boys recognized that they discriminate and have low tolerance for children who express having a sexual preference other than heterosexual; these children are subjected to rejection.

We had not anticipated that girls expressed more consistently and in all cases to have expectations of continuing to university, boys were shown to have much lower expectations in terms of education. We are concerned that there are stereotypes in the sense that girls are more disciplined, more participatory, more reliable, so we're seeing that there are very specific issues we should be looking in boys, particularly the issue of boys being able to express their emotions.

Equality in Capabilities. These data suggest that it would be necessary to develop targeted programs that try to match the capabilities and the participation of boys and girls. Especially in schools with higher levels of marginalization, in which boys expressed having a lower participation or feeling less respected than girls. This support for boys so they participate more actively in all school work should also focus on their ability to play the role of parents.

Implications from the Violence in Children. Studies show that when there is severe levels of aggression, if not detected when a child is maximum 13 years, the consequences are as follows: victimization has been associated with emotional problems such as depression, low self-esteem, anxiety and loneliness, but also the ability to learn may decrease and prevent children develop their full potential, so its impact may remain in the long run. For their part, offenders often have poor school performance and become more involved in drugs and alcohol. There is also a correlation between lack of control in schools and more serious crimes. For young children, the fact that violence is tolerated may mean starting on the wrong foot in gender relations, setting the scene for toxic levels of dominance and hostility between the sexes.

In summary, there is a big task ahead of us in respect of the school environment so teachers can be able to detect violence. Designing specific programs, such as those in other countries, to know how to deal with this violence early and not when it is too late.

"The jobs of the future that arise from new activities will be very different from those works we know today. Many of the works we know today will disappear"

"There are very specific issues we should be looking in boys, particularly the issue of boys being able to express their emotions"

Juan Cruz Perusia

Regional Advisor, UNESCO

Notes taken from the Parallel workshops » Education and competencies

Literacy. From UNESCO's viewpoint education is seen as a fundamental human right. This translates into the definition and perception of the various educational activities that UNESCO implements, and this view was also endorsed by the global society in the universal declaration of human rights in 1948. Education is part of the process of improvement opportunities and freedoms of every individual, and education is the tool that will allow carrying out the kind of life that this individual wants, respecting the rights of others.

"Education is part of the process of improvement opportunities and freedoms of every individua."

Literacy is a central component of education. Since its inception, the educational systems were designed to provide people with basic skills in the area of literacy and this remains valid to this day. A person who does not have adequate literacy skills simply cannot access these learning opportunities, even if these possibilities are there available. Thirty years ago there were people who might not have access to education, and this must have had an impact on the adult population in Latin American countries.

When speaking of a literate person it means that he/she is able to read and write, and understand short, simple texts in the context of everyday life. In 1978 a new definition of literacy arose, calculation was then taking into account; that the individual is capable of performing simple mathematical operations. And it incorporates that these capabilities should enable people to function effectively in society and enable its individual and collective development. A fundamental idea also appears in the definition: you cannot see literacy as a matter of having or not having a competence, there are degrees.

Measuring Literacy. There is no data for developed countries and it is linked to how we're measuring the literacy of the population. When we take the rates, is separated into two groups: people who report knowing how to read and write and the others stating that they cannot read or write. It should be noted that it is a self-declaration, is a perception that the individual has. This measure is not really reporting on skills. It is giving an important message of how the individual sees him/herself on the opportunities he/she has, but gives no specific or concrete information on skills. We have to look at other options of how to measure levels of competence explicitly. Developed countries are not producing literacy rates, but are looking to address the issue differently.

A shortcut that has been used to measure this subject is seeing the years of education of the population as a proxy for skills. There are also some problems; the completion of a schooling grade says nothing about the quality of learning. People gain, maintain, and lose their skills throughout life depending on their experiences and the life cycle. Consequently, a good measure should address the issue from a multidimensional optic, including reading and different texts, writing, and use of numbers and see this in a continuum of skills, from the simplest task to the most complex tasks.

Jorge Bustamante Roldán

Director-General , DANE, Colombia

Notes taken from the Parallel workshops » Education and competencies

Freedom. Perhaps the great struggle of man through history, aside fighting for their physical survival, was stated by Joan Robinson, the first woman laureate in economics, in the mid 50s in a short and brilliant essay "Freedom and need ", in which she tried to answer how much of its time should man and society spend to meet its needs and be free. That is, how much do I need to work in order to be free, that is the great challenge of society. What mattered was life and not objects. France was a very interesting country which attempted to carry out the reduction of working hours. Such decrease in working hours, which many societies can implement, allows greater degrees of freedom to man. What is surprising is that the evolution of society enslaves the man more and more. A simple conclusion, a popular aphorism says -wealth does not make us happy, but takes away the nerves. The great challenge for society is to be free and do not have to worry.

Education and Employability. It is still necessary to review the concept of literacy despite the advances that have occurred in this regard. The conclusion is that education is necessary but not sufficient. Education levels are not related to employment, income levels do not relate to employment either.

We made a research in Colombia with 20 universities. Recent graduates experience the following: the net present value of spending in five years is greater than the net present value of revenues in five years. There is a net deficit of income for students, from the point of view of labor market absorption. We need to resize the weight of investment in education over the outcomes of economic development. It is not enough to guarantee education for all if there is no adequate employability.

"How much of its time should man and society spend to meet its needs and be free? That is, how much do i need to work in order to be free?, That is the great challenge of society"

In our countries, there is a huge effort on the part of education but there is no insertion, from the standpoint of the labor market. We should move into a new conception of literacy, taking into account factors such as globalization, changes of new technologies, information, and communication. The main challenge for our countries after investing in education is to ensure the insertion of human resources, as the human capital is moving toward the labor market of developed countries. Developing countries can attract high-skilled labor at relatively low prices. Our countries, despite making a strong effort in education, we fail to pay wages which captures the labor market. We make the effort to educate our citizens but we have problems with keeping them in the country from the point of view of payments. Active policies for human capital retention are needed. It is necessary to redefine the wage structure, labor market sizing in terms of supply and demand. There is a very large disinformation and there are very big problems in regard to precise signals about demand.

María Elena Medina-Mora Icaza

Director- General, National Institute of Psychiatry, Mexico

Notes taken from the Parallel workshops » Physical and Mental Health » Measuring mental health

Mental Health. We need to move from the measurement of disease to the measurement of positive health and subjective well-being. Mental illness is characterized by unhealthy days lived more than by death and this is probably one reason why it has not received priority, because it does not cause immediate death, except suicide in some diseases. The relationship between physical illness and mental illness comes hand to hand, there are not different dimensions. For example, there is a strong association between depression and obesity.

"Mental illness is characterized by unhealthy days lived more than by death and this is probably one reason why it has not received priority"

"We have to learn how to develop indicators that allow us to better measure how people define and address their problems"

In mexico, in average, mental illness has the highest degree of disability. Disability is associated with a low educational level. In developing countries, physical disorders receive more treatment than mental disorders. Mental illness affects differentially and more importantly to groups with lower levels of income. We have to learn how to develop indicators that allow us to better measure how people define and address their problems. Migrants and their families have bigger needs of care and lower levels of care to their mental health.

A very important aspect is how to prevent this from replicating. What the data tell us is that if we do not reverse the lack of mental health care and prevention of disease, these problems are replicated. Untreated mental disease of parents will have an effect in the lives of their children, criminal behavior of parents also affects. No education, no access to education and employment, is associated with mental illness.

Finally, there are other indicators that have to do with the possibilities of countries to improve the situation of mental health care. Example, on average, Central America devotes more of its spending on mental health than Mexico. In Mexico, mental health has not been integrated; it begins to be integrated at the first level. Most patients arrive in the third level, in Colombia as well; they arrive in a serious condition and the budget is spent on hospitals rather than spending it on first level.

We need to work much more on the way to measuring positive health, ie the absence of disease. The absence of disease is important.

Ramón Florenzano

Professor, Universidad del Desarrollo, Chile

Notes taken from the Parallel workshops » Physical and Mental Health

Relationship between Physical and Mental Health. With modern medicine we are confirming what the Greeks and Romans already said for quite some time: we are a unitary being, and it is rather our Western European tradition that has made the distinction between physical and mental. In the Mapuche culture in South America, we are unitary, and the cosmovision of the Mapuche is that we are not divided in body and soul, this is rather something that is placed in our European tradition and makes us divide something that is in our structure; we are the same.

The World Health Organization has indicated that depression or anxious symptoms trigger a decline of the defense system and increases vulnerability to physical illness. Not only in the most complex but those with the greatest impact on health and the economy, such as the common cold, where there is a loss of productive days.

People with mental health problems die because of medical problems; they have more diabetes, heart disease, respiratory disease and are likely to die of cancer.

Empirical evidence. A study was conducted based on data from the OPHI (Oxford Poverty & Human Development Initiative), from the University of Oxford, representative of the Chilean population. We found that holding constant sex, family situation, age, education, and socioeconomic status, psychological difficulties decrease the chance to be happy in 38 percentage points. A person with very poor physical health is 28 points less likely to be happy that someone with very good health. Couple relationship is an important predictor of personal happiness: the married are happier, followed by those in cohabitation.

A person with physical disability (poor vision, hearing problems) is nearly 2 percentage points more likely to suffer also a psychiatric disorder. Those reporting very poor physical health are 3.75 percentage points more likely to have psychological problems.

> ***"With modern medicine we are confirming what the greeks and romans already said for quite some time: we are a unitary being"***
>
> ***"In the mapuche culture in south america, we are unitary, and the cosmo vision of the mapuche is that we are not divided in body and soul"***

In another study, with a survey that is not representative at the national level, we wanted to predict mental health on a scale of depression. Chilean students generally do not present a large number of depressive symptoms. We found that physical illness of someone in the family has a significant effect on the rate of depression. Smoking and drinking alcohol, on a regular basis, significantly affect the depression scale. Hard drugs are very significant only when we have a daily consumption. In another survey from the National Institute of Youth for young people between 15 and 29 years, we find that to have physical disabilities in increases in 5 per cent the likelihood of having some mental problem. It should be noted that the variable of psychological or psychiatric problems is under-reported; few young people accept having had problems of this type.

Gabriela Villareal

Director-General of Health Information, Ministry of Health, Mexico

Notes taken from the Parallel workshops » Physical and Mental Health

Health Information. It is difficult to have quality, timely, reliable and valid information. Usually with health data is not easy to have them accessible in real time. The availability of information is important to have accurate knowledge about the health of people, both physically and mentally.

"The availability of information is important to have accurate knowledge about the health of people, both physically and mentally"

Health information is not just a set of data, but knowing and understanding the image of what happens in reality. The information should be transparent and its use should be transparent, and is essential for any public health intervention.

In Mexico, by regulation, we work with the INEGI, with the private sector, with the whole health sector, and with all the states in Mexico. In turn, they feed on different sub-systems - opinion, spending, population, resources, services, risks. We also feed on surveys, censuses and administrative records. The system is fragmented and decentralized; the goal is to make it more complete, comprehensive and effective.

With the long-term project of national electronic medical record is expected, among other things, to simplify system maintenance, reduce processing time data integration, and so on.

Agustín Salvia

Professor, Universidad Católica, Argentina

Notes taken from the Parallel workshops » Employment and Working conditions

Theoretical approach and Measurement. We assume that human progress can be defined as the "development of human and social skills of being and doing". We believe that the approach that studies human needs and also considers human capabilities would also account for a definition of progress defined in other terms, as needs and human capacities evolve. In this sense, the progress of human abilities requires essential conditions and realizations indeed, without which there cannot be said that social welfare, progress and development exist. There would be certain minimum, thresholds from which it would be very important to evaluate precisely to give a new definition of poverty or well being, or underdevelopment, allowing us to enrich our understanding of the problems of our time and look of the future, the possible horizon which may illuminate some of the discoveries made from these studies of these approaches.

In this sense, although we are aware of these requirements, preconditions. Measuring the degree of realization of these conditions and achievements has to do with making certain normative definitions and inter-subjective or even international concepts. Scientific research can give account of what are the degrees of development of the needs that require to be met.

Measuring Social Progress. What are the essential dimensions of progress? We have said that they are the product of objective observation, and we believe that they rely on civilizing agreements. Civilizing agreements somehow state what the minimum levels of human development and human capacity are that must be guaranteed. The functions that affect the development of these essential preconditions for human life represent a violation of human rights and social rights. We believe that here we find a parameter from which to evaluate what are the dimensions that must be studied and even the minimum thresholds that should be guaranteed.

Working conditions. The working conditions are part of civilizing agreements. They are also a central component of life and life reproduction, and not just of individual lives but primarily on the social life of peoples and societies, social development and economic level.

There is some dissatisfaction with the traditional indicators on which the study of working conditions is based. I would like to talk about the employability and employment conditions themselves. It is about expanding the view to account for old and new realities that we believe may be largely invisible in terms of well being and social integration, in which work plays an important role.

I would like to include here the notion of the ILO of decent work, presented in 1989, which was an important advance in the representation and definition of what is the quality of employment and that makes a standard and an international agreement on what would be the minimum standards that we should ensure, it is a significant contribution to the definition and evaluation of progress.

However and here our critique, the study focuses on wage employment, and on objective indicators of well being. What about societies with segmented markets, with strong inequality, where no less than 30 percent of the workforce is not employed and not less than 50 percent of employees have a precarious job? In these societies informal livelihood strategies constitute an important component because these populations appear to be surpluses of population that the capitalist development does not require, does not need, and does not demand.

> ***"Neither economic growth nor improvements in working conditions alone appear to be sufficient indicators to derive actual achievements in human and social development"***

Therefore, we should redefine the goals of decent work; make a broader view and definition. In this regard, a fair remuneration that ensures economic autonomy and adequate social and legal protection against unemployment and abuse for all workers. We should think of ways to research and forms of policy intervention that are not segmented in the field of employer-employee relations, but in the field of the working world, a new dimension to reflect on the problems of work especially in countries of Latin America and many others in the developing world.

A system of working conditions that promotes professional development and subjective well-being, whatever the type of employment relationship and technologies involved. The idea is that we introduce aspects that are related to subjective well-being; it is not enough to measure the objective indicators. And we should think that any type of employment, social and technology involved should be protected and measured or evaluated in this regard. We must promote technological and production progress, this does not mean that there are still economies with low levels of productivity, with technologies that may not be sustainable, over which one should act integrally. We need to think of an access to social security benefits of a universal nature, limitations should be left outside, like the ones countries like Argentina have where social security is tied to employment. Special rights or special protections, no sub-citizenship protections, not protection of marginalization of poverty, but special protections that put them on equal conditions with other citizens.

Employment, Work and Social Progress in Argentina. Some objective measures: (1) employment status in a wider dimension, decent employment versus precarious work, indigent underemployment (those with unstable activities of low productivity) and unemployment; (2) the lack of access to public or private social security system; (3) the risk of extended unemployment or underemployment, over one year (4) the earnings of indigence and poverty as a criterion to evaluate not only the minimum standards or minimum wage fixing by governments but aspects of work ability to reproduce at least the life or to ensure the economic survival of the individual and family (5) the forced self-exploitation of women by working at home, not being sufficiently explored, and (6) child labor, both domestic and market that is not sufficiently addressed by traditional statistical tools.

Examples of perceptual indicators: self-perception of personal happiness is a traditional indicator in a global numerical scale, psychological distress, a little more elaborated indicator, through a test of Kessler, and a direct indicator that is the realization of job skills through a test of conformity. There are others like job satisfaction (desire to change job), and satisfaction with social and technical conditions of work environment. These are dimensions that are relatively simple and should be incorporated into household surveys.

Employment status is not the only indicator that has to do or that alters standards of satisfaction, job satisfaction, and psychological distress. There is another set of factors that have to do with the relative position in terms of social and educational income of families, these situations that alter and reproduce unequal conditions in which the role of work plays a central role in these processes of reproduction of the inequality.

Conclusions. Neither economic growth nor improvements in working conditions alone appear to be sufficient indicators to derive actual achievements in human and social development.

It is clear that social inequality is an analytical work required for any analysis that wants to objectify the situation of labor markets. Especially when these labor markets are segmented or heterogeneous, or when economies are highly unequal.

It is true, however, that the correlation between working conditions and subjective well-being confirm causal dominance of the insertions on the perceptions, but subjective indicators show objectives effects on well being that can be investigated and that public policy by no means should ignore.

Zulma Sosa de Servín

Director-General, DGEE, Paraguay

Notes taken from the Parallel workshops » Employment and Working conditions

Measuring Employment in Paraguay. Household surveys in Paraguay have a recent history in terms of geographic coverage nationwide. Only since 1995 has been running these surveys with the main objective of generating indicators related to the entire labor market, employment, unemployment, income, social and economic features that allow to account for some well being indicators in the Paraguayan population.

As for the investigated subjects, our permanent household survey, by becoming the only source of measurement of employment at the national level is a fairly broad survey measurement and practically of living conditions. In regard to economic activity, captures information on the economic activities of all persons aged 10 years and more, because in Paraguay there is still a high percentage of children, especially in rural areas engaged in agricultural activities, and with the aim to capture this reality, the cut is done at the age of 10 years. A very relevant aspect of our survey is that there is a whole chapter to characterize the self-employed both in agricultural and non agricultural activities.

To study and characterize the structure and work behavior, topics being investigated relate particularly to the main job and secondary activity for the past 7 days of reference of the survey. We investigate the characteristics of the main activity carried out by the person in the reference period as either dependent or independent workers, and among the most typical variables are occupation, industry, category, hours worked , firm size, cash income and in kind. We have also incorporated the measurement of indicators of informality and social security access.

The survey collects information on the different forms of income with which Paraguayan households count on, not only the revenues from economic activity, but also from other sources. We investigate the sources of income for employees, for employers and self-employed, income from different economic activities, it also includes transfers from the state, including the imputed rental value of housing, ie all the possible sources of revenue available to the population.

In recent years, our surveys have been incorporating some aspects that complement the traditional characterization of the labor market and allow reporting information to determine some minimum level of quality of employment. Among them are the inadequate employment situation, which is based primarily on the sufficiency of hours and income that can characterize the visible and invisible underemployment, and job satisfaction. This is a question that has been in the polls almost the last 10 to 20 years and captures the main reason for the desire to change jobs, as well as ways to improve or add to their activities. Information is investigated that allows knowing ways of contribution to a retirement or pension system, health insurance tenure.

In terms of formality in employment we include questions in terms of contracts, this especially for the working population, and for those who work for themselves we ask about taxpayer's sole ownership, the degree of awareness of their rights, availability and enjoy of holidays and off hours.

"Paraguay still has a deficit in terms of analytical skills, of research centers that allow using all data sources"

Advances in Data generation. Paraguay has taken significant steps. In particular, our household survey includes a broad subject for both employee and non employee. It has incorporated aspects related to quality of employment and decent work dimensions.

Challenges. First, the availability of a household survey system that includes the adaptation of a conceptual framework regarding its use and features. Second, expand the coverage of the Continuing Survey of Employment, which now has coverage in Asuncion and its metropolitan area at a national level. Third, a national statistical system with effective functioning that will allow harmonizing norms and standards, to measure the labor market. Fourth, to improve the administrative records, this is in fact another source of relevant data for monitoring labor market information. Fifth, the analysis and research on the quality of employment from the new topics incorporated into household surveys. Paraguay still has a deficit in terms of analytical skills, of research centers that allow using all data sources, we publish the quality indicators and there are no other studies that can deepen and analyze. And finally, that we apply these results to public policy.

May 13th, Friday

Opening Session: Progress assessments, politics and policies

Edward F. Diener

Session 5: Quality of life: time use, social relations and citizenship

Paul Hartung
Leonardo Becchetti
Benjamín Temkin

Concluding Session: Moving forward the measurement agenda: defining targets, setting benchmarks, achieving concrete outcomes

Martine Durand
Tim Clode
Insill Yi
A.K. Mehra
Abadila Berrou

Parallel workshops

5.1 Time Use

Paul Hartung
Vivian Milosavljevic
Emilio Moyano
Miguel Cervera

5.2 Social Relations

Leonardo Becchetti
Eugenio Tironi
Joaquina Palomar
Guillermo (Gil) Peñalosa

5.3 Citizenship and Participation

Benjamín Temkin
Emilio Álvarez Icaza
Rubén Lo Vuolo
Alfredo Intriago Conforme

Edward F. Diener

Professor, University of Illinois, USA

Notes taken from the Opening Session, Friday May 13th » Keynote speaker » "Progress assessments, politics and policies"

Reasons for Measuring Well-being. What is subjective well being? It is how the person evaluates his own life. I will discuss four reasons why the statistical agencies need to measure subjective well-being in society. First of all, when we speak of social indicators there is a long list with hundreds of items. And the most important thing of subjective elements such as life satisfaction is that it reflects all of these lists, since this affects subjective well-being and also gives us information on the expectations of people. The second reason why we need subjective well-being is because it can emphasize and underline when economic development is being harmful. Many times we see that economic development is positive as it gives people more freedom and longevity. We already know about the good side of economic development, but if one has the measure of subjective well-being it will be clear immediately that economic development also causes problems. Third, subjective well-being is democratic: people themselves have to explain why they feel happy. Finally, the most compelling reason is that subjective well-being is beneficial for itself; it helps us because people work best when they have high well being. Well-being is not just something you feel, but it makes us better people in different ways.

Well-being in Latin America. From surveys conducted by Gallup we know that life satisfaction in Latin America is above 6, ie above the neutral, in most countries. We have a fairly high well being in Latin America with a high level of positive emotions. Where the United States and Latin America did not do so well are negative emotions, Denmark and Canada have lower levels of negative emotions (eg, sadness and anger) and with a medium level Mexico and Latin America in general.

The first element that predicts satisfaction worldwide is income. The correlation of GDP with satisfaction is 8.3, which is very high. The higher the income, life satisfaction is much higher. As income and happiness change, 60% of the analyzed countries when income increases life satisfaction also rises, but here the interesting thing is that in 40% of those countries when income went up life satisfaction went down, or when income went down life satisfaction went up. 40% of countries are an exception. What is going on there? What matters in addition to GDP to determine the satisfaction with life?

> ***"Most people in latin america can count on each other, people count on their family and friends, they have close ties between them and this is a cultural hallmark"***

Well-being beyond Income. When it comes to enjoying life there are more important things than income. We have enjoyment of life, positive feelings, and life satisfaction. There are many other important elements to why people are enjoying the day to day in life than simply how rich they are. In terms of positive feelings and enjoyment of life there is something much more important than income and that is you can count on others, that there are people close to you, and they respect you and they will help you. Most people in Latin America can count on each other, people count on their family and friends, they have close ties between them and this is a cultural hallmark.

"Materialism is caring more about money than about love, social relationships and other things"

Latin America is doing very well with close relationships. Family and friends always support each other. In Latin America people feel respected. Where they are not doing so well is in the issue of corruption. 80% of people in Latin America answer "yes, there is corruption in our government." In terms of having property stolen, the global average is 16% while in Latin America is 20 percent. Corruption in government is a negative element and this comes up again and again in the data, that element predicts a much smaller well being and reduces enjoyment of life. As soon as it comes to strangers, Latin America does not do so well. If latin america has a problem is in its relationship with strangers, not in its relationship with friends and families.

Other factors that may influence the subjective well-being: environmental pollution, noise, if you live near the airport, life satisfaction decreases. Now, if you have to commute long to get to work, if it takes you an hour to arrive and one in to go back, that will lower the satisfaction one has with life. Many people go to the suburbs in the United States because the schools are better there and they commute a lot. And even though they got a raise which allowed them to move to the suburbs, their life satisfaction does not goes up because the long commute cancels it out. Our research shows that unemployment is a very negative predictor of life satisfaction, but on the good side there´s social support, social trust, green space, and support from people you know.

Let's make a contrast between two countries, on which country would prefer to live, Costa Rica or South Korea? South Korea is much richer than Costa Rica and yet Costa Ricans are more satisfied. How do you explain it? In Costa Rica people enjoy life and are less worried and are not as angry as in other countries. Among OECD members only Turkey is after South Korea in terms of affect balance. South Korea is the country with the most number of suicides in the OECD countries.

According to psychological research conducted in South Korea, we find first of all there is constant competition, no one ever relaxes. Everyone wants to be the best, and they are unhappy because very few people can actually be the best. The competition is constant and total. To be admitted at the university is very difficult, everyone wants to get in and there are only few places, so most don´t get in. Social comparison is constant. We know there are averages, one can bright, but if we want a happy society we cannot have social comparison because half of us will always be losing. There is also concern about luxury goods, and concern about looks, there is a problem with bulimia, particularly among young women. Materialism is a negative predictor of life satisfaction. Materialism is caring more about money than about love, social relationships and other things.

With subjective well-being we can see where to go and where we may be going wrong. In Latin America we know that there will be economic growth but at the same time governments have ignored social ties and the environment. If they only focus on economic growth quality of life will go down in spite of all these benefits of nice buildings and new cars. Subjective well-being measures can help you counter these trends.

Happy people function better. There is much evidence to show that if you're happy then you're healthier and live longer. On average happy people relates much better than others. Happy people work better. We're not saying this is the magic solution; happy people also die like everyone else. One of the most famous studies tells us that happiness affects longevity. It was a study of happiness conducted with nuns in the United States. These Catholic women became nuns at the age of 22, at a very early age, and when they entered the convent they wrote why they wanted to be nuns, and put things like "I'm happy, I want to be a nun to serve God, I am happy." They were perfectly happy to become nuns. But there were other nuns who had a sadder autobiography. As for their decision to become nuns they wrote "I will not enter into sin," "I do not want to go to hell", "I feel guilty", they were very unhappy. Researches followed the lives of these nuns until 70, 75, 85 and 95 years. Some lived to 100 years, some have already perished. But the difference between happy and unhappy nuns was a difference of 10 years. This is a very interesting experiment because they ate the same, lived in the same place, had the same habits, but happy nuns lived another 10 years more. It is not only that more healthy people are happier, if one gets sick one will feel sad but happiness leads us to a better life in the future. High subjective well-being increases longevity and health. On average, a happy life will give you 6 or 7 more years of life. If society is healthier because it is happy it will have a much lower cost in the health sector. And in business, if you do not mind the health and mind the money, you will have a situation where you will not have much more productivity if you give priority to money.

Happy people relate better to people, their marriage is better, their friendship is better. A happy person is not divorced, German studies have followed groups of people before they met their husband or wife. Some got divorced others did not, but people that were happier before meeting his/her spouse are those who stay married longer. Happy people are leaders, have higher self-esteem, can trust people. Happy people volunteer. Happy people always get better evaluations from their superiors.

In a Gallup survey, with 10 large companies, like Toyota, defined how important is the attitude you have with your work. If you love your job and if there is commitment are elements used to predict productivity and financial performance of their unit. Your attitude towards work has a direct impact on financial performance, but there are other effects, one is customer loyalty. In places where people work with happiness, the customer comes back more often. This is one reason why happiness matters, because it is good for you as a company and as a country. Someone who loves their work is highly productive, this is what we want, and we need people who like their work.

Objections to Well-being. There are many objections to subjective well-being by economists because in a certain way they were raised not to believe in this. One thing I've heard is that subjective measures are not valid, that people answer anything and one cannot believe them, that we do not fully understand the measures of subjective well-being and that we cannot use them because we do not understand them. We conducted studies to convince us that the measures are decent. They may have weaknesses but they are quite valid. We can also contrast with other measures such as brain waves. Depressed people have special moves in their brain waves. When a baby is abandoned by his mother one can measure brain waves and this correlates with well-being.

There are problems because of cultural differences, but in general the measures are valid and do a decent job in assessing the quality of life and its variations.

"If government focus only on economic growth, quality of life will go down in spite of all these benefits of nice buildings and new cars"

It is said that we do not understand the subjective well-being and therefore we cannot use it. But if we believe in this argument then we would not use the GDP. We still do not fully understand GDP; it continues to be refined and trying to understand.

Consider other measures, such as measurements of education. In my opinion most of the measurements used are terrible. For example, comparing grade of schooling, a child in Africa that went to school 5 years is compared with one in Singapore, and there is no comparison in what they have learned. These children in Singapore have learned a lot in those 5 years.

Paul Hartung

Social and Aboriginal Statistics Division, Statistics Canada

Notes taken from Session 5: Quality of life: time use, social relations and citizenship » Time Use

Time Use Survey in Canada. The data generally used by the Statistical Institute of Canada during the last twenty years revolve around well being and use of time. We analyze the stress, the well-being, the concept of time crunch, that feeling that you don't quite have enough time in your day to get everything done, we also discuss family dynamics, and how unpaid activities are being divided within the household. We also analyzed income in the family dynamics and time of commuting, and the use of time for sports and leisure.

"We analyze the stress, the well-being, the concept of time crunch: that feeling that you don't quite have enough time in your day to get everything done, we also discuss family dynamics, and how unpaid activities are being divided within the household"

The general social survey in 1985 started with the implementation of a health survey, and then in 1996 we applied the time use survey.

The time use diary is the central part of the time use survey. The diary does not represent the whole survey, it is only one component. The information collected at the beginning when the first contact is made identifies if we are talking about an extended family, the head of household, if there are brothers or sisters, or if there are people that are not necessarily family members but who inhabit that house. We also make questions related to the perception of time and unpaid activities. For example, how much time is spent on childcare or in taking care of the elderly, or whether they work outside or inside the house?

With the time use diary we have the opportunity to register in a comprehensive way how time is used in different activities. The interesting thing with the diary is that the load on the respondent is greater; the cost is much higher because of the time it requires. Within a week the activities will vary, therefore we are interested in a sample of every day of the week for that individual respondent. We do not care what they usually do, but what they did on a particular day.

For the first time in 2010 we collected information about simultaneous activities. This refers to those activities that are done at the same time. Here we use the concept of multitasking, doing several things at once. We are interested in measuring time spent in childcare because this is a large part of observed unpaid work.

If the diary is the heart of the survey, coding activities is the heart of the diary. This really makes the daily work. In the Canadian context we are taking advantage of the HETUS (Harmonized European Time Use Surveys) which is the method of classification for time use surveys. In addition to the information collected on the diary we also capture information on other areas that interest us. For example, household composition, perception of time. We ask questions about perceptions of health, activity limitations, life satisfaction and main sources of stress in work and at home, which help us define the rate of time pressure.

Challenges. We need to follow a methodology that maintains international comparability. Coding is what helps us most, especially for the diary, because Ireland, New Zealand and Australia use the same coding and the United States as well.

Leonardo Becchetti

Professor, University of Rome "Tor Vergata", Italy

Notes taken from Session 5: Quality of life: time use, social relations and citizenship » Social relations

Social Relations. Social relations are important for happiness and productivity. Social richness increases happiness. A Turkish friend told me "we have no beggars in Turkey even though our per capita income is lower, because we live in groups." If you lose your job and have no group you will be very poor, but if you have a group you will not. The social relations have only been partially explored in the social economy.

Economists believed that increasing the GDP would increase happiness, but there is a big difference when doing research at the micro level. We studied for 10 years 160,000 people in Germany and found that one third of individuals with yearly increase in income per capita register a reduction of happiness. They were frustrated achievers and the explanation of this has to do with social relations and the value these have. One explanation of the Easterlin paradox has to do with the fact that GDP per capita is a poor indicator of financial well-being. What we should see is the disposable income after paying health and education, what is left in the bag after paying for social needs.

Social Public Goods. Social relations are social public goods. Basically I mean relational goods, participation in groups, marriage. If you are in front of a TV this is not a relational good, but if you are in a group and all laugh this is a relational good in group. Relational goods are something that must be jointly consumed. We have local public goods in the sense that they are no excludable to enjoy and we can enjoy them while sharing with others.

Encounters are like the production function of relational goods, but not the relational good in itself. They require genuine relationships; relational goods cannot be acquired through the instrumentality of others. There must not be ulterior motives. The intensity of the quality depends on the feelings; they are mental states that occur thanks to the non-instrumental social interaction.

"Social relations are important for happiness and productivity. Social richness increases happiness"

The opportunity cost of relational goods is that they need care and joint investment. If you invest but your partner doesn't, you do not enjoy it. If I organize a party and nobody comes, I do not enjoy relational goods. If I enjoy a sport alones, there is no relational good. The opportunity cost of relational goods is getting more money in our work and enjoyment of alternatives like the Internet or television. These choices compete with the production and consumption of relational goods.

We have conducted econometric studies on the matter. Happiness has to do with the relational goods. There is a real problem of causality because we can focus on the fact that happy people have more relational life. But we can prove the positive relationship between relational goods and happiness. People are unhappy around forty years of age due to time pressure.

Social Capital. We have four dimensions: trust, trustworthiness, willingness to pay for public goods and trust in institutions. I think life is a sequential game. The one who trusts must make the first move, giving something. If there is trust people work together and create more value than they create for themselves.

That's how life works because we have asymmetric information and we do not know whether to trust others.

Social relations are the lubricant of economic activity and rationality leads us to know that there are trust games. If you apply this trust game in corporations, people should play at work, have positive attitude and must solve complex problems in engineering and economics. Basically this incorporation of a trust game is important not only for happiness but also for productivity. We are made to interact, albeit with ambiguous relationships. Social relations are important. We must explore the role of social relationships. Measuring social ties, will lead us to progress and understanding, and to achieve greater satisfaction and productivity.

"They require genuine relationships; relational goods cannot be acquired through the instrumentality of others"

Benjamín Temkin

Professor, FLACSO, Mexico

Notes taken from Session 5: Quality of life: time use, social relations and citizenship » Citizenship and participation

Citizenship and Participation. Considered as dimensions of individual and social life, participation and citizenship have been considered as the cause of the wellbeing and progress of individuals and societies. However, research that has been conducted poses a question that refers to the direction of causality. Some argue that in fact the people who are more satisfied with their life tend to participate more, have more strength, more energy, etc, and therefore also self perceived as full citizens. What causes what? Does participation cause subjective well-being, or vice versa? This is continuously under discussion in the literature.

We speak of three types of involvement. The first two correspond to social participation; social ties that may be more or less strong, distant or close. We talk of membership, belonging, identification or activities in voluntary agencies. Finally it comes to active political participation at different levels of engagement, effort and cognitive and emotional involvement. In fact, with social participation is a bit easier than with political participation. The general consensus is that participation in voluntary organizations is positively related to subjective well-being, the higher the social participation more average happiness there is in the country.

In a less demanding manner, when talking of density and intensity of social relations and close ties, the agreement is widespread. Happiness is consistent and positively related to the presence and quality of private relations.

I cannot avoid referring to a central issue of social participation, that is, what is the effect that new communication technologies are having on social ties or social capital. There are people who think it is a technology that reduces social involvement and psychological well being, and those who think Facebook has a very positive impact on social capital. In fact, the internet has been associated with both increases and reductions in social capital. Some argue it reduces the contact time face to face with others, but this perspective has been criticized. Other researchers argue that the interaction through new technologies actually complements and enriches interactions and can supplement that which does not exist. Many of those who speak negatively of the Internet have tended to concentrate on the addictive nature and the fact that there is a significant correlation between Internet use and some personality characteristics such as depression and obesity. But they are focusing on a very particular segment of the population and are not covering the enormous richness of what we are experiencing.

“The general consensus is that participation in voluntary organizations is positively related to subjective well-being, the higher the social participation more average happiness there is in the country”

Participation in Politics. Here things are much more complicated than with social participation. First, because political participation affects subjective well-being in two different dimensions, at least theoretically speaking, one is the instrumental dimension, which can be measured or defined as to the extent of achieving what we are "fighting for ", i.e., your political activity results in instrumental performance. It means that I can influence the behavior of government in the direction that I consider preferable or desirable. That certainly creates subjective wellbeing. Those who fail, those who lost the election of their party or candidate, will obviously experience less subjective well-being in the instrumental sense or because of instrumental reasons.

On the other hand, there is an expressive dimension, one that is manifested. It means that it expresses the subject, which is manifested in terms of intrinsic value of what the individual experiences by taking part himself. In this case the political participation generates a direct benefit to the individual by increasing their happiness and life satisfaction, whatever the effects on the outcome of the political process might be. This means that if I vote, even if my party loses, I feel a satisfaction or subjective well-being that will increase by the very fact that I participated. Expectation from this perspective is that political participation has a positive effect on subjective well-being in terms of the character of expressive participation because it promotes greater levels of autonomy, ie the individual involved feels a certain independence or ability to assess for his own situation and desires. The sense of belonging to a group Increases, and increases their connection with others through their own participation.

Finally, expressive political participation has also the element of self-esteem, self-worth. It increases my sense of being able to participate, deciding, and influence. However, their relationship to these dimensions, both instrumental and expressive, of political participation with the progress and well being, particularly with subjective well-being is not easy to assess.

The relationship between levels and types of political participation on the one hand and life satisfaction on the other is complicated, ambiguous and fluid. A very important issue is the almost impossible separation in real life between the expressive and instrumental dimensions.

Well-being and Political Participation. It is imperative to differentiate between different types of political participation by its intensity. Each has different demands of the individual and also has a different nature. Empirical research on the impact of political participation on well being is not abundant and usually is concentrated in countries with long democratic tradition. These studies find a positive effect of participation on subjective well-being regardless of the actual results of this in terms of public policy. However, there are very serious investigations that report conflicting findings and question the direction of the causal relationships between subjective well-being and political participation.

In summary, it appears that political participation can generate satisfaction or frustration, as their expressive and positive aspects may become frustrated if results are contrary to the expected. And if this perception is shared by significant segments or majority of the population, the impact on the average level of life satisfaction of the population can be very negative. Remains to be seen what will happen with the popular uprisings in the Middle East, we must remember that there is active participation or explosions of participation with respect to dictatorial regimes and that changes the rules of the game and the personal situation of individuals who are involved.

Participation in Democratic Systems. According to the accumulated evidence, the average level of subjective well-being of a democratic and representative society depends more of the existence of legitimate and institutionalized opportunities of participation than on of participation itself. Most researchers agree that the democratic institutional framework and individual freedoms and guarantees contribute to a higher level of general subjective well being.

Another crucial factor in the creation of well-being is given by the government performance and effectiveness in two key dimensions - the perception that individuals are represented by their political agents and that there are not high levels of corruption.

We did some studies for all countries covered by the World Values Survey 2005. What we found is that when we take liberalism, transparency, governance and political stability and cross it with subjective well-being for those countries, subjective well-being has a clear positive correlation with all these, all in the same direction. Even more, they have a stronger relationship than the value of democracy for the citizens. Reported subjective well-being is more related to the quality of government they have than with their appreciation for democracy.

Recommendations. Finally, to the extent that we can give advice to those who are involved in measuring the social and subjective well-being in regard to politics, we would say that we must continue making observations on the different types of participation and to continue making observations in respect of the frameworks for participation that exist. Participation always has two faces, lose or win, you cannot be sure. Maybe we should focus on the institutional frameworks, in government performance as an integral part of the creation of subjective well being in individuals.

"Reported subjective well-being is more related to the quality of government they have than with their appreciation for democracy"

Tim Clode

Head of International Relations, National Statistical Office, UK

Notes taken from the Concluding Session: "Moving forward the measurement agenda: defining targets, setting benchmarks, achieving concrete outcomes."

Measuring Well-being in the UK. The Prime Minister of the United Kingdom expressed his view that says that the government has the ability to improve the well-being, and that happiness cannot solely be part of a spreadsheet but that we need to have an improvement in that sense. On 25 November this policy was announced and was very good welcomed by many institutions.

What does the measurement of well-being mean? We know the Stiglitz framework that identifies three separate measurements, environmental measurements such as climate change, the distribution of wealth in economic terms and subjective well-being to measure the quality of life. But it is worth mentioning that there are frames that are contrast each other to describe the subjective well-being. There is an urgent need to have an analytical framework and these measurements contribute to what would be the description of the national well-being.

How do we translate these concepts into a tangible program? The program in its first stage has five areas: launching a national debate about what matters to people, to have a consultative forum and the creation of a technical group, and include in the survey questions on subjective well-being, use the results and see how they can influence the international agenda. The National Statistical Office has followed the path that OECD has opened and we have tried to measure beyond GDP.

The united kingdom agrees that the most important questions are the following- what is well-being? How do we measure well-being? And who will use these measurements and for what?

The UK identifies as the biggest challenges: how will we develop an analytical framework for measuring national well-being, how shall we legitimize these figures and the public and the user commit to them. At the national level there was a discussion entitled *what is important to you?* There were 170 live events and an online discussion where invitations to make comments on the page were made and social networks were used to reach 20 000 people. The main point was to assess the public's perception, what are the areas that interest them. This initiative helped us to improve the measurement and its relevance to probe whether users felt the same. The intention is building on four questions to integrate them into the surveys that are applied to people. These four questions are: overall, how satisfied are you with your life nowadays? How happy did you feel yesterday? How anxious did you feel yesterday? To what extent do you feel the things you do in your life are worthwhile?

At this point we have anecdotes to share. In general, people were very open but there were very offensive comments like "I hate the government." The main topics that were discussed in these surveys were health, relationships, community, safety, the environment in relation not just to reduce pollution, but to how many green areas are in the locality and the quality of these. When we interviewed children about what makes them happy they replied "to be with my parents," "being with my friends," "to be taken to swim", the answer had to do with what they had in mind, the food was also one of children's topics, especially chocolates and sweets. Moms indicate that what matters most are their children, they spoke of the time they need to be with the children but also time for themselves, going out for coffee, a moment of rest. Other people said they cared about sunlight. Others said sex was important. During events they told us that besides being a meeting to know their opinion many saw it as a therapy group.

Emphasize why measuring progress of societies is a priority of the National Bureau of Statistics in the UK. The work we do internationally is recognized at the highest levels of government and the United Kingdom has to keep pace. We need a policy that describes the society, not just GDP. We need a combination of environmental performance, a combination of the elements that define it. The UK is ahead in terms of measures and instruments needed to measure well-being. That is why measuring progress is a priority in our agenda. Public consultations are important because we want to verify that the well-being represents our society. We are interested in identifying what the priorities of our people are and therefore we need to approach the public.

We need to reverse the measures so priorities are expressed and know what matters to people, and at the same time it has to come from a source that is credible. We need a direct link between policy implementation to improve well-being and I believe that the most important words we can use to cover what I'm saying is - "by accurately portraying the public's experiences and sense of their own quality of life through consultation and debate, the future of statistics will have ultimately been shaped by the public, who, in policy terms, are the end users, feeling the impact in their day to day lives."

"Public consultations are important because we want to verify that the well-being represents our society"

Insill Yi

Comissioner, Statistics Korea

Notes taken from the Concluding Session » From Busan to Delhi

Measuring Well-being. We have reached the consensus in the sense that we need a better methodology to measure the progress and well-being. We need a compass to know where we are and whether we are heading in the right direction.

"These activities will establish the policy shift from economic growth to well-being and social progress"

The statistics are the basis for making crucial decisions and to involve all different actors, including consumers, local and federal governments. I have found many common elements between Korea and Mexico and other Latin American countries in terms of social issues and the aspiration of people to improve the quality of life, families and communities.

Governments need reliable statistical data based on empirical evidence for decision making to achieve the fulfillment of different missions they have at their charge.

Social Progress. Economic growth and democratization have been replaced by new objectives as sustainable growth and social progress and implementation of well-being. We believe that this path of growth that has Korea has taken is quite different from the pace in Western countries. Responding to the needs of the people, Statistics Korea has been producing an annual report since 1979 and the Korean social trend since 2008. We also conduct in depth research work on the development of indicators for measuring quality of life. Besides, Korean National Research Council for Economics, Humanities and Social Science has been compiling a set of indicators related to economic growth, social integration and environmental sustainability since 2009. Meanwhile, regional and local governments are producing annual reports on the quality of life, including studies on life quality for young people and those working in the agricultural sector. These activities will establish the policy shift from economic growth to well-being and social progress.

Korea is committed to participate in the global project, especially in closing the gap between the developed and developing countries. At the Forum of Busan we shared various views on the progress based on two previous forums and examine the progression of work in relation to the indicators.

Challenges. Despite the efforts and achievements of the report there are many challenges that remain outstanding in order to go beyond GDP. More efforts are required for screening, the definition of social progress and well-being and to establish a conceptual framework based on these definitions. Many systems are used to define social progress and well-being but we have not built a foundation of definitions with descriptions to generate accurate measurements. The effort should be made to establish a more elaborate theoretical framework that should provide guidelines on how to carry out the measurements. We need to determine the well-being and social progress that must be reinforced at national level to change the focus of economic development towards social progress and well-being. Statisticians should support this change. Indicators should also be good indicators; they should increase the international comparability for effective monitoring. We should produce national indicators available in time series. Once we resolve these issues we will establish a paradigm shift from economic development to well-being and social progress.

A.K. Mehra

Additional Director-General and Head of National Academy of Statistical Administration (NASA), India

Notes taken from the Concluding Session » Marching towards 4th OECD World Forum 2012

Well-being beyond GDP. India has set its priorities and the highest is working on the issue of well-being. We organize the fifteenth statistical conference with 132 countries and international organizations. One of the main topics was how to measure progress of societies but in an individualized context for each country. There were several recommendations: countries must have a national process to identify the characteristics of each country, what is best for the people of each country and from that identify the indicators. All institutes must have an optimal mechanism to collect and analyze information to enhance the credibility of official and unofficial sources. All countries should share best practices in the forthcoming Fourth OECD Global Forum to be held in Delhi.

Now I will read the speech by Secretary of Labor: statistics has become more complex, we know everything, and in such a way well-being and progress of societies varies across regions, across countries, between regions. Still, we see that there are basic needs, shelter, a home, education and other elements that have to do with basic services. This situation requires that we do our research so that we can include free time of our societies and requires technology. Although we do the same in our countries, the results cannot always be interpreted in the best way. In this sense, we know that the progress of societies cannot just be measured by GDP. GDP is a complex indicator of progress but we are leaving out two areas that result in a deficiency of data, we are not taking into account the social aspect or the effects of interference that is made in the environment in the interests of industrial development. Therefore, we need to discuss how we can use our measurements to measure progress and well-being of nations in all our countries.

Therefore, we must record how it has improved the standard of living in our countries, especially in those most disadvantaged and vulnerable groups. In this context, the main topic of the conference takes on even more importance to developing countries that are in the process of progress and are doing their thing in the best way to improve their society.

"We need a more holistic view to improve the levels of well-being and quality of life"

In India, the policy framework and government intervention for the benefit of society is a priority. We have a plan that covers a span of 20 years. In this work we plan to address the measurement of indicators that deal with the most vulnerable and unprotected groups. This is why we give such priority to indicators in the statistical system in India. GDP of course gives us the ability to measure at what pace an economy is developing, but we need a more holistic view to improve the levels of well-being and quality of life. I would say that the government of India has ventured not just to accelerate its economic development but the progress and development should be inclusive. The well-being of our people, farmers, artisans, the unprotected, the poor, is part of our policies. There are programs in which we aim to implement educational models to improve the level of primary education to promote employment, to have universal access to health services, especially in rural areas in order to have wider health system coverage and a skills training program. These initiatives have seen many achievements in economic and social terms.

Abadila Berrou

Director, PARIS21

Notes taken from the Concluding Session » Enhancing national statistical capacities to measure progress

Quality in Statistics. People say that statistics are boring and experts are not the best communicators. Although progress has been made, countries that focus on this have a vicious circle, there is a relatively low level of funds for statistical activities resulting in weak statistics that are perceived as not relevant to the lives of people. And so there is a weak demand, experts still will not produce the data we need so why bother.

"Many countries still need to do much work to make people interested in statistics"

But in recent decades people have tried to break this vicious cycle and have a virtuous cycle where there is an increase in spending in statistics and spending in a better way to increase the demand for statistics and increase the quality and relevance of them. This requires better coordination between the needs and the production of statistics.

PARIS21 is an international association of users and producers of statistics that come from developing countries, developed countries and international organizations. The goal is to help improve national statistical systems in order to produce relevant data to national goals that are relevant to people, the public sector, private, non-governmental organizations.

We have seen that many countries still need to do much work to make people interested in statistics. I think many statistical offices can communicate better and better raise their case to national authorities on the importance of providing sustainable information and expanded resources for statistics, including the legal framework for statistical work.

Another aspect that may help low-income countries is to mobilize resources for statistics. This really needs to show the importance of statistics to the government, which is the main employer of the statistics, and to people. Since the statistical data are crucial for decision-making, is critical to the country's development to improve life conditions and well-being of people. To produce data that are relevant and sustainable and that meet the needs of the people we have to be strategists, we must have a strategic plan that examines the diagnosis of the situation, analyzes the problems and sets the vision for the statistical system. The system is understood as including all those who produce statistics, not only national offices.

The procedure of National Strategies for the Development of Statistics (NSDS) is intended to improve the way countries develop their statistical system. The main message in terms of the NSDS is that it is a national process that we encourage and support. It is what is demanded in terms of data production. This demand should not follow a process parallel to what already exists in countries. Those who produce statistics should have influence on national statistics without replacing it. In low-income countries, financial resources must be used with improved efficiency and we must avoid duplication. So, measuring progress is valid for countries and for national statistical systems as long as they are improved.

Martine Durand

Chief Statistician, OCDE

Notes taken from the Concluding Session » Conclusions and Closing

Objectives. We set goals for our task. The first objective that we have set for ourselves was to deepen the reflection on how to measure well^-being and social progress in Latin America. The second was to improve the relevance of current measurements and analysis to inform public policies that can improve well-being and enhance progress. The third was to try to come up with some concrete results and establish frameworks and open paths for future work.

One point that came out very clearly from all the sessions is that measuring well-being in latin america and elsewhere requires to go beyond gdp. We are moving from a world of paradoxes towards a world of new paradigm that should be multidimensional, multidisciplinary and involve many stakeholders. I believe that what is really important is that this is the time to examine this new paradigm seriously. In latin america, what came out as important non-monetary dimensions of quality of life were health, working conditions, education, access to social protection, family, interpersonal relationships and trust. We heard a very interesting additional dimension such as corruption, security, judicial system and the rule of law. There are many dimensions, but all of them were cited during the conference.

An important factor was the fact that it is extremely important to add subjective well-being and indicators of subjective well-being to our list of indicators. It is important to have an assessment of what counts for people, and get the perception of life experiences, of affects, and of expectations. It is also important to have subjective well-being indicators, they are needed because they can help us assess and quantify the relative importance of non-monetary factors, for instance through cost-benefit analysis so that allows us to evaluate different policies.

This region is still the most unequal in the world. But as I said, inequalities permeate the whole process, not only in income but also in terms of wealth, in terms of education outcomes, health access, access to quality and affordable services, security, time use, and citizenship.

"It is important to have an assessment of what counts for people, and get the perception of life experiences, of affects, and of expectations"

There was also a focus in terms of inequality to some groups, like women, gender gaps, ethnic groups and other vulnerable groups such as children. Another important issue with respect to inequality is that is not only within the group but also there's the risk of low inter-generational mobility. It is not an issue for today but it may be an issue for tomorrow when the children cannot go up the social ladder.

One of the consensuses is that it would be wrong to build a synthetic index of well-being, and that this synthetic index would replace the GDP index as a unique measure of well-being. So we need to complement GDP, not to supplant it. To do that we need to produce several indicators that are relevant and can inform policy designers. But how do we go about it? We heard that we need to collect objective and subjective data and to do that we need to exploit existing and available information, and not trying to necessary launch new costly instruments. A lot is already there but perhaps there is also need to improve on some existing official statistics and tools. For example, national accounts data, household income don't allow to measure well inequalities. It takes work on this area, the same for balance sheets. Time Use surveys exists, but in terms of content there is much improvement to be done. We need new modules and add dimensions that are not covered properly. Of great importance is that we need to improve the use and achieve dissemination. We have to put these data in a clear and understandable way, to communicate to the people so that they know these data can be used.

"We need well-being to be reflected in national statistical systems"

Finally, there is a need to harmonize, to set standards, definitions, so we all talk the same language. It is very important that these measures of well-being reflect the conditions in specific countries, specific regions and even specific localities. They have to be close to the people. On the other hand, we also recognize that there have to be national and international comparable. These objectives do not seem to be easy to achieve. So how do we resolve this contradiction between this objective of harmonization but yet remaining close to local and national conditions.

The Way Forward. We heard from the UK and other countries that it is important to engage civil society with policy actors in consultation processes of well-being in order to get the legitimacy of what you're doing right. Second, we need well-being to be reflected in national statistical systems. For Latin America it would be important to include this issue on the agenda of the Statistics Conference of the Americas. And finally, there is a need to enhance dialogue and develop synergies between public and private producers of statistics. We need to also leverage the contribution of the scientific community; there is a lot of input that we can gather from the scientific community. There is a proposal to create a Latin-American research network and a blog that could be hosted on the Wikiprogress site. Of course there is also an important role for international organizations in setting standards, providing guidelines and identify new practices to produce more comparable data.

Vivian Milosavljevic

Statistician, ECLAC

Notes taken from the Parallel workshops » Time Use

Time Use by Gender. The main interest in the gender division of ECLAC, for which I work, with respect to time use surveys has been to reveal the uneven distribution of time and work that men and women have. The undoubted value of measuring the use of time to clarify and visualize quantitatively the unequal distribution of work that affects men and women has made these type of conferences reiterate the utility of using sources of information and urge National Institutes of statistics to measure the time spent by women and men in the workplace and in all the activities that take place in the domestic sphere, including the activities of people care. The information we get from this type of survey is not limited to assessing the time and people's participation in everyday activities, also including among its objectives is to provide inputs for the development of household satellite accounts to measure the production value of unpaid household services and reflect their contribution to national accounts. That is, not only to give visibility to this inequality in the distribution of work, but also to value it monetarily.

Another objective is to provide adequate information for public policies to address the problems derived from the lack of time for women to meet their multiple responsibilities, especially in regard to the difficulties in balancing both work and family, that is, between paid work and family. There is a permanent tension for women between how much time they can spend on paid work and how long is this paid work allows them to dedicate to the family responsibilities.

> ***"Public policies to address the problems derived from the lack of time for women to meet their multiple responsibilities, especially in regard to the difficulties in balancing bothwork and family"***

There is difficult access to jobs with flexible working schedules; there are not many mechanisms or facilities for women to work part time or have room for flexibility in their schedules with the aim of meeting their family responsibilities. The heavy workload for women often means they suffered from extreme tiredness, stress and depression. Being active in a paid and unpaid work requires a lot of commitment both in time and in things that are left undone.

There is great lack of support at home and at work, it is assumed that the woman has to be in charge of this type of activities, therefore cooperation in many cases is still a challenge within the home. There are also gender differences in pay, there is a problem of discrimination and women do not have facilities for promotion. According to their family responsibilities, they are less likely to have access to positions of greater responsibility, they are poorly paid and very often they have to accept on taking the most precarious jobs in order to reconcile work with their schedules.

Measuring Time Use. Our employment surveys had been measuring paid work hours, paid work days. With this we can easily reach the conclusion that men have more working hours than women and could have a false impression that the time women devote to work is much smaller and therefore are more likely to engage in other tasks.

Because of this, the time use surveys come to fill a void and provide an answer to this situation. Regionally, the men would work 8 hours more on average than women, almost a full working day. This information is incomplete because the time spent on the house has remained invisible. In all countries it is easy to see that the domestic journey is much greater for women and working time is less for them.

We recognize that a key indicator for measuring gender perspective is the total time work, which is the time devoted to paid work as well as the time devoted to unpaid housework. For the first time we are recognizing that domestic chores within the household are work.

Emilio Moyano

Professor, Universidad de Talca, Chile

Notes taken from the Parallel workshops » Time Use

Leisure and Economic Progress. Cultures differ greatly in the importance they attribute to leisure. There are variations in groups, within countries and between countries. We understand that as societies develop working hours are reduced and people have more time to devote to their personal life. This happens in developed countries. In contrast, economic growth in our country is accompanied by a tremendous absorption of hours spent at work. In Chile is estimated at 100 days more a year the Chilean spends time at work compared with people in the developed world. Working more or staying longer at work has resulted in the deterioration of the quality in family life. There is decreased leisure time, and although it is accompanied by an increase in wages, is not accompanied with better spatial facilities at home. There is a growing incorporation of women to work, with everything positive that this means in terms of equality, it also entails less commitment from them to household chores.

Moreover, in reviewing the psychological literature, leisure is not a field which has been given particular attention. Probably there are more studies on this in the field of sociology. However, we can see that in respect to friendship, membership and other activities that are practiced as an exercise for leisure, in Chile there is little time for this. There is little use of public space for fear of being victimized; the Chilean express to have few friends and their main source of happiness is the family, followed by work and at the last friends and leisure. All this fosters solitary or individuals activities.

Moreover, a major cause of absenteeism and academic failure among university students is depression. The World Health Organization has said that this is the main evil in early XXI century in the Western world. The most dramatic consequence of a fraction of those with depression is suicide. Those who commit suicide in the world are younger than before. It has been said that Latin America and the Caribbean are happy continents, and it is where least people commit suicide and rates have confirmed this for years. However, in the Chilean case, despite having a low suicide rate, it has increased by 120 percent in the last 10 years. We were once troubled by this issue, by what this concept of unhappy growth means, that we grow economically as a country but we are not so happy. A distinguished finance minister some years ago said "the macro good but the micro bad", public accounts are fine but household bills are not that well.

> ***"Working more or staying longer at work has resulted in the deterioration of the quality in family life"***

GDP can be a very interesting indicator of suicide. I took data from 20 years from the legal medical service and got a very high correlation between the two phenomena. It leads me to say that from GDP growth I can predict suicide in Chile with an error of about 3.5 percent. So I am introducing the suicide rates of depression and suicide as possible indicators of distress in a country. It is also a way to measure the progress of society. How society allows people to suicide, is a criterion that we could add to the discussion.

Leisure among Cultures. The common element seems to be freedom of choice. People choose what to do in their spare time. They can develop personal interests and achieve mastery of certain activities or domains. Leisure can be expressed in several ways that increase the social capital of people. Leisure allows carnivals, public holidays, allows occupying public spaces, can somehow gain citizenship. Leisure can be fostered by providing security and certain minimum requirements in society so that it can be exercised. Crime victimization is a major factor that inhibits people to occupy public spaces in chile and that will be happily averted in the last time.

"As a country we grow economically but we are not so happy"

Leisure is an essential aspect or attribute of culture, and therefore, contributes very importantly to social and economic capital. To leisure belongs enjoyment, is the choice of performing the activity. There is an intrinsic motivation; there is a lack of evaluation. However, despite being free, leisure activity is not exempt from possible restrictions. Leisure is socially and legally prescribed.

There is volume of free time, free time structure, and use of leisure time that determine the use of free time in every culture. When you're too absorbed in work, you spend little time in leisure and the leisure activity that is chosen is that less time-demanding because you don't have much time. Watching television, reading, listening to music are generally less healthy activities therefore is not recommended, however it is culturally described.

Leisure has many positive effects; many are related to political participation. There are difficulties for people to practice leisure. Fear of unemployment, unemployment, job instability. Second, the fascination with consumption, the media exacerbates consumption. Thirdly, the addiction to work, the workaholic is described as a syndrome that when one has free time one gets bored and anxious and wants to return to work.

Well-being in Psychology. Psychological well-being has to do with the optimal development of skills and mental functioning. The emphasis is on personal development, in the virtues. The difference, here a negative event such as dead of a family member, serious illness or divorce, can positively affect psychological well-being in the medium and long term in terms of maturity to the person, make it stronger, to achieve more personal development, more consistency between what he believes and what he does. Ryff is the author of the model of psychological well-being, and includes 6 dimensions: self-acceptance, positive relations, autonomy, environmental mastery, personal growth and purpose in life.

Measurement Standardization. It has been stated that we should harmonize, homogenize and standardize the measures. It looks like a good purpose but underlying is the belief that the culture is an error and therefore we all should have the same parameter. It is wisely and cautious to also say: let's start by asking our population what they understand by well-being. Let's ask people what they understand by well-being; what sense does the concept of well-being has to them.

Miguel Cervera

Director-General, INEGI, Mexico

Notes taken from the Parallel workshops » Time Use

National Survey on Time Use. The aim of the survey was to start measuring the activity of all persons aged 12 and over, we measure all the daily activities but not just to see how the use of time is distributed but also to encourage our national accounting system.

The survey was conducted in 2009, from October to November. We capture data from the previous week from Monday to Friday and Saturday and Sunday. It is a probabilistic survey, everything is selected randomly. It provides national level information with rural and urban areas and for four regions in the country. The survey has 6 sections: characteristics and equipment of housing, household building and equipment inside, socio-demographic characteristics of each person, activity status and job characteristics, activities of people within the home and activities of people who are not members of the household but are part of it. Prior to conducting fieldwork, we delivered a leaflet at the selected households with clarified information about the survey and with examples so that the respondent had more opportunity to respond with greater accuracy the questions. This gave us excellent results.

Differences between Men and Women. One of the issues that drive us to do this survey was to see the differences in time use between men and women. The indicator is the average hours spent per week for men and women. For paid work, men spend 48.3 hours a week, women 40. As for finding job, it is 15 hours for men and almost 12 hours for women with a difference of 22%. For commuting, it is 6.1 against 5.1 with 16% less for women.

We found big differences. For every hour spent by the man on the preparation of food, women spend 3.5 hours, 250% more in that activity. To clean the house, for each hour of male labor there are two hours and three quarters of women work with an additional 173% for women. For cleaning of clothing and footwear, three hours for woman for each hour of man work, with a 217% increase in female labor activity. For the care of household members, for each hour of the men work there is one hour 46 minutes of woman work with a 76% difference. Support to other households, there is a difference in favor of women by 48%. In personal care, there is little difference of 3% that women dedicate, for each hour spent by the man the woman spent 1 hour 2 minutes. To watch TV, woman watches less; men use more this kind of media. In the study, which coincides with the population census, there is a strong participation of women in attendance at all levels. Another thing that comes out of the census, in 2000 20% of households in this country were headed by women; in 2010 25% of households are headed by women.

> ***"We measure all the daily activities but not just to see how the use of time is distributed but also to encourage our national accounting system"***

Challenges. To improve the collection of information. We have to solve in a practical way the issue of simultaneous activities and we must establish a Latin American use of time catalogue of activities and one day carry out a survey on our entire region in order to evaluate it so that the figures are comparable

Eugenio Tironi

Professor, Universidad Católica de Chile

Notes taken from the Parallel workshops » Social Relations

Social Cohesion and Happiness. According to a survey we conducted in CIEPLAN in 2007 in the main cities of 7 countries: Mexico, Guatemala, Colombia, Brazil, Peru, Argentina and Chile, we found that there are 6 supports to social cohesion in Latin America that has made that our societies do not explode into the air.

The first is that the perception of discrimination and ethnic polarization is relatively low in these 7 countries. In other words, the mixture of races in Latin America was more successful than we admit. The second is that the primary ties, the ones that refer to family, friends, and neighbors, are quite robust in general and we are talking about people in urban areas, who represent 80% of the population. Third, there is a high level of religiosity but with low religious polarization. We do not have religious wars; there would be more polarization between those who profess a religion and those who do not profess any that among the evangelical world and the Catholic world. Fourth, there is the intense national feeling. There is a strong national feeling, people feel more identified with the nation. Fifth, this is a region where there are high expectations of social mobility. Many believe they have improved, they estimate that they will further improve and believe that their children will further improve. Sixth, mobility is seen as an acquired situation and not ascriptive, ie, we understand that factors such as work, discipline and effort that will lead us to succeed in the career of mobility and not factors like heredity or fate.

"It seems we have sufficient and robust relational goods in our region"

In sum, it seems we have sufficient and robust relational goods in our region and coincide a bit with what happens with happiness. This survey also asked about subjective well-being and happiness. First we found that ethnicity is not too relevant but the indigenous world is much less happy than white people. Second, there is much correlation with the family but not with friends or neighbors. A Predictor Of Happiness Is The Strength Of Family Relations And No Other Relationships. Third, we found that evangelicals are generally happier than the catholic and the non-religious. Fourth, people who feel more pride of their country are happier, people who are more interested in public affairs are happier. Fifth, those who have experienced mobility and have expectations of future mobility are also happier, or those who place expectations on their children. And sixth, that people who have a notion of mobility as something that depends on them, tend to be positively happier. Relational goods in general play an important role when speaking of happiness in the region.

Threats to Social Cohesion and Happiness. (1) Changes in the family: the Latin American family type sits on the subordination of women and their exclusive placement at home; if this breaks it will produce disturbances in the conventional family type that we do not know yet how to compensate. (2) The lack of institutional integration: it is very high and is going to be larger if the family tie is weakened because there are no institutions to compensate for the erosion of these ties. (3) Religious decline: religion is eroding and becoming more private and diversified. (4) Identification with the nation: the education system ignores the task of rebuilding the national and emotional ties of children and youth with the notion in benefit of a cosmopolitan vision of the individual. (5) Frustrated mobility: if the expectation of mobility is frustrated, mobility has a lot to do with economic growth. (6) Crime and violence: it leads to a privatization of the defense and could be a factor that threatens the happiness and cohesion.

In light of these data, I think we should recover the value of these relational goods. It must be admitted that for decades they have been taken as an obstacle, they have been taken as an archaism from which we have to detach to aspire to be modern, to adapt to the world of computing and development. We had the economy centered into how to release these hindrances from the Latin American society and somehow sacrifice them on the altar of development. All this reflection, I think, should lead us not to find something external, but to rediscover what this region is that has been magically managed to sustain.

"I think we should recover the value of these relational goods. It must be admitted that for decades they have been taken as an obstacle, they have been taken as an archaism from which we have to detach to aspire to be modern, to adapt to the world of computing and development"

Joaquina Palomar

Professor, Universidad Iberoamericana, Mexico

Notes taken from the Parallel workshops » Social Relations

Relational Goods and Progress. Progress can be defined as the passage from minor a well-being state to one of improvement in the human condition. When one deepens into the definition, we would try to operationalize these elements that allow for a transition from a lower to a higher well-being. Traditionally the proposed indicators to measure progress have been GDP, poverty eradication, reduction in infant mortality, universal primary education, corruption, democracy, etc. we have had the advantage that these objective indicators are relatively accurate and easy to use, which has facilitated to some extent the implementation of public policies that aim to reduce the incidence of some problems or improve the conditions of the population and increase sustainability in regions.

"Social support is related to some psychological variables and subjective well-being"

While these indicators are clear, they are not sufficient to evaluate the improvement in living conditions. Hence, questions arise like: is it not equally relevant to know whether the people who make these societies feel better now than before? , Are we willing to promote societies with good social and economic indicators of progress whose members felt increasingly unhappy? And, Should not we expect that the good economic indicators were accompanied by greater subjective well-being?

Progress is completely absurd if is not accompanied by a feeling of improvement in the living conditions of the people experiencing this progress according to the traditional well-being indicators. In this regard, which leads to the above questions is that when we talk of well being or progress we cannot exclude the subjective aspects of the person. When we speak of these subjective aspects we refer to what people experience cognitive or affective, that is, how people integrate in their experience notions such as happiness and life satisfaction. As we all know, the measurement of these perceptions is complex, however, in my opinion is inescapable to incorporate subjective indicators of people's well-being since it is impossible for us to adopt a normative position pointing the way people should live or how people should feel.

Determinants of Well-being. I would say that some socio-demographic characteristics of the person are related to their well being, for example, socioeconomic status, age, education level, poverty. Another group of variables could be related to personality traits, life skills, coping styles, stress management, assertiveness, and self-esteem. And another group of factors would have to do with the social environment, perceived safety, availability of social networks, social security, equality, etc. In this sense we can say that the well-being of an individual depends not only on one of these three aspects but that they are closely related. For example, it not only depends on the availability of social networks but also on the ability of a person to interact with others.

The series of personal contacts through which the individual maintains his social identity and receives emotional support, material support, services and information is called social networks. A person can have many social networks but not perceive it. Social support refers rather to the perception of potential aid a person has, which can come from family, community, neighbors or friends. There may be discrepancies between social networks and perceived social support.

Relational goods are the company, emotional support, social acceptance, solidarity, and sense of belonging, the desire to be loved and recognized by others. It is a broader concept. In addition, there are different categories of social support that may be: material support, flow of monetary resources, instrumental support, as favors, assistance, support, emotional support, trust, affection, and cognitive support, sharing of experiences and advice. Sources of support can be formal and informal. Formal sources of support have to do with the support that comes from bureaucratic organizations that have specific objectives. The informal system is associated with individuals who have personal affinities in a non-institutional framework.

Subjective Well-being and Social Support. Social support is related to some psychological variables and subjective well-being. These psychological variables in turn have an impact on subjective well-being. For example, individuals with high levels of social support in their environment have a better self-concept, face stressful situations in a more direct, less elusive manner; they have greater personal control and better health than those who receive a low social support. It has also been shown that people with more social support are more optimistic, more assertive, have good social skills and are outgoing.

When individuals do not feel satisfied with the support they receive, they usually explain it by specific factors and of short-term. By contrast, subjects with depressed mood, anxious, with low self-esteem, tend to explain this lack through general or permanent factors such as personality, physical characteristics and so on.

There is an inverse relationship between depression and social support and a positive relationship with self-esteem. It has been shown that social support is a powerful stress-buffering, so there are many authors who have addressed the issue of poverty and have seen that one of the most important resources to meet a precarious situation are social networks.

People with a positive mood and high self-esteem report higher levels of social support, while people with no satisfaction report low levels of social support. In Mexico, we found in a factor analysis, that of the 50 factors entered in the analysis, there were 9 factors that explained the subjective well-being and an interesting finding was that the first and more explanatory factor was and sociability and having friends. This factor explained 22.6% of the variance, nearly three times the second factor which was the relationship with the family. You could see that the high levels of social support are associated with high levels of satisfaction in other areas of life and that the support provided by the family was the best predictor of personal development and overall well being score, which shows the impact of social support.

> ***"While there are many definitions of progress neither is complete without the experience of individuals"***

For social support to be effective it needs to be given in the direction, quantity, quality and time when a person requires it.

While there are many definitions of progress neither is complete without the experience of individuals. Subjective well-being cannot be explained if we do not consider the relational goods. The only way to know if the behavior of a set of economic indicators is evaluating progress is to contrast it with the happiness of individuals. The measures we use to measure our objectives, affect the direction we take to achieve the goal. All successful public policies with social support are those that lead to higher individual wellbeing.

The challenge is to translate all these measures of well-being into public policies. We understand well enough the concept of well-being and we would have to give a step further and be a little more creative and see how to design public policies that tend to increase the well-being of the population. The challenge is not only to design public policies but to assess the political impact of these on society.

Guillermo (Gil) Peñalosa

Executive Director, 8-80 Cities, Canada

Notes taken from the Parallel workshops » Social Relations

Cities for Everyone. The reality is that what gets measured gets improved. For many years we have learned to survive but now we must learn to live. I am distressed by the lack of a sense of urgency, we are studying today, there are models, and they must be improved. The ideal is the enemy of good; we will always be able to improve the systems. We should be using better indicators than GDP in public policy. This should not be subject only to technical conferences, but of politicians. The indicators that we should be using to make decisions should be others. It seems that we were approaching a perfect storm; we see that there is a crisis of obesity, climate change, population growth, economic crisis; we must think how do we want to live?

“What interests us is how to create healthy and vibrant communities where people will live happily enjoying the public spaces”

We have an organization called Cities 8-80, and what interests us is how to create healthy and vibrant communities where people will live happily enjoying the public spaces. Think of a child of 8 years whom you love, think of an older adult whom you love a lot, someone around 80 years, and when you have them both in mind, think if you would send them to a specific street intersection, would you send them by walk to buy milk? If you do is because it is safe, if you would not send them is because it is not. What if everything we did in our cities should have to be wonderful for those of age 8 and for those of 80? We would end up with good communities for everybody. Therefore, we should stop building cities as if we all had 30 years and we were athletes and start making cities for all.

What kind of cities are we going to build? When we define our cities around cars, all we have is more cars. But if we define the city around people we are going to have happier and healthier people, people with higher quality of life. In an increasingly globalized world the best people can live anywhere in the world. Therefore, every day we have to think about why would they wanted to live in our city and not elsewhere. That’s why we have to have good quality of like in our city or people will go. Quality of life today is the most important element of economic competitiveness. What is the role of the streets? The streets are the largest public space in any city, and belong to all. Our streets are the most valuable public space. How do we distribute it? Obviously pedestrians, cyclists and public transport users are the priority because they are most vulnerable. When the poor actually feel the poverty and feel miserable is in their free time. When we improve parks we are improving their quality of life.

If GDP per capita is still our measure of success we are doomed to failure. We need a different life model, we need different indicators. This is not a technical problem, not a financial problem, it is a political problem. We need to generate a sense of urgency, leadership, citizen participation, political commitment. We cannot wait; we need to make use of indicators other than GDP that we already have. Not only do we need to do things right we need to do it now. We need to develop a shared vision of how we want to live, and when we have this shared vision, we have to take action on measurements and indicators. If we have a shared vision and take action we will create a different world for all.

Emilio Álvarez Icaza

Former Ombudsman of Mexico City, Mexico

Notes taken from the Parallel workshops » Citizenship and Participation

Human Rights. Never in history have we built so many international, regional, national, and local instruments in an effort to protect the dignity of people. In Latin America all constitutions have been virtually rewritten. Today, respect for human rights has become an indicator of political governance, an indicator of government management.

There have been some exercises of national human rights plans and some human rights programs. The program in Mexico City ended with the design of actions to 20 years, assigning specific responsibilities to various ministries. Specific budgets were allocated to meet objectives. Last year budget of the city is the first budget assigned with focus on human rights. It is the first study we have to see if we are progressing or regressing in terms of compliance with human rights. We need to move much more specifically in the construction of the indicators, in the consensus that allows us a glimpse of how we are doing in the area of development.

Let's assume this phenomenon of understanding the respect for human rights, since it is an indicator of the management of government and has forced the development of far more accurate indicators.

> ***"Today, respect for human rights has become an indicator of political governance, an indicator of government management"***

Rubén Lo Vuolo

Researcher, CIEPP, Argentina

Notes taken from the Parallel workshops » Citizenship and Participation

Citizenship. When one speaks of citizenship is talking about human beings as political agents. We're talking about the ability to make reasoned decisions and in freedom and those are decisions that affect not only the individual but that will affect the community. And when we talk about citizenship we are primarily talking of some kind of political organization which is democracy. Democracy is a political system that makes a strong commitment to institutions and has two important features - that of universality and that of inclusion, both in rights and obligations. Finally, being a citizen is the justification of the power and authority that emanates from the democratic regime.

Lately, we have been accustomed to thinking of the population as an object that is manipulated or is subject to the decision of political power and we forget that the foundation of a democratic regime is that the citizens provide decision making power to their representatives. The original source of power is in the citizens.

Citizenship and Inequality. When one seeks to measure progress in the field of democratic citizenship we necessarily have to measure the equality of citizen's positions in the exercise of power. The issue of equality becomes central, inequalities by definition are undemocratic. The inequality explains the violation of certain norms around which the need for equality is defined. In a democracy there must be equality for democracy to function as such and so people would have the real power. This is not a point of discussion; this is a fundamental point for the organization of democracy. It is essential when measuring citizenship in this view and citizenship in relation to the well-being of people that we consider the matter of gaps between what is regulated and what actually happens in society. It is not just a problem of rules, but it comes to measuring the effective implementation of these rules by citizens and the equality between citizens in the realization of the rule.

Intervention is imperative to ensure equality. It is no longer a matter of chance or a matter of decision based on someone's wishes. Later we can discuss what degree of inequality might be accepted. But where the inequality for the exercise of political citizenship in democracy is detected intervention to reverse the situation is imperative. It is not about alleviating inequality, is about equalizing the inequality, which is not the same, so democracy and citizenship may work.

The key point, which I think is the modern debate around democracy, is that we need to think democracy in terms of agency. In terms of capability of individuals to act as political citizens, and in these terms evaluate it when we evaluate the subject of well-being.

Then, the word access, the word sustainability and the word security become key elements to assess the ability of citizens as agents. It is not about getting something at one moment, it is how we get it, and in what extent what I get is sustainable, how much security do I have regarding what I'm getting. Is not the same to receive a packet of food in exchange for something circumstantial, than to receive it they way everybody receives it for the simple fact of being a citizen in a country.

When I think of a citizen I'm talking about organisms, bodies likely to feel, suffer, live. I'm also talking about people who live in certain contexts that give meaning to life. I'm talking about actors who act in search of goals. All this constitutes the human being, all this complexity makes the human being and therefore makes the citizen. When i speak of progress i speak of the defense of achievements in all dimensions that are not substitutable.

The topic of income in latin america is central to the well-being and mainly the subject of income inequality. I think we must have this point very clear when we discuss or we take entity to the aspect of income in the definition of well-being. It is absolutely clear that GDP per capita is not an indicator of well being but let's not be confused with disposable income. At the same time, the relationship of inequality between incomes of individuals in Latin America is central to measuring well-being, which we should supplement with a lot of other indicators, but I think we have to re-discuss in the light of the situation in the region.

When one speaks of citizenship, speaks of the situation of people in context. If we are talking about citizenship and participation in societies that are democratic, commercial and monetized, we're not talking about it in societies that are regulated by barter, nor are we talking about societies with cultural values in societies where what prevails is the reciprocal of the transaction.

I raise the following points for discussion - is income a human right? I'm talking about a basic income determined as sufficient for someone to be considered a citizen in terms of political agent, able to make free decisions and that these decisions affect the collectivity. A human right is unconditional for being human, is universal. To synthesize, for income to be a human right has to be unconditional and universal, must be equal for all and without conditions to access the good.

"Access to income has to be unconditional and universal to be considered as a human right"

As an example, conditional cash transfer programs, which are abundant in Latin America, ranging from *Oportunidades, Bolsa Familia in Brazil, to Plan Familias* in Colombia, can be very good programs evaluated themselves as targeted program. But clearly do not warrant the human right to income. Access to income has to be unconditional and universal to be considered as a human right.

Alfredo Intriago Conforme

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Notes taken from the Parallel workshops » Citizenship and Participation

Subjective Indicators in Ecuador. In 2008 Ecuador changes the constitution and makes the plan of "the good living" in which basic goals were set. To achieve the objectives of the plan we need subjective indicators. In all the objectives there are equality, improve the skills of citizens, foster hope and quality of life of the population, promote a healthy environment and guarantee access to water, air and soil, secure national sovereignty, guarantee stable work, build public space, to affirm the national identity, promoting access to justice, ensure access to public and political participation, establish a sustainable economic system and to build a result for the well-being. Each of these objectives has their own goals and is clearly defined.

The national institute of statistics already uses subjective indicators, for example, satisfaction with electricity services, satisfaction with water services, quality of life perception index, the index of perception of the quality of public services in education, security. It is not enough to say that we are doing things right, we also have to measure that the public perceives that they are doing well.

In 2008 the group of Quito was created, made up of Ecuador, Argentina, Venezuela and Cuba. The aim of this group was to seek alternative indicators. Among the issues discussed was the critical analysis of positive indicators on social topics, environmental indicators, indicators of civic participation and perception of well-being.

Democracy Indicators. In the National Survey of Employment and Unemployment we have measured, what is the importance of democracy in Ecuador. In 2004, for 62% it seemed important, in 2009 rose to 72%. The interesting thing is that if we see it by education level, with less education democracy is less important; at higher levels of education the importance of democracy begins to have relevance. As for the perception of the improvement of democracy, by 2009 32% said democracy had improved, 80% of native people still do not see an improvement of democracy.

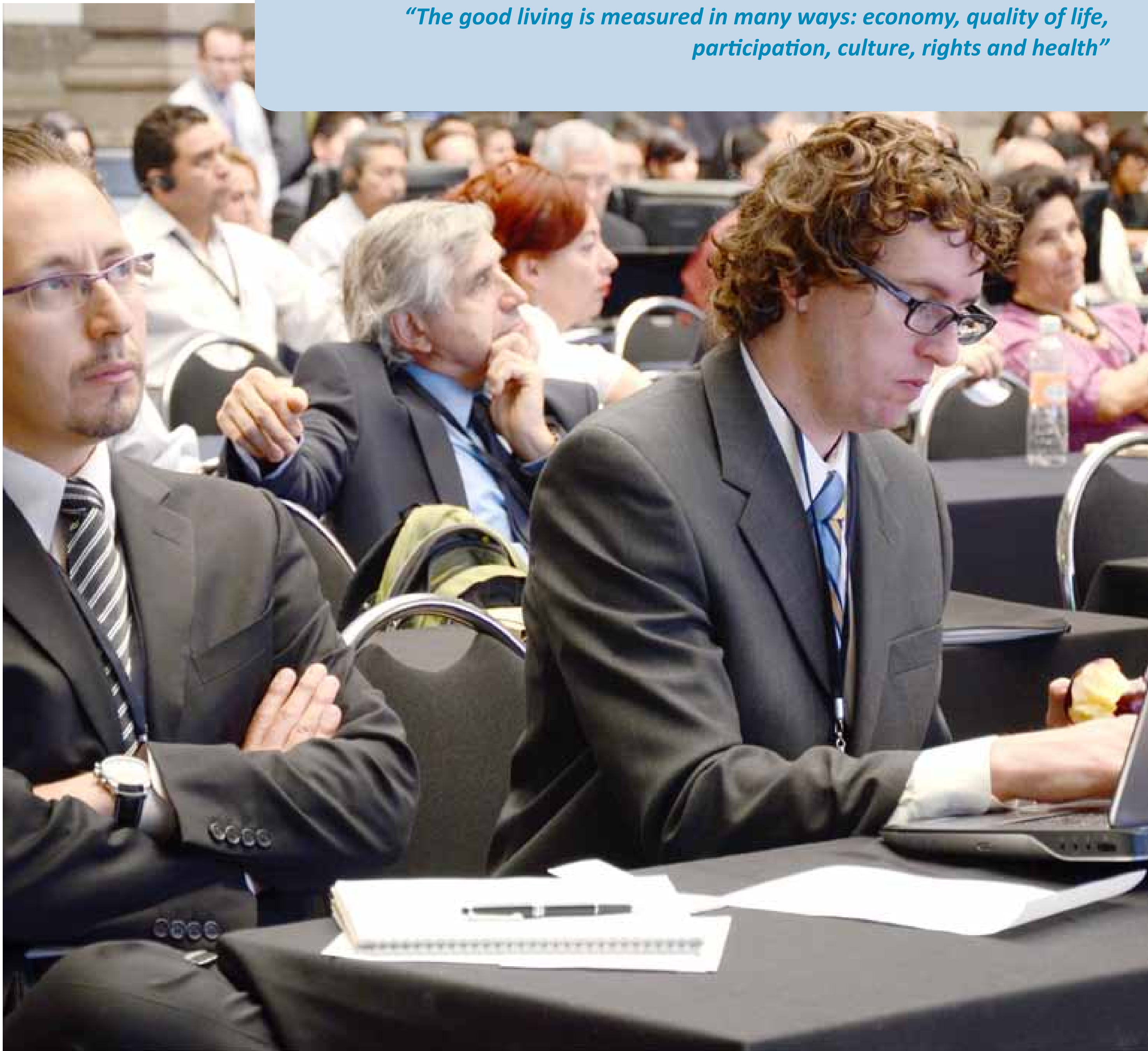
The most important aspects of life in ecuador: in the first place is the job with little difference with the second which is the family, the third is the religion, friends, politics, and finally fun and distraction. Who do Ecuadorians trust? They trust the most close relatives, siblings, parents, and children. We have very low trust in neighbors and people in the community. People trust the people in general more than their neighbors.

For people in Ecuador, to be a good citizen you need to be supportive, enforcing laws, voting, not to evade taxes, adopt a critical stance. What this tells us is what a person believes is the ideal citizen. In terms of participation in social groups, we found that 11% participate in parent committees, sports committees, religious organizations and few participate in groups, student associations, women's organizations, cultural groups. Participation in community, volunteer work is very little. Other forms of participation, 6% attended demonstrations, strikes 3%, 1% to protests. 63% said that there is corruption but only 6% make a formal complaint.

The good living is measured in many ways: economy, quality of life, participation, culture, rights, and health. What Ecuador has implemented is a number of stages in which we have defined the conceptual framework, building different dimension for each sub indicators

Subjective Poverty. Poverty in 2006 was 45% but subjective poverty was 66%. Almost twice as many people feel poor. So we did an analysis for characterization of the people. People who are not poor but who considered themselves poor are people of 60 years old, males, divorced, have a job, their level of education is simply literacy, and feel not so happy. The person who is poor and considers him/herself to be poor are women of 12 to 19 years old, with a partner, did not work last week, have no instructions, from an indigenous ethnic, and feels dissatisfaction with the current job. What we show is that when seeking the good living indicators these are not necessarily linked to income, it is linked to subjective indicators of how one feels, and to what ethnic one belongs.

"The good living is measured in many ways: economy, quality of life, participation, culture, rights and health"



Conclusions

Latin American Conference on Measuring Well-Being and Fostering the Progress of Societies

1 The understanding of people's well-being and of its determinants is crucial, since it shapes the direction in which society should move in order to achieve progress. Based on this understanding, it will be possible to develop statistics to keep track of overall social progress and whether it heads in the right direction. As better well-being measures become available, policy makers will be able to make better decisions and citizens will be in a better position to demand actions conforming to their aspirations.

2 The indicators typically used to know whether people's well-being is improving or not only partially capture it. This is the case, for example, of Gross Domestic Product (GDP), a measure which focuses exclusively on the economic production of goods and services, but that does not take into account issues such as income distribution, justice, freedoms, people's abilities to achieve a meaningful life, their life satisfaction and the sustainability of economic progress. An adequate measure of progress should recognize that there are many considerations which require a multi-disciplinary approach involving a variety of stakeholders.

3 The Latin American Conference on Measuring Well-Being and Fostering the Progress of Societies, which took place in the magnificent "Palacio de Minería" in the Historic Center of Mexico City from 11 to 13 May 2011, was the first of a series of regional conferences geared to enhance and promote the measurement of well being and social progress as well as the use of this information to improve people´s lives. The results of these conferences will feed into the agenda of the 4th OECD World Forum on "Statistics, Knowledge and Policies" to be held in the city of New Delhi in October 2012.

4 The Latin America Conference was organized by the OECD, Mexico's National Institute of Statistics and Geography (INEGI) and the Scientific and Technological Consultative Forum (FCCT), in collaboration with the Inter-American Development Bank (IDB), the Economic Commission for Latin America and the Caribbean (ECLAC) and OECD Development Centre. It brought together 50 internationally renowned speakers and 669 participants from 23 countries, including most Latin American countries as well as countries in the Caribbean, the United States, Canada, the United Kingdom, France, Italy, Lebanon, India and Korea. Leading figures in the world of statistics, academia, civil society and decision makers from public and private sectors, as well as representatives of various international organizations were among the participants. The event allowed the exchange of ideas between specialists from different fields such as statistics, economics, sociology, medicine, anthropology, urban planning, psychology, philosophy, psychiatry and education, among others. This mix

of participants, diverse in their backgrounds and areas of expertise, led to a thorough discussion on the elements to be incorporated into a vision of progress that responds to the multiplicity of factors shaping human well-being.

5 The Conference objectives were: (1) to deepen the debate on how to measure social progress and well-being in Latin America; (2) to improve the relevance of current measurements and analyses to address key policy issues related to progress and well-being, and, (3) to achieve concrete results, lay down frameworks and open avenues for future work.

Well-being in Latin America

6 The measurement of well-being goes beyond GDP and money, requiring the consideration of both objective and subjective dimensions. The measurement of well being should be focused on individuals and households.

7 In Latin America, important dimensions of well-being include health, education, working conditions, housing, economic situation, interpersonal relations, availability of free time, access to social protection, effective citizenship, rule of law, and gender and ethnic equality.

Subjective Well-being

8 Subjective well-being refers to people's experience of being well and it includes evaluative and affective considerations. It is useful in assessing and quantifying the relative importance of non-monetary factors, and in assessing the benefits from different policies. The interpretation of subjective well being indicators should take into consideration aspects such as people's personal values and expectations and their cultural roots.

Inequalities

9 There is a close relationship between well-being, equity and social cohesion. In spite of significant economic growth, Latin America is still the most unequal region in the world. Inequalities are manifest not only in income but also in wealth, education, health, access to quality services, security, and availability of free time, exercising of citizenship and others factors. Emphasis should be put on gender and ethnic gaps, and other vulnerable groups, and on intergenerational social mobility.

Data and Measurements

10 The current goal is not to build a synthetic index of well-being, but to produce a limited number of indicators that are relevant and can inform policy design and decision making on the different dimensions of well being. There is, today, a consensus on the need to collect data on objective and subjective aspects of well being and in exploiting all available information sources; improving existing official statistics and tools, as well as the use, analysis and dissemination of existing data. Attention should also be put on the harmonization of concepts, standards and definitions.

The Way Forward

11 Participants agreed on the necessity of: Promoting the engagement of civil society and policy actors in consultation processes on well-being; Reflecting well-being in the agenda of the national statistical offices and systems of the region and specifically on the agenda of the Statistics Conference of the Americas; Enhancing dialogue and develop synergies between public and private sector producers of statistics; Leveraging the contribution of the scientific community by creating a Latin American research network and a blog hosted by Wikiprogress, as well as promoting other regional and local academic initiatives; Encouraging international organizations to pursue their work in setting standards, providing guidelines and identifying good practices to produce more comparable data.

12 The Conference covered a wide array of relevant aspects related to the measurement and explanation of well-being. However, it did not exhaust all the relevant aspects. Three key issues which deserve further consideration are gender, ethnicity, and environmental sustainability.

13 Finally, participants recognized that we are still collectively experimenting. The key message delivered by the conference is “let’s be ambitious but advance step by step”.

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