Die Bundesregierung

GUT LEBEN IN DEUTSCHLAND
Was uns wichtig ist

Essays by the Members of the Scientific Advisory Board

Government Strategy on Wellbeing in Germany

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Essays by the Members of the Scientific Advisory Board

Introduction

In the December 2013 coalition agreement, the CDU, CSU and SPD agreed to develop an **indicator and reporting system** on wellbeing in Germany that provides information about the **status of and progress in improving wellbeing in Germany** on a regular basis.[1] The German government strategy "Wellbeing in Germany – what matters to us" shifted the focus of inter-ministerial cooperation onto the issue of wellbeing.

Wellbeing is a **broad** term that takes into account a wide range of economic, social and environmental aspects. Taken together, these describe the living conditions of individuals and societies. The social and political debate surrounding improvements in wellbeing dates back to the 1960s and 1970s. The **scientific research** on this is just as broad and varied as the issue itself. Different scientific disciplines, including economics, the social sciences, psychology and the environmental sciences address wellbeing issues specific to each subject. Furthermore, numerous interdisciplinary research projects seek to provide for the multi-dimensionality of the issue.

A major focus of wellbeing research is the question of how to **depict wellbeing and make it measurable**. In recent years, international institutions, most notably the Organisation for Economic Co-operation and Development (OECD), the United Nations (UN), the World Bank and the European Commission, have taken up this scientific debate. In doing so, they have contributed significantly to the expansion of this issue and to harnessing its implications for policy.

Indicators enable us to identify the status quo and the development of wellbeing and make these measurable. They provide the political sphere as well as the scientific community and society with important information and guidance for political action. Taking expert scientific opinions and a concrete understanding of wellbeing as a basis allows for policy measures on how to maintain and improve wellbeing to be discussed.

This is why some countries, regions and governmental and non-governmental organisations have developed **indicator and reporting systems** for wellbeing, including the World Bank's Human Development Index, the OECD Better Life Index, and Measures of Australia's Progress. Some of these systems serve to provide useful information to the public, whilst others are used as political instruments.

Recent political initiatives have further advanced the national and international debate. A 2009 commission headed by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi and commissioned by then-French president Nicolas Sarkozy prepared proposals for an all-encompassing measurement of prosperity. Commissioned by German Chancellor Angela Merkel and French President Nicolas Sarkozy, the German Council of Economic Experts and the French Conseil d'Analyse Économique together developed a proposal on measuring economic performance, quality of life and sustainability in 2010. In 2011 and 2012, a group of experts who examined the German Chancellor's dialogue on the future focused on how to systematically promote wellbeing and recommended a "national system for evaluating wellbeing and societal progress".

In 2010 the German Bundestag established the **Enquete Commission on "Growth, Prosperity and Quality of Life: Paths to Sustainable Economic Activity and Societal Advancement in the Social Market Economy"** ("*Wachstum, Wohlstand, Lebensqualität – Wege zu nachhaltigem Wirtschaften und gesellschaftlichem Fortschritt in der Sozialen Marktwirtschaft*"). The Enquete Commission comprised 17 members of the German Bundestag as well as 17 experts. Among these experts were two members of the Scientific Advisory Board on the government's strategy of "Wellbeing in Germany – what matters to us" ("*Gut leben in Deutschland – was uns wichtig ist*"), Professor Dr Christoph M. Schmidt and Professor Dr Gert G. Wagner. The Enquete Commission developed a system for measuring social prosperity, known as the "W3" set of indicators. The German Bundestag called on the federal government to consider the extent to which the Enquete Commission's findings could be integrated into its existing reporting system.

The government adopted a new approach with its **strategy "Wellbeing in Germany – what matters to us"**. The key starting point for developing a reporting and indicator system for Germany was a **broad and open**

social dialogue for all citizens to take part in. At a total of 203 events held between April and October 2015 more than 8,600 citizens accepted invitations from societal groups as well as the Chancellor and all Federal Ministers to discuss what was important to them – in their own lives as well as with respect to living together in Germany. More than 7,000 others expressed their opinions through an online dialogue or submitted their answers via postcard or coupon. An independent research group hired through a European-wide tender process evaluated the results of the national dialogue. These results provided the basis for the new reporting and indicator system for Germany – a system that focuses on citizens' understanding of wellbeing as it relates to both their own lives and Germany as a whole.

The **current state of research on wellbeing** forms another basis for the government's report. It guided the definition of the 12 dimensions of wellbeing, relationships and trade-offs. Research also contributed to the process of compiling indicators and interpreting the changes in indicators over time.

Existing national and international reporting and indicator systems were also taken into account when compiling the report. These include the British Office of National Statistics' "Measuring National Well-Being" system and the "Humankind Index" developed by non-governmental organisation Oxfam in addition to those already mentioned.

Making the most of the scientific expertise available and doing justice to the complexity of the issue meant an **interdisciplinary Scientific Advisory Board** had to be appointed for the government's "Wellbeing in Germany – what matters to us" strategy. Six experts contributed to the entire process, from developing a national dialogue to the question of criteria for selecting indicators. The board members advised the government on fundamental, expert and methodological issues. A total of ten meetings were held throughout the entire process (meetings approximately every two months).

Through their recommendations, critical questions and comments, the members of the Advisory Board lent valuable support to the process as a whole. Nevertheless, the responsibility for drafting the report and selecting the indicators lies solely with the German government.

The following experts are members of the **Scientific Advisory Board**:

- Dr Stefan Bergheim from the Center for Societal Progress in Frankfurt am Main;
- Dr Heinz-Herbert Noll, formerly from the Centre for Social Indicator Research at the GESIS Institute for the Social Sciences in Mannheim;
- Professor Dr Christoph M. Schmidt of the RWI – Leibniz Institute for Economic Research in Essen;
- Dr Susanne Schnorr-Bäcker of the German Federal Statistical Office in Wiesbaden;
- Professor Dr Gert G. Wagner of the Berlin University of Technology; and
- Professor Dr Sabine Walper of the German Youth Institute in Munich.

To accompany the publication of the government's report on "Wellbeing in Germany – what matters to us", the Advisory Board members submitted their **own essays** in this reader. These essays allow for a more in-depth, scientific debate of the issues at hand, and serve to illustrate the historical background of the dialogue as well as the multifaceted complexity of surveying and measuring wellbeing, all of which ultimately stimulate further discussion.

Dr Heinz-Herbert Noll's essay examines the historical background of the debate on quality of life, beginning in the 1960s. He describes how social processes of change have contributed to the emergence of this discourse and how this discourse has undergone increasing internationalisation, taking the United States as an example. His essay highlights the vital contribution social indicators research has made in enabling an all-encompassing understanding of quality of life in society and politics to emerge.

Professor Dr Christoph Schmidt addresses the debate surrounding an integrated system of measuring prosperity in Germany. In doing so, he primarily examines the German Council of Economic Experts' annual reports, which are a source of regular illumination on the broad spectrum of issues that make up macroeconomic development. He discusses the combined expertise of the German Council of Economic Experts and the French Conseil d'Analyse Économique as well as the "W3" set of indicators put forth by the German Bundestag's Enquete Commission. The essay ultimately recommends establishing the set of indicators proposed by the German government as a regular instrument of discourse and "making these indicators talk" through scientific assessment conducted on a regular basis.

Dr Stefan Bergheim's essay clarifies that, in addition to scientific expertise, the perspective of citizens is an important source of information for a better understanding of wellbeing. Citizen participation formats are increasingly being used at the regional and even national level to provide feedback cycles aimed at enabling improvements in wellbeing. Using dialogue processes, indicators are selected and objectives and sometimes even policy options are defined. Their impact can be measured using these indicators and then discussed in new dialogue processes.

Professor Dr Gert Wagner illustrates how scientific expertise, representative population surveys and qualitative dialogue formats can be usefully combined when selecting indicators to measure the multiple facets of wellbeing in their entirety. The advantage of representative population surveys is that all groups are covered proportionately to their share of the total population. This often involves the use of short questionnaires, however. By contrast, dialogue formats have the advantage of being able to discuss issues in greater depth. However, long-term and complex issues such as climate change or the innovative capability of the economy are often discussed far too briefly in both formats. Therefore, it is useful to include additional scientific expertise when selecting indicators in order to nevertheless take these issues into account. Finally, the essay stresses that the actual selection of indicators on the basis of these three sources must be the responsibility of democratically elected political decision-makers.

Professor Dr Sabine Walper's essay takes the example of children and adolescents to illustrate the necessity of differentiating the conceptualisation and measurement of wellbeing by target groups. It characterises how the lives of children and adolescents are currently changing as a result of new and increasingly heterogeneous family models and educational ideals. The essay furthermore presents several theoretical, conceptual reference points that are crucial for selecting indicators for the wellbeing of children and adolescents. These include children's rights, children's needs and the concept of empowerment. Professor Dr Sabine Walper favours long-term, balanced reporting that should include the perspectives of children and adolescents wherever possible.

Dr Susanne Schnorr-Bäcker makes clear in her essay just how rich the statistical range of indicators is today and outlines the fundamentals and quality requirements for "good" indicators that must be taken into account when selecting indicators. She also draws a link to the development potential offered by increasingly smaller-scale and more accurate data collection. The essay concludes by emphasising that it is the duty of official statistics to provide data that reflect the status quo and developments in key areas and to fill existing gaps in data. New data sources ("big data") brought about by modern information and communication technologies offer enormous potential here.

The Federal Government would like to thank all of the members of the Advisory Board for their dedication, expert support and valuable contributions. Continuing the debate on wellbeing – in scholarly research, politics and society – is one of the key objectives of the government's "Wellbeing in Germany – what matters to us" strategy.

[1] Coalition agreement (2013), pp. 14-15.

On the History of Social Indicators Research: Measuring, Monitoring and Researching Wellbeing

by Heinz-Herbert Noll, Mannheim

Origins, background and objectives

The empirical monitoring and analysis of wellbeing has a long tradition that can be traced back to the early 1970s. This is the case in many countries, but it is particularly prevalent in Germany. At that time, it was a newly formed branch of research in the social sciences – social indicators research – that was dedicated to measuring, monitoring and analysing the welfare of the population in new, better and more differentiated ways than had previously been considered standard. Above all, this meant no longer relying primarily, if not exclusively, on gross domestic product and other economic indicators as measures of wellbeing, but rather developing new and more appropriate indicators and concepts of measurement that took account of an evolving understanding of welfare that goes beyond simple material wealth. In this respect, social indicators research can be considered as an early "beyond GDP" movement that was and remains seminal to our current debate on the measurement of wellbeing and progress.

This rethink was not least a result of social change processes that had begun in the 1960s – a period of development characterised by a prospering economy, but also drastic structural changes. In particular this included the fact that during this period of prolonged prosperity economic growth and material wealth – as embodiments of societal progress – began to be seriously called into question for the first time. On the one hand, these doubts were fuelled by the fact that environmental and social costs as well as pockets of poverty amidst rich societies as downsides of economic growth and private wealth were gaining more and more visibility and public attention. On the other hand, the traditional notion of welfare in terms of material prosperity was also challenged by an incipient structural change and shift in values towards a post-industrial and post-materialist society. In the wake of these developments, a diminishing marginal utility of material prosperity seemingly became evident, raising the question as to whether persistent economic growth and increasing material prosperity actually would lead to a better life in qualitative terms. Yet this same period was also characterised by a previously unknown optimism about being able to broadly control societal change politically and shape it according to prevailing value orientations and objectives.

This briefly sketched societal context and Zeitgeist has now led to wellbeing emerging as a new and multi-dimensional concept of welfare and a developmental goal of prosperous, post-industrial societies. According to Richard Goodwin, speech writer for former US President Lyndon B. Johnson: "[...] the Great Society is concerned not with how much, but how good – not with the quantity of our goods but with the quality of our lives".[1] In Germany, too, the concept of wellbeing was picked up on in the political discourse as early as the start of the 1970s.[2] This is especially true of the Social Democratic Party, which used it as a guiding principle in the manifesto for its 1972 Bundestag election campaign.[3] That manifesto, entitled, "Peace, security and a better quality of life with Willy Brandt" (*"Mit Willy Brandt für Frieden, Sicherheit und eine bessere Qualität des Lebens"*), stated: "Quality of life is more than just a higher standard of living [...] Quality of life also means enriching our lives beyond material consumption."

Social indicators research, which to date has primarily aimed at operationalising and quantifying the concept of wellbeing, first appeared as a special field of empirical social sciences with the publication of Raymond Bauer's "Social Indicators" exactly 50 years ago. The volume, which was published as part of the American Academy of Arts and Sciences' "Technology, Space, and Society" series, was the result of a project funded by US space agency NASA to study the social side effects (second order consequences) of the American space programme. However, it turned out that the empirical information base necessary for this kind of research was largely lacking and could be found neither in official statistics nor was it available from unofficial data producers. "If we examine the President's major policy documents, particularly the Economic Report and the Budget Message, we find practically no information whatsoever on 'social structures'. We find that the major indicators deal not with how good but how much, not with the quality of our lives, but rather with the quantity of goods and dollars."[4] This diagnosis prompted the authors of this volume to propose the development of a "system of social indicators and accounting" as an instrument "by which our society can assess where we are now and where we have been, and [...] are going in a number of areas critical to our national welfare".[5]

To date, Raymond Bauer's definition of social indicators as "statistics [...] and other forms of evidence did enable us to assess where we stand and are going with respect to our values and goals" is still quoted frequently.[6] Mancur Olson, another American pioneer of the social indicator movement, defined a social indicator as "a statistic of direct normative interest which facilitates concise, comprehensive and balanced judgements about the condition of major aspects of a society. [...] It is a direct measure of welfare and is subject to the interpretation that if it changes in the 'right' direction [...] things have gotten better, or people are 'better off'.[7] Commissioned by the US government, Olson developed the first prototype of a "social report", which was published on the last day of the Johnson administration. The presidential shift from the Johnson administration to that of Richard Nixon and the political changes that went along with it, however, prevented the report from being institutionalised. Yet, the hope had been to not only regularly publish a "social report" similar to the traditional "economic report", but also to be able to establish a "Council of Social Advisers" corresponding to the "Council of Economic Advisers".[8]

The two definitions cited stress the normative character of social indicators and unmistakably point to their function of measuring and monitoring social progress, to be understood as improvements in wellbeing or social change in relation to normative standards such as values and development goals. These functional attributions are still regarded as fundamental to the understanding of social indicators. Apart from their normative character, the primary function of measuring wellbeing also gives rise to two other characteristics of social indicators that remain valid today: focusing on individuals and private households as units of observation and analysis and prioritising the measurement of outcomes of or returns on social processes rather than inputs or resources employed.

Although first explicitly mentioned in the 1960s, modern social indicators research – initially also called the "social indicator movement"[9] due to its "mission", optimism and its range of protagonists, who were not only academic social scientists but also statisticians and policy-makers – had different starting points and origins. These included the works of William F. Ogburn from the 1920s and 1930s on the empirical monitoring and analysis of societal trends as well as the approaches of welfare measurement developed by Jan Drewnowski as part of a project for the United Nations in the 1950s and 1960s. Less well recognised and little appreciated as at the cutting edge of modern social indicators research are the works of Italian statistician and criminologist Alfredo Niceforo. He made a remarkable contribution to measuring and studying civilisation and societal progress with his book, "Les indices numérique de la civilization et du progrès"[10], pursuing an approach that draws striking parallels to modern social indicators research.[11] Setting aside the much older tradition of general social statistics, Niceforo may thus be regarded as one of the principal originators of a comprehensive approach to the measurement and analysis of welfare and progress as it is dealt with in modern research on social indicators and wellbeing.

Development and milestones[12]

The United States was undoubtedly the origin and centre of the early "social indicators movements". In addition to the aforementioned book "Social Indicators", and the prototype of a "social report" developed by Olson, a multitude of research activities and publication projects emerged in just a short period,[13] which led to the establishment of the Center for Coordination of Research on Social Indicators in 1972, funded by the National Science Foundation. Among the many projects and publications, particularly noteworthy is an initiative by the Russell Sage Foundation that resulted in the publication of a series of well-received books, including "Indicators of Social Change"[14] , "The Human Meaning of Social Change"[15] and "The Quality of American Life"[16]. Whilst "Indicators of Social Change" kept to observations of structural change and societal development trends wholly in the tradition of Ogburn, the complementary "The Human Meaning of Social Change" not only opened the discussion on "subjective" social indicators[17], it also constituted the tradition of research into subjective wellbeing, which since the 1990s has experienced a boom that extends well beyond social indicators research and has drawn much public attention.

With their book, Campbell and Converse steered attention towards the idea that it is crucial for wellbeing to be subjectively perceived and experienced by citizens, and they asserted individuals' subjective wellbeing as both the objective and the yardstick against which societal development and the level of individual welfare must ultimately be measured and assessed: "The quality of life must be in the eye of the beholder."[18] Accordingly, the "common man himself" is also considered the best expert in assessing their own quality of life – primarily in terms of subjective wellbeing. In consequence subjective indicators, e.g., the feeling of satisfaction and happiness, seemed the most appropriate ways of measuring wellbeing. The programmatic perspectives of the "American Quality of Life Approach"[19] were first implemented as part of the comprehensive empirical study "The Quality of American Life", which was based on a quality of life survey and whose findings were published in 1976.[20]

Emanating from the US, the ideas, objectives and perspectives of this newly established field of research began to spread quickly and were subsequently adopted, further developed and implemented in many European and non-European countries as well as by international and supranational organisations, including the OECD, the United Nations and not least the European Community. Whilst the OECD reacted to the challenges posed by the "social indicators movement" with its "Program of Work on Social Indicators"[21] and the United Nations with its "System of Social and Demographic Statistics"[22] designed by later Nobel laureate Richard Stone – both ambitious, albeit ultimately incomplete programmes – the statistical office of the European Community (EUROSTAT) provided an early practical contribution to social monitoring and reporting in the member states of what was then the European Community with its series of publications entitled "Social Indicators for the European Community" (1977, 1980, 1984), with others to follow.

As far as Europe is concerned, social indicators research was exceptionally well received in Germany and the Scandinavian countries, but widely noticed activities in this new field of research also took place in other countries, including France[23] , the United Kingdom, the Netherlands, Austria and Switzerland.[24] One of the hubs of European social indicators research was found in the Nordic countries, in particular Sweden and Finland, a fact that has been explained by the particularly pronounced welfare states in these countries. Accordingly, Swedish social indicators research activities in particular were quite closely tied to social policy. At the centre of these activities we find the so-called "Level of Living" survey[25] developed by the University of Stockholm's Institute for Social Research, as well as the "Living Conditions" surveys conducted regularly by Statistics Sweden from 1974 onwards. Unfortunately the latter were discontinued a few years ago and replaced by Sweden's contribution to the "EU-SILC" survey. The "Living Conditions" surveys served as a database to regularly "monitor" the living conditions of the Swedish population and for various social reporting activities.[26] The theoretical basis of the Swedish activities in this field was formed by the "Level of Living" concept, which was inspired by the research of Richard Titmuss and projects by the United Nations. Under this approach, welfare – which is synonymous with wellbeing in a Scandinavian context[27] – is defined as an "individual's command over, under given determinants mobilisable resources, with whose help he/she can control and consciously direct his/her living conditions".[28] In addition to income and wealth, individual resources here include education, mental and physical health, and social capital. Resources like these could be 'invested' in a targeted manner to shape a person's own life according to their individual needs. Corresponding to this understanding of welfare and wellbeing, its empirical monitoring and analysis is based primarily on objective indicators.[29]

In Finland it was sociologist Erik Allardt who conceptualised wellbeing as a combination of three dimensions – the needs categories of "having, loving, being" – and who directed the first comparative Scandinavian survey on wellbeing (Denmark, Finland, Norway, Sweden) in the early 1970s.[30] Allardt classified basic material needs under "having", social needs under "loving" and the needs for developing one's personality and self-actualisation under "being". Unlike the Swedish "level of living" concept, Allardt's approach is not centred around the "command over resources", but rather focuses on the satisfaction of basic needs. Consequently, the measurement of need satisfaction is not only based on objective, but also subjective indicators.

Undoubtedly, the former Federal Republic of Germany used to be another hub of social indicators research in Europe. It was primarily sociologist Wolfgang Zapf who – in the early 1970s – picked up on the novel ideas and concepts of measuring welfare "beyond GDP" being developed in the US and then introduced and propagated these ideas in the German scientific discourse.[31] His initiative contributed to the founding of the German Sociological Association's "Social Indicators Section" in

1972, which still exists today. Together with economist Hans-Jürgen Krupp, Wolfgang Zapf also founded and headed up the SPES project (social policy decision-making and indicator system for the Federal Republic of Germany/*Sozialpolitisches Entscheidungs- und Indikatoren-System* für die Bundesrepublik Deutschland), which was funded by the German Science Foundation (DFG) from 1972 to 1978. One of the most important outcomes of the SPES project was the development of a System of Social Indicators for the Federal Republic of Germany[32] , which was first published in the 1977 book, "Living Conditions in the Federal Republic of Germany – Social Change and Welfare Development" ("Lebensbedingungen in der Bundesrepublik – Sozialer Wandel und Wohlfahrtsentwicklung")[33] , and it had a considerable public impact.[34]

The milestones relating to research on social indicators and wellbeing in Germany also include the series of "Welfare Surveys" conducted between 1978 and 1998, also under the leadership of Wolfgang Zapf. This survey series, initially run in the western part of Germany, was extended to the eastern part immediately after reunification.[35] The Welfare Survey was a science-based representative survey of the German population specifically designed for measuring and researching wellbeing in both its objective and subjective components. It provided one of the most important databases for a continuous empirical monitoring of wellbeing and regular social reporting in Germany, particularly in the wake of the German reunification process. Whereas the development and implementation of a system of social indicators originally had to remain limited to objective indicators and the monitoring of actual living conditions (primarily due to the lack of appropriate subjective data), the Welfare Surveys opened up manifold possibilities for expanding the concept, measurement and analysis of wellbeing by including subjective components and dimensions, which have since then been considered to be state of the art. In the context of this research, wellbeing was now understood as "good living conditions combined with a positive subjective feeling of wellbeing"[36]. Based on the 1978 and 1980 Welfare Surveys, a comprehensive and detailed portrait and analysis of wellbeing in its objective and subjective components was presented in the book, "Quality of Life in the Federal Republic of Germany" ("Lebensqualität in der Bundesrepublik")[37], which – for the first time – included extensive analyses of the subjective wellbeing of the West-German population. Among the numerous research questions addressed by the Welfare Surveys, the question of how objective living conditions relate to subjective wellbeing is probably the one that still attracts the greatest attention today. As the current discussions demonstrate, the general finding that the relationship "between changes in objective conditions and psychological states is both indeterminate and sometimes paradoxical"[38], meaning that subjective wellbeing cannot easily be unlocked from information based solely on objective circumstances, is still surprising for many observers.

It is primarily thanks to the Welfare Surveys that extensive longitudinal information on objective living conditions and on subjectively perceived wellbeing has been available in Germany since the late 1970s. Even after the series of Welfare Surveys was concluded with the 1998 survey, they continue to be influential in that a range of the survey instruments – not only the life satisfaction question – have been incorporated into other surveys. Most notably these include the Socioeconomic Panel (SOEP) and the European Quality of Life Survey (EQLS), two survey programmes that are currently amongst the most important sources of data for the study and analysis of wellbeing in Germany and Europe. With remarkable foresight, social indicators research – not only in Germany, but also in a number of other countries as well as at the supranational level – has also successfully pursued the aim of improving or even initiating databases for quantitative empirical monitoring and analysis of wellbeing. Without these efforts and successes, especially in terms of establishing wellbeing surveys, the interdisciplinary research on happiness and subjective wellbeing that has been flourishing in recent years would hardly have been possible.

A number of different steps towards professionalisation and institutionalisation were also crucial for the long-term establishment of social indicators research, such as the founding of specialist journals and scientific associations. First and foremost, it is worth mentioning the international journal "Social Indicators Research", which was founded in 1974 and has since published 126 volumes covering nearly 4,000 articles (as of spring 2016). "Social Indicators Network News" (SINET), an international newsletter established in 1984, and the biannual "Informationsdienst Soziale Indikatoren", which has been published primarily for a German readership by the Social Indicators Research Centre since 1989, with its 56th issue published in July 2016, also fulfil important informational functions. Apart from the "Social Indicators Section" of the German Sociological Association, mentioned above, social indicators research has also been represented in the International Sociological Association (ISA) since 1988, initially as a working group and since 2008 as the Research Committee 55 "Social Indicators". Moreover, the "International Society for Quality of Life Studies" is an interdisciplinary association that deals with issues of measuring and analysing wellbeing. Another sign of the successful establishment and professionalisation of social indicators research is the existence of a comprehensive 12-volume "Encyclopedia of Quality of Life and Well-Being Research"[39].

Applications: social monitoring and social reporting

Since its early days, social indicators research has never been considered an exclusively academic discipline, but rather was primarily aimed at practical applications in the field of social reporting as well as the empirical monitoring and analysis of wellbeing. Its principal goals are thus providing information for evidence-based policy-making and enlightening the public. So it is with good reason that social reporting has been long been considered an important part of the "democratic infrastructure"[40] of modern societies.

The successes of social indicators research can therefore be detected above all in what is perhaps its most important application: activities to quantitatively monitor the population's wellbeing and regular social reporting, as seen today in numerous developed societies as well as at the level of international and supranational organisations. "Social monitoring" includes the long-term study of trends in social change, and even more importantly, a systematic and continuous monitoring of individual and societal wellbeing and quality of life by means of quantitative instruments such as indicator systems, "indicator dashboards" and summary welfare indices. Social reporting goes beyond pure monitoring in that it also contains elements of analysis, interpretation and evaluation. These aim to provide a comprehensive assessment of the living conditions and wellbeing of the entire population or subgroups within that population over time, along with an international comparison. According to the New Zealand Social Report, the purpose of social reporting is ultimately "to measure what is important – what a society cares about [...] This involves making some explicit value judgements about what wellbeing means, and about the characteristics of society considered desirable".[41]

Social reporting and social monitoring activities are characterised by a number of specific attributes:[42]

- a strong focus on individual and societal wellbeing as the subject of study;
- the units of observation are individuals and private households, rather than institutions and organisations;
- measurement is primarily focused on the outcomes and results of societal processes vis à vis inputs and expenditures;
- following a normative perspective, social monitoring and reporting seeks to identify progress or regress as well as advantages and disadvantages across groups, regions, nations etc.;
- policy orientation – seeking to provide expert knowledge for political elites, administrations and governments;
- an empirical quantitative measurement approach and the use of representative data;
- continuity and timeliness of monitoring and reporting;
- the clarity with which results are presented for both experts and the general public.

Since the aforementioned publication of "Toward a Social Report", numerous national and supranational social reports have been published around the world.[43] Some of the best-known European examples of this genre such as the British "Social Trends", the Dutch "Sociaal en Cultureel Rapport" and the French "Données Sociales" have been regularly published since the early 1970s until recently. The "Datenreport" ("Data Report"), which was first published in 1985 and produced in a cooperation between the German statistical office and academic social indicators researchers, is considered the most widely used social report in Germany although there were and are a number of other reporting activities in place as well[44], e.g. the Report on Poverty and Wealth first published by the German government in 2001 or the "Sozialreport" ("Social Report"), which the Berlin-Brandenburg Social

Sciences Research Institute (Sozialwissenschaftliche Forschungsinstitut Berlin-Brandenburg [SFZ]) has published since 1992, focusing in particular on living conditions in former East German federal states. Numerous "social monitoring" activities conducted as part of social indicators research have also emerged, from early examples such as the "System of Social Indicators for the Federal Republic of Germany" and the Swedish "ULF System" to current initiatives like the OECD "Better Life Project", the British "Measures of National Well-being" initiative, EUROSTAT's "Quality of Life Indicators" and the European Union's "Europe 2020 Indicators".

It would go far beyond the limits of this short article to outline in any detail the development and current incidence of the numerous social monitoring and reporting activities that have directly or indirectly emerged from social indicators research. A recently published comprehensive stocktaking report – basically limited to European nations and supranational organisations – identified nearly 150 social reporting and monitoring projects at national level in 32 European countries, and a further 90 pan-European and supranational activities[45]. These figures only include comprehensive activities covering a number of life domains and do not include domain-specific activities, such as reports on family, poverty or education[46]. The observation, that currently almost every country in Europe carries out some sort of social reporting and/or social monitoring activities is no doubt a further indication of the success story that is social indicators research.

Conclusion

On balance, over the past 50 years social indicators research has established itself as a still relatively small yet independent, specialised and successful field of research within the social sciences. Its origins and formative years were followed by a boom in the 1970s, which in turn was followed by a period of stagnation in the 1980s when political priorities changed as a result of the economic crisis triggered by the oil price shock[47] . However, interest in social indicators research grew again in the late 1980s and has continued to do so ever since. Today, the key topic of research into social indicators that was established 50 years ago – quality of life and how to measure it – enjoys unprecedented attention in the media and politics. It is primarily thanks to social indicators research that we now have available widely recognised measurement instruments and suitable data for monitoring and researching quality of life at national and international level. As a key application of social indicators research, social monitoring and social reporting activities have now become a recognised component of a developed "informational infrastructure" worldwide, but particularly in the majority of European countries.

The fact that now, 50 years after the book "Social Indicators"[48] was published and nearly 40 years after the publication of the first baseline study on the development of "Living Conditions in the Federal Republic of Germany"[49] , the first official report on wellbeing is being published by a German government must be considered the culmination of many years of social indicators research. It seems unlikely that this official report would ever have materialised without this research.

[1] Quoted in Bauer 1966: xii; emphasis HHN. In his book, “The Economics of Welfare”, first published in 1920, economist AC Pigou not only introduced the concept of welfare to modern scholarly discourse, but, according to our research, was the first person to use the term “quality of life” to characterise the non-economic aspects of welfare (Noll 1982: 9).

[2] Noll 2000: 4 et seq.

[3] In this context, one must also mention the international conference “Task for the Future: Quality of Life” held by IG Metall in 1972, which had 1,250 attendees from 22 countries. Amongst the most prominent attendees from the political sphere were then-German President Gustav Heinemann, Swedish Prime Minister Olaf Palme and German Federal Ministers Walter Arendt, Horst Ehmke and Erhard Eppler. The conference’s papers were published by the Europäische Verlagsanstalt in 1973/74 in a ten-volume edition.

[4] Gross 1966: xiii.

[5] Stevensen 1966: vii.

[6] Bauer 1966: 1.

[7] U.S. Department of Health, Education, and Welfare 1969: 97

[8] Senator and later Vice President of the United States Walter F. Mondale in particular advocated for establishing a “Council of Social Advisers” under the “Executive Office” of the President. Although the so-called “Full Opportunity and National Goals and Priorities Act” passed the US Senate in 1970, it did not make it past the House of Representatives.

[9] Duncan 1969.

[10] Niceforo 1921.

[11] The German translation of the book was published some years later (1930), entitled, “Kultur und Fortschritt im Spiegel der Zahlen”. The last chapter of Niceforo’s book, published nearly 100 years ago, addressed the topic of “happiness” and discussed the extent to which people subjectively perceive and experience improvements in living conditions and societal progress. In examining the correlation between objective living conditions and subjective wellbeing, Niceforo’s work represents an early insight into a central topos of modern research on social indicators and quality of life. He came to the conclusion that even under the conditions of social progress and improvement in objective living conditions, there is no expectation that people will become happier in the longer term.

[12] It goes beyond the scope of this short article to present the development of social indicators research beyond the few milestones mentioned below in greater detail. For further observations on the history of social indicators research, cf. Noll/Zapf (1994), Cobb/Rixford (1998), Noll (2005), Land (2014), Land/Michalos (2016). The conference volumes (20 in total) published in a book series by the Social Indicators section of the German Sociological Association between 1974 and 2000 provide an overview of the development of key issues of social indicators research in Germany. The editors were the Section Chairs (W. Zapf; H. J. Hoffmann-Nowotny; F. Gehrmann; W. Glatzer; H.-H. Noll) for the duration of their terms: www.soziologie.de/de/sektionen/sektionen/soziale-indikatoren/leseliste/buchreihe-der-sektion.html, last accessed 29/11/2016.

[13] “Work on social indicators flourished in the United States in 1970s with thousands of relevant articles and books being published” (Cobb/Rixford 1998: 10 et seq.).

[14] Sheldon/Moore 1968.

[15] Campbell/Converse 1972.

[16] Campbell/Converse/Rodgers 1976.

[17] For a discussion of subjective social indicators, cf. e.g. Noll (1989; 2013a).

[18] Campbell 1972: 442.

[19] Noll 2005: 194.

[20] Campbell/Converse/Rodgers 1976.

[21] Bertrand 1986/87.

[22] Noll 1976.

[23] With the publication of his book, “Les Indicateurs sociaux” (Delors 1971), later European Commission President Jacques Delors made a highly regarded contribution to the emerging field of social indicators research in France.

[24] It is important to mention that social indicators research at that time was also being adopted in some of the socialist countries of Eastern and Central Europe, albeit with its own distinctive hue. Along with the USSR, this also included Hungary and the GDR, where a system of indicators for the ’socialist way of life’ was developed in the 1980s. Cf. here Noll (1992).

25 Johansson 1973.

26 Vogel/Häll 1997.

27 Allardt 1993: 88.

28 Erikson 1993: 72 et seq. A more recent conception of welfare and quality of life similar to the "level of living approach" in many respects is Amartya Sen's "capabilities approach" (1993).

29 Cf. Erikson (1993: 77): "We [...] try to assess the individual's level of living in a way which makes it as little influenced as possible by the individual's evaluation of his own situation."

30 Allardt 1973; 1993.

31 Zapf 1972; 1973.

32 Noll 2014a.

33 Zapf 1977.

34 The System of Social Indicators developed as part of the SPES project was expanded, further developed and regularly updated with the "Social Indicators Research Centre" (ZUMA/GESIS), which was founded in 1987 and was discontinued only recently.
The time series data for the approximately 400 indicators, some of which extend back to the early 1950s, were made publicly available via the online information system "Social Indicators Monitor" (SIMon).

35 Noll 2014b. The Welfare Surveys conducted between 1978 and 1988 were headed by W. Zapf, W. Glatzer and H.-H. Noll and carried out as part of the Frankfurt and Mannheim Universities' Collaborative Research Centre 3, "Micro Analytical Foundations of Social Policy". The Welfare Surveys conducted between 1993 and 1998 were cooperative projects run by the Berlin Social Science Center department of "Social Structure and Social Reporting" and the "Centre for Social Indicators Research" at ZUMA (Mannheim) under the direction of W. Zapf, H.-H Noll and R. Habich.

36 Zapf 1984: 23.

37 Glatzer/Zapf 1984.

38 Land 1992, 1846.

39 Michalos 2014.

40 Vogel 1990.

41 Social Report New Zealand 2001: 8.

42 Noll 1999; Noll 2012.

43 There are also numerous examples of social reporting and social monitoring activities at the sub-national level, e.g. cities and regions, which, however, cannot be covered here.

44 Noll 2013b.

45 Noll/Berger 2014. For an equally comprehensive and detailed review in the late 1990s, cf. Berger-Schmitt/Jankowitsch (1999).

46 Completely ignoring the widespread social reporting and social monitoring activities that have for many years been making valuable contributions both nationally and internationally to measuring, studying and analysing quality of life "beyond GDP" is undoubtedly one of the greatest shortcomings and omissions of the otherwise rather commendable Stiglitz-Sen-Fitoussi report (Noll 2011).

47 Noll/Zapf 1994: 10 et seq.

48 Bauer 1966.

49 Zapf 1977.

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An Economic Perspective on the Development of Encompassing Welfare Reporting in Germany[1]

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1. Developments in welfare reporting

Prosperity and social progress always require a comprehensive assessment. It is not enough to focus solely on gross domestic product (GDP) and its growth. After all, positive short-term developments could well be the result of excessive debt or ruthless exploitation of nature and not a reflection of any sustainable basis for success. Societies which decide to assess their prosperity using a broader spectrum of complementary instruments are able to avoid these illusions and take timely action when undesirable developments emerge.

This is the fundamental idea behind the efforts of many developed economies to rebalance their statistical reporting systems "beyond" GDP. This essay highlights the development of this encompassing welfare reporting in Germany from a specifically economic perspective. In doing so it underlines the fact that it would be wise to remain humble regarding its limits, despite the significant progress that has been made in reporting. The challenge here lies in striking the right balance between complexity and concision. Ultimately, the expanded systems for measuring prosperity can only reach their potential if they are embedded in a systematic process of assessment and discourse.

Approaches.
The international discussion on the assessment of societal prosperity and progress has answered this call in recent years and has shifted its focus away from economic aspects relevant only in the short-term. It has consistently taken an encompassing approach, albeit with considerable variation in the specific layout of the indicator systems that have been developed. Guided by the concept of sustainability, all these approaches deliberately intend to cover a wide spectrum of economic, social and environmental aspects to reflect the diversity of human existence and its conditions.

The report issued by the Commission on the Measurement of Economic Performance and Social Progress (the Stiglitz-Sen-Fitoussi Commission) convened by former French President Nicolas Sarkozy exerted a particularly strong influence on the discourse beyond GDP. This report recommended a comprehensive indicator system for measuring welfare that would include the three dimensions of economic performance, quality of life and environmental sustainability.[2]

On this basis and commissioned by the Franco-German Ministerial Council, the German Council of Economic Experts together with the French Conseil d'Analyse Économique (CAE) issued a concrete proposal for a comprehensive indicator system to measure economic performance, quality of life and sustainability in December 2010. This indicator system substantiated the ideas put forth by the Commission on the Measurement of Economic Performance and Social Progress and expanded upon them to include the aspect of economic sustainability.[3]

When formulating its "W3" indicator system, the German Bundestag opted for a very similar panel of indicators, taking into account the aspects of economic, social and environmental sustainability. In terms of the governance of reporting, the commission argued for the mandatory implementation of a regular evaluation as the expert councils had done before it. One of the particular merits of the Enquete Commission preparing this proposal lay in its deliberate trade-off between ascertaining communicability and providing a comprehensive account of human welfare.[4]

In addition to the work done by the OECD and the European Commission, other prominent examples of approaches to encompassing welfare reporting in an international context include the Australian "Measures of Australia's Progress" indicator system and Canada's "Canadian Index of Wellbeing". The National Welfare Index (*Nationaler Wohlfahrtsindex)* should also be noted among the many contributions under much discussion in Germany. There are also a wealth of other approaches and discussions to turn to.[5]

Balance.
GDP has remained an important anchoring point in the efforts made in recent years by statistics agencies and major international research institutions to further develop encompassing welfare reporting. This is partly due to its fundamental conceptual strength: The basic assumption that market prices largely reflect market players' actual valuation allows units of completely different goods and all kinds of services to be aggregated into an (imperfect) indicator of economic performance and even material prosperity, albeit within narrow limits.

However, this degree of consolidation into one single figure – a comprehensive welfare index – is not useful in the encompassing reporting of various dimensions of prosperity. It is true that this index could be easily communicated and would even enable comparisons between economies, at least on a surface level. Yet, information not initially recorded in monetary dimensions will necessarily have to be incorporated into the reporting system as well, typically measured as percentages or rankings. Thus, it will be virtually impossible when devising an index to determine the "correct" weighting that would be able to reliably condense this detailed account of human welfare into an overarching indicator.

In deciding in favour of an indicator system instead of a single welfare index, the expert councils and the Enquete Commission have clearly rejected the conceptually absurd suggestion that welfare reporting should strive to be more comprehensive whilst at the same time providing an excessive condensation of the depth of information. The resulting so-called "dashboard" approach is now established internationally. The indicator panels differ primarily in their selection of welfare dimensions and specific indicators, as well as in the layout of these panels in terms of leading and auxiliary indicators. Nevertheless, none of these approaches will bear fruit without expert assessment and commentary for the social discourse.

2. The German Council of Economic Experts' annual reports

Taking a closer look at the attempt to establish a comprehensive measure of prosperity, and thereby exploring the world beyond GDP, inevitably leads to areas outside traditional economic analysis. An example is the requirement to identify non-material aspects of welfare. However, economists have contributed significantly to improving statistical reporting on welfare, progress and sustainability, far beyond striving for an increasingly sound measurement of economic performance. The more than 50 annual reports issued by the German Council of Economic Experts are representative of the contributions made by the field of economics.

The structure of these annual reports follows the principal task of the German Council of Economic Experts to carry out a regular assessment of macroeconomic development. The August 1963 law establishing the German Council of Economic Experts explicitly stipulated that it provides a regular assessment, how – within the German system of a social market economy – the objectives price stability, a high employment level and a healthy external macroeconomic balance could be ascertained in combination with steady and adequate economic growth. This examination should also incorporate the formation and distribution of income and wealth.

Clearly the analytical spectrum of the German Council of Economic Experts is not expressly limited to macroeconomic activity and its growth. Nonetheless, economic growth and the complex topic of employment and unemployment, which account for two of the issues mentioned above, are of crucial importance to everyday policy. According to the findings of the Enquete Commission on *"Wachstum, Wohlstand, Lebensqualität"*, only the development of the debt ratio enjoys an equally high level of attention across politicians at all parliamentary levels.[6]

Of further particular importance to the German Council of Economic Experts' legal mandate is that it should not stop at a mere collection of figures, but rather should go further to examine the status quo on the basis of its economic expertise in an extensive and differentiated manner. Statistical measurement can only ever be used as an instrument in gaining knowledge and sparking social discourse; it is not enough to simply reproduce them in a report. The professionally qualified discussion of the reported statistical information is typically both, even more important but also more difficult for those facets of human welfare which are typically expressed in units other than monetary ones.

The German Council of Economic Experts' annual reports demonstrate how this type of assessment can contribute to the societal discourse in practice. Simply reporting statistical information in the manner of an official statistical body is not enough. The assessment instead aims at supporting all recipients in making their own judgements as to matters of economic policy. The critical issue of which empirical findings support – or do not support – a causal interpretation and can therefore directly influence economic policy has received increasing attention over time, in accord with the advances made by economics and econometrics.

Economic performance.
Documenting and analysing the development of economic performance in Germany naturally lie at the heart of this work. In doing so, the focus is not directed solely on gross domestic product and its growth. Instead the development of each individual component of macroeconomic performance is taken into account and traced back to its constituent elements. In addition to economic development, the development of production potential and therefore expected long-term economic performance are paramount. Increasingly, European issues have gained in priority over the past few years.

Furthermore, the German Council of Economic Experts regularly addresses income and wealth distribution. For some two decades personal income distribution has been the main focus, i.e. individuals' adjusted market incomes taking into account their household situations before taxes and transfers and their net household incomes after taxes and transfers. Integrative statistics like the Gini coefficient are documented over time and in international comparison when providing consolidated characterisations of the German income distribution. The potential causes of each development are analysed and their economic policy implications are discussed.

Social issues and participation.
A second focus of this regular assessment of macroeconomic development lies in social issues and participation. Trends in employment, unemployment and underemployment as well as the structure of employment itself are reported in detail in each annual report and analysed in greater detail if deemed necessary. For example, the quality of industrial relations has recently seen increased discussion. The German Council of Economic Experts also examines the permeability of the income distribution, both within and across generations. In addition, the German Council of Economic Experts regularly engages with the issue of education. As this is key to increasing equality of opportunity, especially for future growth given the demographic changes the country is currently undergoing, the German Council of Economic Experts has highlighted the necessity of further education efforts as part of "lifelong learning" in addition to early childhood education. Finally, the provision of healthcare services is discussed mainly in terms of its financing, but also regarding issues of how to effectively and efficiently provide such services.

Sustainability.
One leading indicator in the fiscal discussions held regularly by the German Council of Economic Experts is the debt ratio. With a view to the economic policy objective of consolidating public budgets, it reports on current changes, predicts the debt ratio's expected course and comments on its development. The sustainability gap is also used in addition to the debt ratio. For example, the German Council of Economic Experts has used the sustainability gap to highlight that there is a high need for fiscal policy action in its expert report on "Challenges of Demographic Change" (*"Herausforderungen des demografischen Wandels"*)[7] and has identified measures that could reduce the sustainability gap.

Although these annual reports do not typically deal explicitly with the discussion of indicators for environmental sustainability, the issue of implementing the so-called Energiewende (energy turnaround) does play a central role in these analyses. Germany may ultimately only remain hopeful of positively influencing global trends with its Energiewende if this complete overhaul of the system of energy provision is implemented efficiently and as economically as possible and encourages others to follow suit internationally. After all, climate change is a global challenge and can only be overcome if we find ways – including economic incentives – to encourage other countries to join an international alliance for climate change mitigation.

3. The report by the German and French Economic Councils (2010)

The aim of the German Council of Economic Experts' report published in 2010 together with the French Conseil d'Analyse Économique [8] was to formulate a regular reporting system for immediate implementation that takes an encompassing approach and at the same time remains understandable to the general public. In particular, this required a comprehensive and accurate representation of the development of welfare and progress using a dashboard approach to be sensibly balanced against the practical requirement of limiting the number of indicators.

In principle, the panel of indicators should permit a comprehensive assessment of a country's economic performance and prosperity over time as well as at least a limited degree of comparability with developments in other countries. It therefore had to focus on assessing the state of material prosperity whilst at the same time reflecting on the knowledge that life has more to offer than material wealth. A final aim was mapping out the possible long-term consequences of current actions for a wide range of facets of human existence.

This long-term assessment needs to go beyond a statistical snapshot of the status quo, and needs to address more than just the currently observed facts. The German Council of Economic Experts and the Conseil d'Analyse Économique determined that discussion of aspects of sustainability should preferably kept conceptually separate from discussions of the current situation. In accordance with the logic of the report of the Commission on the Measurement of Economic Performance and Social Progress, three overarching dimensions were chosen for the panel of indicators: economic performance, quality of life and sustainability.

Economic performance.
The first pillar of the panel comprises six indicators used to assess economic performance and material prosperity. It is based primarily on macroeconomic flows as regularly reported in the national accounts (*Volkswirtschaftliche Gesamtrechnung*) and data on the income distribution. Its structure takes into account the fact that up-to-date, regular and accurately compiled indicators of economic performance and its components remain an indispensable guide for economic policy.

Although the concept of GDP is still indispensable, continuous improvements in its measurement remain necessary to ensure that it remains a useful guide for economic policy in practice. The official statistical bodies make enormous efforts in particular to better take into account services and the growing importance of the public sector. Furthermore, intensive efforts are underway to better measure economic activity outside market settings, such as household production, for example.

Nevertheless, even a further improved analysis of an economy's actual economic performance is insufficient for assessing its material prosperity completely. This would require economic actors to take all welfare-related aspects into account in their market decisions – something that is very unrealistic. In addition, as an aggregate measure in its own right, GDP does not tell us anything about the distribution of performance generated on the market. The panel of indicators therefore includes a distribution measure for individuals' net incomes.

Quality of life.
The second pillar of the panel focuses on non-material aspects of welfare and proposes indicators for seven dimensions of quality of life. When choosing these seven dimensions, the German Council of Economic Experts and the Conseil d'Analyse Économique, like the Commission on the Measurement of Economic Performance and Social Progress before it, focused on Amartya Sen's capability approach.[9] Of the selected dimensions some focused on individuals – such as health and education – and others on their societal and physical background – such as social relationships or environmental conditions.

Evaluating these facets of human welfare relies on knowledge of individual and societal values. However, since values are likely to vary substantially between individuals and societies, it ultimately remains unclear what comparisons of the subjective assessment of welfare, let alone happiness [10], between individuals really means. These comparisons become even more problematic if the indicators are meant to indicate how much people care about the welfare of others or about their own positions in society.

Indicator system of the German Council of Economic Experts and the French Conseil d'Analyse Économique (2010) for determining economic performance, quality of life and sustainability

Economic performance	Quality of life	Sustainability
GDP per capita	Health: Potential years of life lost	Private sector net fixed capitel formation (% of GDP)
GDP per hours worked	Education: Students (ISCED 1-6) aged between 15 and 24 years	R&D investment (% of GDP)
Employment rate (15 - 64 age group)	Personal activities: Employees working on shift work	Cyclically adjusted fiscal balance (% of GDP)
Net national income per capita	Political voice and governance: Voice and Accountability	Fiscal sustainability gap S2
Final consumption expenditure per capita (including government consumption)	Social connections and relationships: Frequently of time spent with people at sport, culture, communal organization	Total private credit to GDP gap
Distribution measure of net income per consumption unit (income quintile share ratio (S80/S20); internationally harmonized)	Environmental conditions: Urban population exposure to air pollution by particulate matter	Real equity price gap
	Personal and economic insecurity: Not-at-risk-of-poverty rate	Real estate price gap
		Level of greenhouse gas emissions
		Greenhouse gas emissions per capita
		Resource productivity (GDP relatvie to non-renewable Domestic Material Input, DMI)
		Resource consumption (non-renewable Domestic Material Consumption - DMC, per capita)
		Biodiversity (preliminary indicator: bird index)

Source: German Council of Economic Experts/CAE, 2010.

Sustainability.
The councils devoted the third pillar of their dashboard to sustainability, specifically addressing the question whether the current level of prosperity could at least be maintained in future. In a conceptual expansion on the Sen-Stiglitz-Fitoussi report, they emphasise in particular that in addition to environmental aspects, even economic aspects can jeopardise sustainability, for example, excessive private or public debt. Overlooking these dangers could possibly later result in the need for extensive modifications with high social and economic costs.

The third pillar of the panel therefore includes three facets of economic sustainability: (1) the sustainability of economic growth; (2) external and fiscal sustainability; and (3) the financial sustainability of the private sector. Economic growth is considered sustainable if a sufficient proportion of current national income is spent on investment. This takes into consideration the net investment of the private sector and expenditure on research and development, as well as material and non-material investments.

The second aspect – external and fiscal sustainability – highlights the current and future sustainability of government activity and is therefore closely linked to the issue of intergenerational equity. The corresponding indicators for fiscal sustainability are the cyclically-adjusted national fiscal balance and the fiscal sustainability gap according to “S2” in the applicable sustainability report by the EU Commission.[11]

A small number of early warning indicators is recommended for identifying the financial sustainability of the private sector. These indicators warn of unsustainable developments in the private and financial sectors. Although predicting financial or real estate crises with any certainty will never be possible, indicators like these can be useful as warning signals to the broader public. However, they are not a replacement for the existing and much more detailed early warning systems used by national and international regulatory bodies and central banks.

A significant part of the third pillar of the panel of indicators concerns issues of environmental sustainability. Greenhouse gas emissions (per capita) are included in the panel due to the importance of the concentrations of carbon dioxide and other greenhouse gases in the atmosphere to climate change. Because climate change is a global phenomenon, however, the global aggregate emissions should also be taken into account, not just national emissions levels.

From an economic theory standpoint, the increasing scarcity of (non-renewable) resources is reflected primarily in their rising prices. Nevertheless, there are many reasons for excessive exploitation of non-renewable natural resources that increases in price do nothing to prevent. As such, the German Council of Economic Experts and the Conseil d’Analyse Économique recommend reporting on physical flows as well as prices in the form of indicators concerning the use of non-renewable resources in production and consumption of raw materials.

Finally, it stands to reason that strong biodiversity is needed just as much for the production of ecosystem services as it is for securing food and medical advancement in future and as a source of industrial raw materials. Although it is difficult to assess how relevant indicators of biodiversity deal with possible trade-offs in welfare within a generation and between generations, the councils recommend including such an indicator in the panel of indicators.

4. The German Bundestag's "W3" set of indicators

The paradigm of sustainability has now become widely accepted in the political discourse on welfare and societal progress. Based on the deliberations of the Brundtland Commission in 1987 on intergenerational justice regarding present and future generations, the "three-pillar model" of sustainability is now firmly established. Its basic principle lies in taking into account the mutual interdependencies between the economy, society and the environment, and also the limits of what each of these spheres can bear, particularly from a global perspective.[12]

This understanding of sustainability forms the foundations of the Enquete Commission's work on "Growth, Prosperity and Quality of Life: Paths to Sustainable Economic Activity and Societal Advancement in the Social Market Economy" (*"Wachstum, Wohlstand, Lebensqualität – Wege zu nachhaltigem Wirtschaften und gesellschaftlichem Fortschritt in der Sozialen Marktwirtschaft"*), which the German Bundestag appointed in autumn 2010 and tasked with developing a proposal for measuring prosperity from an encompassing perspective. After careful review and intensive discussion of alternative approaches, an indicator panel was developed – and for good reason. It presented no single explicit aggregate welfare index even though this appeared to be what the authors of the Commission's appointment were aiming for.[13]

Just as it had for the German Council of Economic Experts and the French Conseil d'Analyse Économique in 2010, the Enquete Commission faced the challenge of developing an indicator system that was differentiated enough to fully inform the political and public spheres of the major developments in the three dimensions of sustainability. The three dimensions of sustainability were therefore presented as the three largely equally weighted pillars of "material wellbeing", "social issues and participation" and "environment" in the resulting "W3" indicator system.

Yet the indicator system still needed to remain compact enough to be able to communicate it to the media and the public as well as possible. The Enquete Commission achieved this compromise between complexity and communicability in its distinction between "leading indicators" – which must constantly be taken into account – and "warning lights", which normally stay in the background and only emerge if their development results in a warning signal.[14] The individual indicators within each pillar are divided between these two different groups, specifically into a total of 10 leading indicators and 9 warning lights.[15]

The intuitive idea behind this approach can be better understood by reference to an analogy, namely that of designing a vehicle dashboard. For example, a Formula 1 pilot will not only be able to comprehend even a highly complex set of individual pieces of information instantly. He actually needs to rely on all this information being presented to him in its entirety without any delay. For his purposes, the ideal cockpit will consequently be quite complex. Similarly, one would expect a professional statistician or econometrician to be able to quickly identify the basic insights held within a comprehensive system of individual indicators.

In contrast, the majority of adults are likely able to adequately grasp the kind of information that is typically provided inside a normal car but most drivers would likely be overwhelmed by the cockpit of a racing car. Because of this, cars typically delegate a great deal of dashboard space to warning lights, for example, information about the status of the car's electrical fuses, and drivers only pay attention to them when the warning lights come on.

Economic sustainability.
The first pillar of the set of indicators addresses the status quo and the future development of material wellbeing. Gross domestic product remains the key measure of an economy's economic performance. Both the (price-adjusted) per capita level and its (price-adjusted) growth rate are recorded as the first leading indicator in order to facilitate an international comparison on the one hand and identify progress over time on the other. Furthermore, position in the rankings of the major economies should be used to determine the significance of that economy on the world economic stage. One of the first warning lights for this pillar is net investment, which provides information on the foundation for future growth.

The German Bundestag's "W3" indicator system[1]

Material well-beeing	Social issues and participation	Environment
Leading indicators		
Gross domestic product *GDP per capita* *Change rate of GDP per capita* *(Global rank of absolute GDP)[2]*	**Employment** *Employment ratio*	**Greenhouse gas emission** *National emissions*
Distribution of income *P80/P20*	**Education** *Graduation rate of 20 to 24 year old in upper secondary education*	**Nitrogen surplus** *National surplus*
Public debt *Debt-to-GDP-ratio* *(Sustainability gap)[3]*	**Health** *Life expectancy*	**Biodiversity** *National bird index*
	Freedom *World Bank indicator "Voice & Accountability"*	
Warning lights		
Net investment *Net investment ratio*	**Quality of work** *Underemployment ratio*	**Greenhouse gas emission** *Global emissions*
Distribution of wealth *P90/P50*	**Further education** *Participation ratio in further training and education*	**Nitrogen surplus** *Global surplus*
Financial sustainability of the private sector *Credit-to-GDP-gap* *Equity price gap* *Real equity price gap*	**Wealth** *Number of healthy years*	**Biodiversity** *Global bird index*

1 – Besides the leading indicators and warning lights the "W3" indicator system also comprises the so-called indication light "non-market production", such as houseworks or voluntary work, in the first pillar (material wellbeing). 2 – Additionally, the rank of the economy in the global rank list regarding the level of GDP (in purchasing power parities) is indicated. 3 – The sustainability gap indicates as additional information the amount that the primary balance has to be increased permanently to make the public budget long-term sustainable.

Source: German Bundestag (2013).

This pillar's second leading indicator is distribution of income. A robust distribution measure is used to convey an intuitive idea as to the spread of distribution of individual income after taxes and transfers. A second warning light for this pillar is a similar distribution measure for wealth, which is measured somewhat differently from income, due to the typical problems associated with recording wealth.

The third leading indicator of this pillar, the debt ratio, ultimately aims at measuring the extent to which economic performance is accompanied by sustainable public budgets. This indicator is complemented by the identification of the sustainability gap, which goes beyond a simple snapshot in that it approximates the need for consolidation derived from a long-term projection. This, in turn, is supplemented by the third warning light: crisis indicators of the financial sustainability of the private sector, something the councils had already proposed in their set of indicators. This warning light is intended to indicate the formation of bubbles in the credit, equity and property markets.

Social sustainability.
There are four leading indicators for the topic of social issues and participation under the second pillar. This pillar's first leading indicator is the employment rate, which shows the percentage of employed persons between the ages of 15 and 64 amongst the population. The first warning light in this pillar turns on if there is a growing trend of underemployment. The second leading indicator describes the development of society's level of education based on the graduation rate of 20 to 24 year olds in upper secondary education, i.e. the minimum qualification for successful participation in society. A second warning light is activated here if the rate of further education falls.

The issue of health, which is central to human welfare, is measured by a third leading indicator: average life expectancy. In order to approximately depict the quality of the years of a person's life, a third warning light is activated if the number of years from birth a person can expect to remain healthy falls. The fourth leading indicator of this pillar is the voice and accountability indicator provided jointly by the World Bank and the Brookings Institution. It is a measure of freedom, the rule of law and the degree of democratic participation in a society.[16]

Environmental sustainability.
The set of indicators the German Bundestag selected as leading indicators for the environmental pillar probably differs most from the template set of indicators proposed by the German Council of Economic Experts and the Conseil d'Analyse Économique. In particular, the issue of resource productivity is not pursued further in the "W3" indicator system. Instead, three leading indicators recorded at the national level are provided which are based on the concept of global environmental limits:[17] greenhouse gas emissions, the nitrogen surplus and the bird index as a measure of the state of biodiversity.

Because these national indicators do in fact reflect the immediate scope of influence and responsibility of German policy yet hold little significance for the ultimately crucial global developments, corresponding warning lights should then appear if the similarly defined indicators on a global level deteriorate compared to the previous year. Whether to award global developments leading indicator status, thereby forcing the spotlight away from national indicators, was a rather controversial topic for the Enquete Commission. There are ultimately no dominant arguments in favour of one approach over the other.

5. Basis for social discourse

This essay examined the development of encompassing welfare reporting in Germany specifically from an economic standpoint. At the heart of it was the work done by the German Council of Economic Experts, which has remained committed to broad reporting and commentary for decades in line with its legal mandate – reporting that has gone well beyond macroeconomic growth. It further catalysed this debate in Germany, at least conceptually, with its expert report on measuring prosperity comprehensively published in 2010.

It was on this basis that the German Bundestag's Enquete Commission focused even more on balancing relevance and communicability in its "W3" indicator system, thereby making the social discourse on this issue even more accessible. These conceptual foundations offer one basic message, as now the time has finally come to bring encompassing panels of indicators to life: They can only live up to their potential if they are used in the full knowledge of their limitations.

Potential.
The studies discussed here have made clear that an encompassing measure of welfare is not just a theoretical gimmick, but its regular publication and discussion is in fact possible in practice. We will never be able to measure societal progress perfectly. Nevertheless, we can certainly hope to find indicators that are well suited to regular statistical analysis and that allow us to approximate the true state of affairs. In any case, systematically processing the ideas and arguments on each of the three dimensions of sustainability is only the first step.

The various indicator panels presented here demonstrate that the thorough selection of individual indicators from amongst what is sometimes an excessive number of possibilities and other times a frustratingly low number, can in fact succeed in forming an internally consistent panel. This selection requires a detailed assessment of the quality of statistical indicators in terms of: (1) their "relevance" to the phenomenon to be measures; (2) their "consistency" with relevant theoretical considerations; and (3) their regular and timely "measurability" to be realised at a reasonable cost.

As already suggested by the expert councils, the specific sets of indicators proposed should mainly be considered a fertile starting point for further discussion and an interdisciplinary discourse on the nature of prosperity and progress. This discussion should take into account the perspectives of economics, the social sciences and other disciplines as well as those of the political sphere and civil society. It should lead to the regular review of the bundle of indicators used in line with the emergence of new challenges and changes in social values.

Limits.
It is imperative to remember that the statistical analysis of macroeconomic and social parameters is primarily an instrument of discourse. Given the complexity of the subject matter to be described, it cannot be considered an instrument for steering policy actions concretely. After all, as quantitative aggregations of reality, indicators merely describe changes over time or show contrasts with other economies. Although they make for important initial clues for possible policy needs, they cannot replace expert assessments.

The changes to each indicator over time not only reflect the effects of concrete policy measures, but also influences that generally cannot be altered by policy or those that can be altered but only with great difficulty. Even under ideal study conditions that allow for dual differentiation of the findings between (i) an observation unit affected by a policy measure and one not affected by it (employees, companies, regions, etc.) (ii) before and after the measure was implemented, causal statements as to the effect of the measure in question may not necessarily be possible.[18]

However, a descriptive analysis of the indicators contained in an indicator system will under no circumstances generate a causal statement. To make a panel of indicators useful for policymaking, it is therefore advisable to initiate a process of systematically assessing it. Based on the model of regular assessment of macroeconomic development put forth by the German Council of Economic Experts, both the expert councils and the German Bundestag recommended that the establishment of such a process be mandatory. This recommendation reflected the hope that during that process the inevitable policy trade-offs would come to the fore of the discussions, bringing them to a more objective level.

In keeping with nature of indicator panels as an instrument of discourse, both proposals explicitly reject the formulation of policy targets defined in terms of specific numerical values indicators should reach by a given point in time or within a defined period. Such targets could only serve a useful purpose as indicators of the need for and – once implemented – the effectiveness of (economic) policies in the unlikely case where the chain of cause and effect is reasonably well known, overlap with other influences is low and the efficacy of the policy is considerable.

Prospects.
The national dialogues conducted in 2015 as part of the German government's "Living well in Germany – what is important to us" strategy have rather fruitfully complemented the previous studies on encompassing welfare reporting in Germany. They aimed in particular at (1) learning about citizens' ideas on the issues of welfare and quality of life in Germany and discussing these issues with them; (2) measuring these ideas scientifically and compiling them into a report; and (3) developing an alternative indicator system on this basis.

Combining the insights gleaned from the national dialogue with existing studies on encompassing welfare reporting now offers tangible prospects of the resulting indicator system soon being used as a regular and widely accepted instrument of discourse. For example, the German government could request that the German Council of Economic Experts produce an economic report on this panel of indicators once per legislative period and could even incorporate other expert bodies in this process, such as the German Advisory Council on the Healthcare System, the German Advisory Council on the Environment and the Expert Council on Integration and Migration.

A corresponding political report, i.e. by the German government of the day, would provide a useful counterbalance to this independent assessment. This kind of process would mimic the approach taken with the German Council of Economic Experts' annual reports, to be commented on in the German Federal Ministry of Economics' next respective annual economic report. These exchanges would most likely accompany an intensive public dialogue on the status quo and the prospects for prosperity and quality of life in Germany. This would mean that the evaluation of an indicator system for comprehensively measuring welfare would not mark the end of the social discourse on the topic but would actually contribute to its functional foundation.

[1] This essay is largely based on articles by the German Council of Economic Experts (SVR/CAE, 2010; SVR, 2013; SVR, 2015). I would like to thank Nils aus dem Moore in particular for his suggestions and the many constructive discussions we have had.

[2] Stiglitz et al., 2009; Braakmann, 2010.

[3] German Council of Economic Experts/CAE, 2010; Schmidt, 2011.

[4] German Bundestag, 2013; Schmidt and aus dem Moore, 2013.

[5] Cf. OECD, 2011; European Commission, 2009; ABS, 2010; CIW, 2011; Diefenbacher and Zieschank, 2009; Diefenbacher and Zieschank, 2015; Schmidt and aus dem Moore, 2013.

[6] Fertig et al., 2012; German Bundestag, 2013.

[7] German Council of Economic Experts, 2011.

[8] German Council of Economic Experts/CAE, 2010.

[9] Cf. Arndt and Volkert, 2006.

[10] Layard, 2011.

[11] For example: European Commission, 2016.

[12] Leipprand and aus dem Moore, 2012.

[13] German Bundestag, 2010.

[14] German Bundestag, 2013; Schmidt and aus dem Moore, 2013.

[15] The methods of presentation selected mean there are 13 and 11 pieces of individual information, respectively. Non-market-related production such as housework or volunteer activities included as additional "warning lights" take a back seat here due to the compact nature of this essay although improvements in measuring such production are an important concern.

[16] Kaufmann et al., 2010.

[17] Rockström et al., 2009.

[18] Bauer et al., 2009.

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International Processes for Promoting Wellbeing with Civic Participation

by Stefan Bergheim, Center for Societal Progress

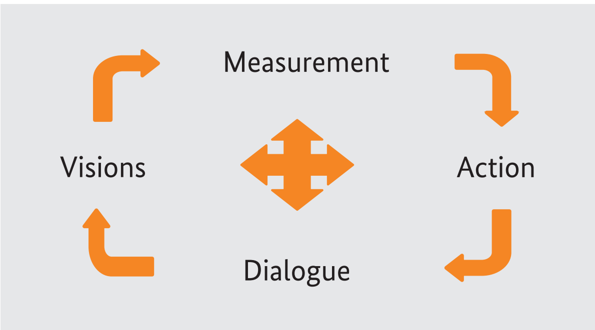
Around the globe new ways and methods are being sought to "achieve continuous improvement of quality of life both for current and for future generations".[1] Increasingly, work is conducted in longer term processes that include four key elements: dialogue, vision, measurement and action.

The first step involves engaging in an appreciative dialogue about wellbeing with a wide variety of actors. In the second step, many such processes translate the results of this dialogue into easy-to-understand visions. This reveals a shared understanding of a desirable future. The next step uses indicators to measure whether things are moving towards this desired future and where special action still needs to be taken. The fourth step initiates specific actions, projects, partnerships, etc. based upon these visions and indicators. Without such a process, these actions would not have been undertaken, or would not have been undertaken at such an early point in time. The expectation is that this will result in scarce societal resources being used where they facilitate the greatest gains in wellbeing. The activities of lawmakers, administrative bodies and citizens can then be more closely aligned with the values and objectives of citizens.

These wellbeing processes can also be seen as a democratic innovation, meaning new institutional arrangements that aim to improve the quality of democracy. The five criteria from Geißel's analytical framework for democratic innovation can be applied to wellbeing processes:[2] the first expectation is equal, inclusive and meaningful participation by citizens. Second, this kind of innovation should increase the legitimacy of political decisions in the eyes of citizens. Third, a high-quality public debate should be held on political issues. Fourth, these innovations should lead to more effective political decision-making because collective aims are taken into account and pursued. The fifth criterion involves civic education, as it leads to increased knowledge and public spiritedness in those involved.[3]

This essay will present five participatory processes from five different countries that follow the four key elements mentioned: dialogue, vision, measurement and action. Only processes that include at the very least the dialogue and action elements as part of their initial design have been selected. In order to demonstrate the range of possible approaches, two projects without the vision element (Vancouver, the United Kingdom) and one without measurement (Borne) have been included.

Four key elements of wellbeing processes



Source: Center for Societal Progress

Five examples of wellbeing processes

The local Chamber of Commerce in the American city of Jacksonville (population: 820,000) prompted a wellbeing process in 1985 that aimed at drawing businesses' attention to the merits of the city. The Jacksonville Community Council, a non-profit civic institution, took on the task on the condition that the process would allow for real improvements in wellbeing. The eight employees hired to work on the project were paid through donations and supported by an extensive volunteer force.[4]

The Australian island state of Tasmania was plagued by deep social conflicts in 1998. Inspired by a participatory process in Oregon ("Oregon Shines"), the newly elected social democratic premier, Jim Bacon, invited "Tasmania Together" to help pacify the situation. Despite all its successes and the international recognition it received, the project faced criticism from the opposition right from the start. The funding from the budget was stopped in 2012, ending the project.[5]

In Vancouver, Canada, the initiative was started by the local Vancouver Foundation, whose primary goal is to make the city a better place for all its residents. The "Vital Signs" project, which began in 2004, aims to obtain information on needs and priorities in the city in order to be able to make better decisions on the use of the foundation's annual budget of approximately 40 million Canadian dollars. Various advisory committees were formed to support the small project team, involving the scientific field, industry, the administration, the press and civil society. This broadly anchored "Vital Signs" in the city's community. There are similar processes in place in many other Canadian cities, including Toronto and Montreal.

In 2010, a participatory screening process was started in the Dutch city of Borne (population: 22,000) in order to revise the city council's old vision of 2001. This time the city council invited 20 organisations to discuss life in their city with citizens. They formed a steering group chaired by the mayor and worked together on the next steps. The process was also supported by experts and facilitated by a trend study.

MIJN BORNE 2030...

There are very few participatory wellbeing processes at national level. Participation in the national debate on wellbeing in the United Kingdom was particularly extensive. Former Prime Minister David Cameron tasked the Office for National Statistics (ONS) with drafting new measures of wellbeing in late 2010. This was based on one of the key duties of government – to find out what makes life better and to act accordingly. The indicators derived from the debate findings were first published in November 2012, but no visions were formulated.

National Well-being

These and similar processes also inspired the proposals put forward by the "Prosperity, Quality of Life and Progress" working group as part of the German Chancellor's 2011/12 dialogue on the future. The first two recommendations involved "gathering local knowledge through professionally guided dialogue processes and achieving and highlighting a broad-based, pluralist understanding of a desirable yet realistic future for Germany."[6] Additional proposals by the working group related to "new dimensions and reporting systems for quality of life. They take into account the interactions between the various aspects of quality of life and reflect the image of the future developed in the first step." Proposal 1, the "Vision 2040 – for my children" national dialogue on quality of life, was based explicitly on the national debate on quality of life in the United Kingdom.

Dialog über Deutschlands Zukunft

Institutionalisation

These international examples demonstrate the sheer variety of institutional anchoring behind these wellbeing processes. There is no perfect institution that combines scientific expertise, good access to the public, and financial resources, all while remaining politically neutral. It is important for institutional arrangements to fit in with the local culture, and available resources should be complemented wisely as part of a network or through partnerships:[7]

- Government agencies often have the appropriate resources and have a great deal of societal relevance and visibility. However, there is always the risk that the process will not receive the broad societal acceptance desired due to being too close to the ruling party or coalition. This was a challenge in Tasmania in particular. There is also the risk that changes in the political climate or majorities will threaten the process, as was the case in the United Kingdom.
- Foundations may have resources at their disposal and political neutrality, but a foundation's mission may not necessarily fit a broad-based wellbeing process. The community foundations in Canada consider it their responsibility to improve wellbeing.
- Research organisations are generally politically neutral and have the necessary expertise. However, they do not always have the proximity to citizens (necessary for the dialogues) or to the political sphere (which may be necessary for implementation).
- Civic organisations rarely have large financial resources and are not always politically neutral. Cooperating with other actors is advisable for them.
- Business-oriented organisations may have sufficient resources, but may not be as open on content as would be helpful for a well-functioning process. In Jacksonville this challenge was overcome by forming a partnership between the Chamber of Commerce and a civic organisation.

Particularly noteworthy are the processes that have now been in place for many years and have undergone at least one revision phase. Jacksonville is one example of this. Well-structured quality of life processes can have a lasting effect and also continue to evolve when they formally come to an end after a year or two. The many encounters during the process continue to bear fruit in all kinds of places. The visions developed have changed the social discourse. The press and other important actors continue to reference them, even though their source may not always be mentioned. Ideally, the indicators gain such a degree of relevance and visibility that they are commonly referenced. And finally, specific projects initiated during the process live on.

Such processes are likely to be even more effective if they are regularly repeated, data updated and visions revised. This should be taken into account in the first edition. Participants should enjoy being involved, the value of the approach should be clear and key actors should gradually familiarise themselves with the procedure and its content. Specifically, the following steps are both conceivable and useful once the first edition is completed:[8]

The projects created during the process can continue to be monitored and networked. The overall vision made possible by a thematically broad process can provide helpful perspectives for individual projects. In addition, existing and new projects on individual issues can be more clearly linked through partnerships.

Indicators should be updated and announced every year or two. Attention should be drawn to significant changes and actions that have become necessary. In the United Kingdom the indicators are updated semi-annually, and in Jacksonville they are updated annually. They are updated every two years in Tasmania. Holding an event to announce the indicators is a good opportunity to encourage repeat encounters.

The entire process could be repeated every five years or so. Again, intensive discussions should be held about quality of life. If the initial process was a success, access to various societal groups will now be easier than it was the first time around. Jacksonville and Tasmania are and were (respectively) examples for these kinds of intensive revisions that brought continuity and therefore additional credibility to the process. The outcomes of the discussions are compared with the content of the previous edition and the visions and indicators are modified accordingly. A stringent process was developed in Tasmania that allowed indicators and aims to be revised and new indicators to be added where necessary.

Ideally, the indicators from the process should also be used to evaluate the success of individual projects. Did the projects actually bring about the expected improvement in quality of life? Was the best use made of scarce time and financial resources to ensure they would really make a difference to improving quality of life? What unintended side effects were there, if any?

Initiate dialogues with a wide range of people

Wellbeing processes are an opportunity to inspire many different people to get involved in shaping the future. Good discussions and the dialogue itself are springboards to designing this future. Organisers must therefore decide the degree to which these discussions should be steered in terms of their content. The spectrum here ranges from selecting from a list of pre-formulated responses to free-form discussion of general key questions. These could include: "What is important to you in your life?", "What hurts you in your heart, when you think about your city?" or "What changes would you like to see in the next X years?" Open discussions are more complicated to conduct and analyse, but they can lead to a wide and sometimes surprising range of perspectives.

The process in Jacksonville plays a pioneering role in terms of broad-based civic participation. A strong focus was placed on seldom heard voices, and efforts were made to actively address them. The informal aim is for every citizen of Jacksonville to feel heard, even if they are unable to attend an event. The options for participation are many and in 2013 ranged from large attendance events with a total of 2,000 participants to questionnaires sent out with pre-paid postage. 14,000 of these questionnaires were completed and returned. The questions included the following: What do you particularly like about Jacksonville? Imaging Jacksonville in 12 years' time – what changes or improvements would you like to see?

From the start, civic participation in Tasmania was exceptionally extensive and broad. A steering group comprising 22 members invited more than 60 participants to a three-day event in 1999. The first visions were sent out to 14,000 people and organisations with a request for feedback. 60 public events followed and even critics of the process described them as being well attended and lively. 100 consultations were also held with civic organisations.

The 2005 revision had a similarly broad base, with 35 citizens' forums and 2,000 questionnaires sent in. This time, citizens were asked the following questions: What are the most important issues to you over the next 10 to 15 years? What has changed for you in Tasmania over the last 5 years? What other changes would you like to see? What are the most important things "Tasmania Together" should be reporting on?

In Vancouver citizens were only able to grade individual issues and specify priorities for action as part of a telephone survey when the process started in 2004. In 2011, however, the population there was actively involved through larger attendance events. This investigative phase was meant to identify issues that residents of the city considered particularly important and where they would like to see greater attention and resources. More than 100 executives from different sectors were interviewed directly; 276 civic organisations provided information online. In addition, 350 citizens discussed what they like about Vancouver and where they see opportunities for improvement in the course of six larger events.

27 workshops were held with a total of 470 citizens in the Dutch city of Borne. 400 citizens responded online and 200 did so using a printed questionnaire. The steering committee summarised the results into four scenarios for 2030. In April 2011, all the residents were then called upon to select their preferred scenario. This was then developed further to become the "My Borne 2030" vision.

Participation was also extremely broad in the United Kingdom between November 2010 and April 2011. 7,250 citizens contributed ideas in 175 attendance events with different formats. Working with local partners meant even difficult-to-reach groups were addressed: single mothers, older people, young people with mental health issues, etc. Multiple questions were discussed with all of them: What things in life are important to you? Which of these things should be included in a national measure of wellbeing? How would you use this measure? The starting point for the discussion was a list of aspects compiled by the ONS in advance, covering a broad spectrum of issues from job satisfaction to religion. 34,000 responses were given online. The ONS' direct outreach to online communities such as Netmums and organisations for the blind was also very helpful here.[9]

The power of visions

Visions serve to illustrate the key messages expressed by people in the dialogues in order to lay the groundwork for communal and individual activities. But the publication of visions can also lead to them being criticised. Constructive criticism should be used to rework these visions. Effective visions generally share the following characteristics:[10]

- The scope of the vision is clearly defined, e.g., "in Tasmania".
- Visions are formulated for a fixed period of time, e.g., "in 2030...", "in 15 years..."
- The wording is short, easy to understand, with simple sentences and concepts. There should be no need for questions and explanations.
- Visions are ideally formulated clearly without getting lost in the details. This means a picture of the preferred future can arise in the mind's eye of the reader. Illustrators should be able to produce images of these visions and film-makers make a film about them without a great deal of additional information.
- Effective visions are generally formulated positively. Attractive aspects of life become more, better or greater. Well-crafted visions lead to a feel-good effect amongst readers without ignoring problems.
- Visions represent a real challenge for the community and every single person without becoming an unrealistic utopia. Visions should not shy away from ambitious targets that differ greatly from the current situation.
- Visions are commonly shared. This is based on the results of the dialogues with citizens.

It is not always the case that insights gleaned from dialogues are incorporated into vivid images of a successful future. This was bypassed completely in the United Kingdom and Vancouver. In Jacksonville, however, special emphasis continues to be placed on visions. A brief vision for 2025 was created in two to three sentences for each of the ten topics covered in the 2013 report. In terms of education, these included: "In 2025, Jacksonville prioritises excellence in education at every age. Jacksonville challenges, prepares and actively engages learners at every stage in life. We are a community of teachers who infuse learning and a sense of discovery in everyday activities within Jacksonville. Our schools and libraries are a hub, connecting caregivers with community resources so that the whole child thrives, competes in the global economy, and contributes fully here at home."

In contrast, the first visions for the ten topics studied in Tasmania in 1999 were just one sentence long. However, the visions for 2020 were underpinned by specific targets. The general vision of "a reasonable lifestyle and standard of living for all Tasmanians" for the issues of health and wellbeing were supplemented by four goals for 2020, including "develop an approach to health and wellbeing that focuses on preventing poor health and encouraging healthy lifestyles"[11]. Later revisions ceased to use the term "vision". Instead specific targets were set for each indicator for the next 5, 10 and 15 years.

A general vision was formulated in the Dutch city of Borne. "Borne in 2030 is an attractive place for many new citizens thanks to its rural and welcoming character. The population has grown. Borne is an attractive place for older people and young families seeking the tranquillity of a leafy village combined with the benefits of having urban facilities nearby. Part of its attraction to young entrepreneurs is the skills-intensive businesses that have been established in Borne."

Whether or not a vision is formulated, the same issues keep emerging, with local variations – community life, health, education, the economy, the environment, politics, free time, safety and so on. Even the basic content of these visions is often similar. However, it is important to evaluate them according to scientific criteria. It can even provide information about topics people have little to say about because they may not be considered socially desirable. Having fun, partying, chilling, playing, shopping, watching television, having a big car, etc. are rarely mentioned when people talk about what is important in life. Yet the facts on consumer spending and how people spend their time suggest that these things are indeed important to some people. This gap between what people say they want and what they actually do may be investigated as part of wellbeing processes. Is it that people do not mention everything that is actually important to them? Or is it that they often do things that are not actually very important to them? This can become a problem if the "truly" important things are then neglected.

Presenting relevant indicators in a way that is easily understandable

These participatory processes typically result in a large number of indicators that sometimes go beyond the prominent topics of discussion in politics and society. Some examples of indicators drawn from the international studies mentioned in this essay are indicative of this.

In Jacksonville, one of the indicators of mental health and loneliness is considered to be the suicide rate. At 18 cases per 100,000 people, this rate reached its highest level in decades in 2012, though it decreased slightly in 2014.

The functional literacy of adults was selected as one of more than 100 indicators in Tasmania. In 1996 only 47% of people aged between 15 and 74 could read and understand documents well enough to fulfil the minimum requirements for living and working in modern, complex societies (levels 3 to 5 under the standards set by the International Adult Literacy Survey [IALS]). The goal was to increase this to 58% by 2020, but the figure had only improved marginally by 2006.

One of the issues measured in Vancouver is whether citizens feel a sense of belonging in their city. The most recent report from 2010 confirmed that, according to a 2009 survey, they do, with at least 68% of Vancouver residents reporting they felt they belonged – a rate that is significantly higher than in Montreal (54%).

The 41 indicators used in the United Kingdom included a survey about whether citizens trust their government. The data is sourced from the European Commission's Eurobarometer. In the spring of 2015 37% of Britons responded that they tend to trust their government (Germany: 50%; Finland: 60%; Spain: 12%).

All of these indicators are relevant to the wellbeing of the people living in each of these places. They focus on the outcome of wellbeing and do not solely measure monetary expenditure. The ideal change of direction for each indicator is immediately visible. They are also reasonably understandable and can be influenced by human activities. The indicators are available relatively promptly and can be compared over time as well as with other cities or countries.

However, as the example of Borne has demonstrated, participatory wellbeing processes can also function quite well even without indicators. This is one way to deal with the following four major arguments against using indicators:

1) The selection, compilation and, if necessary, collection of indicators is very time consuming.
2) It may be that there are not (yet) any reliable indicators for some important aspects of wellbeing.
3) Many people may not relate to indicators, so they may not have the desired broad impact.
4) When indicators are made policy objectives, they may end up being unusable because bypass and avoidance strategies are used (Goodhardt's law).

All of the processes that do use indicators should present them as simply as possible in order to at least mitigate the last two arguments.

The way the indicators in Vancouver are presented is particularly broad. The 2010 summary report used grades, images and graphics to present a small number of figures in a context that was easy to understand. A four-page summary in English and Chinese was attached to the city's major newspapers as an insert. Its website provides a detailed analysis of each issue, complete with tables, analyses of individual neighbourhoods and comparisons with other cities.

The method of presentation used in Jacksonville undergoes frequent change to ensure it does not get boring. Short printed overviews are available online, as are detailed online maps with indicators and comparative national values.

The most important document produced as part of "Tasmania Together" was the progress report that had to be presented to parliament every two years. Goals, indicators, progress evaluations and specific projects were presented on over 200 pages. A website provided additional details on the indicators. This was complemented by brief, easy to understand, one-page printouts that used a traffic light system to provide an overview of the progress being made on these goals.

In the United Kingdom the indicators were presented online as a wellbeing wheel. Traffic light labelling was used to indicate improvements and deteriorations over the last few years. For example, in the three years leading up to 2015, twelve indicators measured improvements and eight measured deteriorations. Extensive reports and a large ONS spreadsheet allow researchers to conduct a detailed analysis of the findings but access may be somewhat complicated for many citizens.

Working towards a better future

All wellbeing processes ultimately revolve around making better decisions for the future. The dialogues and visions serve to generate a shared understanding of what "better" means, and indicators are used to examine where particularly major actions are needed.

The specific measures taken to improve wellbeing in Jacksonville are quite broadly based since most of the relevant actors have been involved in the process from the start. They nearly always involve cooperation across the various topics and institutional boundaries. The problem of the infant mortality rate being too high was addressed with improved sexual education and better food supplies in low-income neighbourhoods. This resulted in the infant mortality rate decreasing from ten per 1,000 babies born in 2005 to fewer than seven in 2010.

Cooperation across topics and institutional boundaries was also a priority in Tasmania. A total of 29 partnership agreements were signed to deal with major challenges, such as the issue of smoking in 2010. In 2000 a goal was set to reduce the number of smokers from the 1997 rate of 27% of the population to 10% by 2020. The actual figures barely changed, however. Pressure grew to create an action plan. It proved useful to formally tie "Tasmania Together" – a government-run process – to plans, budgets and reports from all of the island's institutions.

The expectation in Borne is that the visions will prove significant for all of the city's actors and will influence their actions accordingly. No clear processes have been planned for this. People trust in the power of the vision and leave the next steps to the individual actors.

The citizens of Vancouver gave the traffic situation a particularly bad grade in 2008, not least because of the high prices charged for public transportation[12]. Many low-income people live far away from the downtown area, which is where many educational institutions, jobs and cultural offerings are located. Because of this, Vancouver Foundation decided to provide funding to five organisations that were active in difficult neighbourhoods. These organisations are now able to provide tickets for public transportation to selected participants in their projects.

The government in the United Kingdom took no formal steps based on the dialogues and indicators following the publication of the indicators.

More wellbeing in Germany

In addition to the government strategy on wellbeing in Germany, a number of processes with a similar approach to these international examples are already in place in Germany today. For example, the cities of Heidelberg and Ludwigsburg extensively involve their citizens in the development of sustainable, integrated urban planning. Visions for 2030 were outlined in Ludwigsburg in 2015. The non-profit Center for Societal Progress initiated a four-step quality of life process in Frankfurt am Main in 2013, entitled *"Schöne Aussichten – Forum für Frankfurt"* ("Positive Futures – Forum for Frankfurt").

The lessons learned from national and local processes in Germany and worldwide may form the basis for better and more effective processes in the future. Together, policymakers, civil society and businesses can contribute to continually improving wellbeing and welfare. Opportunities for dialogue are always necessary to achieve this, so that people are able to have their say, express their ideas about quality of life and work together to improve it.

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1 Council of the European Union (2006).
2 Geißel (2013).
3 See also Hall and Rickard (2013).
4 Verbeck (2011).
5 Bergheim (2011).
6 Federal Press Office of the German Federal Government (ed.) (2012), page 103 et seq.
7 Bergheim (2014), page 4.
8 Bergheim (2014), page 13.
9 Evans (2011).
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11 Tasmania Together (1999).
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On the Role of Population-based Surveys and Citizen Dialogues in Selecting Social Indicators

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Citizens' and politicians' desire to illustrate the realities of life in a differentiated manner, beyond a single measure such as gross domestic product (GDP), is easily understandable. However, it is extremely difficult to determine the (social) indicators necessary for this kind of differentiated picture of reality.

It is self-evident that specialist knowledge and the professional judgement of experts are useful in choosing statistical measurements and implementing these concepts as part of statistical surveys. It would make little sense to forego the expertise of economists, sociologists and statisticians when operationalising the concept of "income", for example. Depending on the concept to be measured, the specialist disciplines involved in that concept should also be brought in along with statisticians. For example, statistical measurements of "life satisfaction" or "pollution" benefit from input from the fields of psychology and environmental science. However, whether expert judgement is just as useful or even indispensable when it comes to the selection of spheres of life and other areas which are described by using indicators is by no means clear or even apparent.

After all, why should experts choose and decide which dimensions of life, society and nature are important and which should be presented using indicators in place of a country's own citizens themselves? In a democracy it is citizens as represented by their elected parliamentarians who decide what is important. Whilst experts do not always like this, this is what is right. No one would ever think to put the needs and objectives of experts above those of citizens (except some of these experts themselves). It may be that the "will of the people" is not always based on all the facts, which, in principle, are available and produced and managed by experts. Nevertheless, this cannot mean that experts choose societal objectives instead of citizens. Experts by no means represent the plurality of needs and objectives in a society.

This essay will discuss and show how lists of (social) indicators used to measure objective and subjective quality of life (can) come to be. It will only touch on the development of these kinds of indicators, specifically only the extent to which these indicators are useful in order to determine the relevance of policy areas whose progress should be measured using indicators. This essay will ultimately demonstrate that parliamentarians serve an indispensable role as the crossroads between expert knowledge and the will of the people.

Various methods for "determining relevance" will be presented in Section 1. Sections 2 and 3 will apply different ways of determining relevance to the case of Germany and present the findings of this exercise. Finally, Section 4 will summarise the conclusions as regards the "Living well in Germany" project.

1. Methods of determining relevance

Experts traditionally select the indicators to be measured and those whose development is to be illustrated as part of social indicators research.[1] This will not be discussed any further here since this report includes an essay by Heinz-Herbert Noll, who goes into much greater detail on the subject.

Regardless of democratic elections, there are essentially two methods of determining the relevance of various societal areas on a scientific basis.

- One is to conduct representative surveys[2] that ask about the importance of individual policy areas. This can be done directly. Alternatively, relevance is determined indirectly by asking about concerns about and satisfaction with the current situation. Both methods are currently generally based on lists of policy areas, concerns or areas of satisfaction. The elements that make up these lists are then quantitatively rated by respondents (for example, by ticking "no", "some" or "a great deal of" concern). The key limitation to the validity of all of these kinds of surveys lies with the lists of areas of life to be evaluated being predetermined by experts.

- The second method involves "qualitatively" determining important areas of life and quality of life in more or less discursive formats. This means that no lists of responses are used to evaluate opinions in a quantitatively analysable way but instead that participants "speak plainly" in the truest sense of the phrase. This method is used in the civil dialogues held in Jacksonville (USA) and the "Forum for Frankfurt", for example, which Stefan Bergheim discusses in this report. This method was also used in both response formats for the "Living well in Germany" project: with the 203 national dialogues held in person and with the written responses given online and returned by postcard.

Sections 2 and 3 below will illustrate both methods[3] with both being done on a survey basis. This means that plain language was not requested online or in the national dialogues, but that these forums used large representative surveys. Evaluations are based on the Socio-Economic Panel (SOEP), a representative population survey that has been running in West Germany since 1984 (and former East Germany as well since June 1990).

The SOEP is running under the umbrella of the Leibniz Association at the DIW Berlin and its field work is carried out by Kantar public's "Infratest Sozialforschung" (Munich).[4] Sections 2.1, 2.2 and 3.2 are all based on SOEP data. Section 3.1 is based on a special survey similar to the SOEP, which was conducted by Infratest Sozialforschung and Infratest Dimap.

It could be the case in theory that both of the "Living well in Germany" project's methods (national dialogues and online survey) could have resulted in different findings from the SOEP's representative plain language survey. However, as Section 3.2 will show, this is in fact not the case and the fully comparable findings of the different plain language methods underscore the solid informative value of the "Living well in Germany" project, which goes into far greater depth than was possible as part of the SOEP's plain language survey.

This means that the SOEP representative plain language survey could in no way have replaced the national dialogues and written surveys under the government's project. As was previously already known from similar surveys, a representative survey of text responses as part of a conventional survey predominantly only provides answers in the form of "keywords" and does not in fact provide longer texts that place responses in any greater context (of reasoning). Getting to the heart of the matter, the text responses given in answer to the two main questions asked by the "Living well in Germany" project's special survey are comparable in length (an average of six words) with the headings formulated by citizens in their responses online. Both the texts collected by the government project[5] and the national dialogues in particular, which explicitly included discursive elements, generated much more in-depth texts than could have been (and was) the case in the representative "survey of keywords" within SOEP.

2. Indirect relevance indicators: time series on concerns and quality of life

This section presents findings on concerns and areas of satisfaction in various spheres of life as collected in standardised representative surveys.[6] These findings will indirectly suggest what is currently important or what was important in 2014 to people in Germany, either because things caused concern or because satisfaction was low. The empirical evidence does not include the impacts seen as a result of the increased number of refugees coming into the country since mid-2015.

2.1 Concerns

Since 1984, the SOEP has been surveying the degree of concern with nearly a dozen private and public spheres of life. It uses a scale with three values (major concern, some concern, no concern) to survey the degree of concern people have with general economic trends, people's own economic situation, keeping their jobs, the environment, crime, xenophobia and peace.

The results are presented separately for (former) East and West Germany as a time series. The trend for major concerns (Figure 1) is similarly heterogeneous to that of satisfaction with individual spheres of life, which will be discussed in Section 2.2. Over the past 25 years East Germans have increasingly expressed greater concern with their own economic situation and keeping their jobs than their fellow citizens in West Germany. Overall, the changes in concerns in East and West Germany have progressed very uniformly. This is readily apparent when looking at the trend in concern for world peace; there was an initial dip in concern for this after German reunification. This trend came to an abrupt halt following the terrorist attack in 2001, and concern for world peace grew over the next two years across Germany. Concern for world peace then slowly progressed back to a lower level.

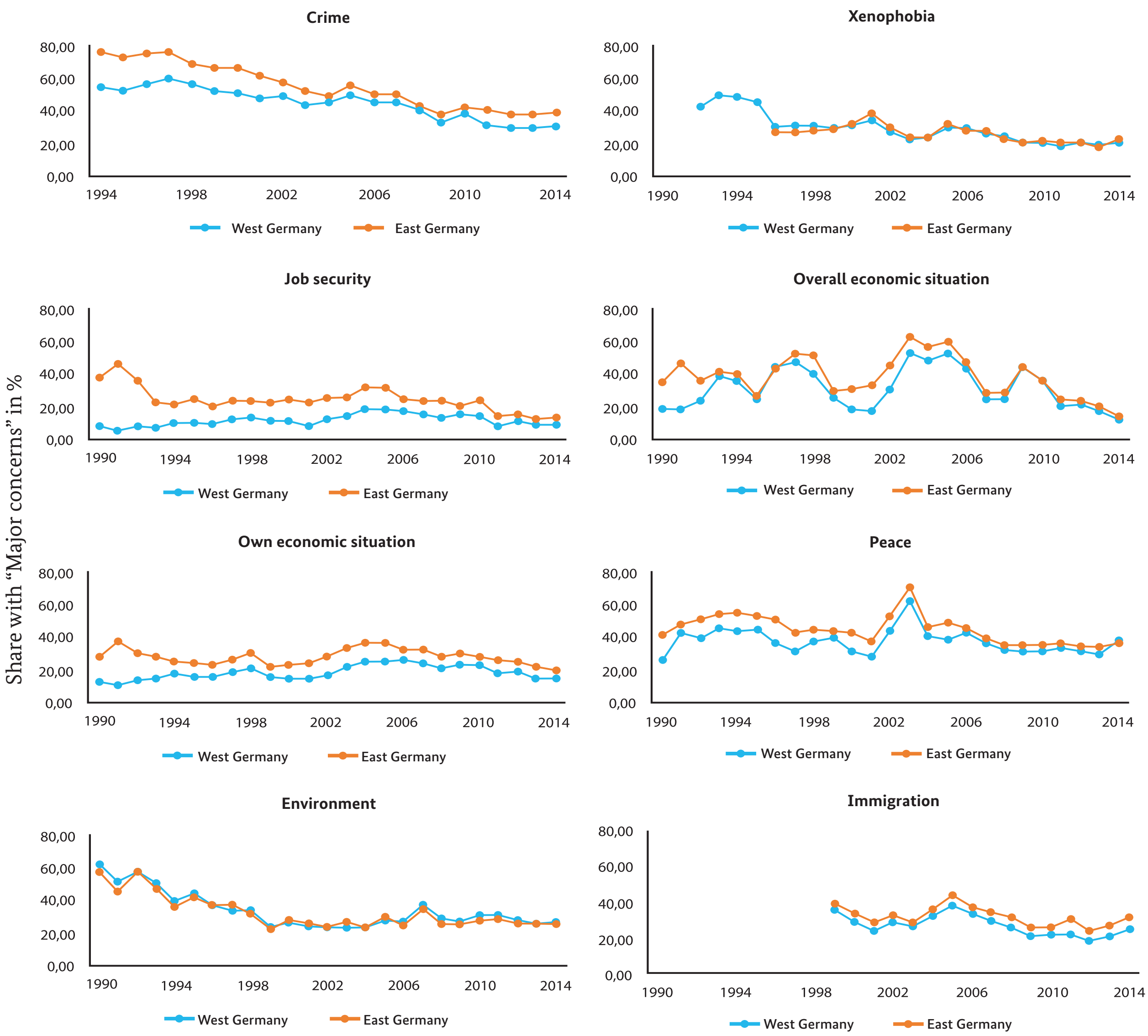
Similarly uniform is the trend in concern for the general economic situation. This was greater in the new German states than the old ones shortly after reunification, but both concern curves soared upwards and evened out with every economic downturn. It is interesting that East Germans' concern increases more or less identically to that of West Germans, but East Germans nevertheless consistently retain a higher degree of "residual concern" in times of economic upswing.

Concern with crime[7] in the mid-1990s was similarly much higher in East Germany than in West Germany; it has since fallen gradually, and has decreased more in the East than in the West, with the level of concern now lower overall. The degree of concern about xenophobia and the environment has also dropped; more than half of the population was concerned about these issues in the 1990s and just under 20 per cent saw them as a major concern in 2013. The long-term fluctuations in these three areas of concern do not imply any significant difference between the East and the West.

Concern about (too much) immigration has only been surveyed since 1998. Since then, a clear correlation can be seen with the economic situation: If the economic situation is poor, concern about immigration is high. Accordingly, concern about this is permanently higher in East Germany than it is in West Germany. Admittedly, however, the difference is minimal. Increase in concern about immigration over the past few years is not explained by the economic situation. More plausible reasons behind this are fears associated with the EU's expansion into Eastern Europe and freedom of movement being extended to South-Eastern European countries.

All told, the issues of peace, immigration and crime were of major importance in the most recent survey year (2014) when measured by the average level of "major concern". Given the positive economic situation, the importance of people's own economic situation as well as the macroeconomic situation as measured by low concern is marginal.

Figure 1: Trend in concerns for public and private issues



Source: SOEP, Priem et al. (2015).

2.2 Life satisfaction

It is important to mention a methodological point here. Since the first wave of SOEP surveys began in 1984, the question on general life satisfaction (and similarly on satisfaction with specific areas) has been: "All in all, how satisfied are you with your life currently?" The response for current general life satisfaction is collected using an eleven-point scale from zero (completely dissatisfied) to ten (completely satisfied). In addition, satisfaction with specific areas is surveyed, including satisfaction with the standard of living, household income, work, free time, health and housing. It is well known and highly plausible that respondents do not base their answers on an "absolute zero", but instead on what is to a certain extent the minimum and maximum possible at the time the survey is conducted ("relative zero"). This means that a time series of areas of satisfaction as determined by these surveys is not a measure of the absolute level of prosperity or satisfaction and how this changes over time. A time series merely presents the inequality of satisfaction. If this distribution is presented as the average of responses, a higher (or lower) average indicates whether more (or fewer) people are satisfied in course of time.

The account[8] of general life satisfaction (Figure 2) shows that life satisfaction in East Germany was significantly lower than in West Germany directly after reunification in 1991, as was already apparent from the associated problems in the labour market in particular. Life satisfaction then equalised quite quickly during the 1990s, only to then trend upwards at an increasingly slower rate over the past 15 years. Satisfaction in Germany was at an all-time high in 2014; the level of satisfaction in West Germany reached 1984 levels, and the highest values for general life satisfaction ever recorded were measured in East Germany. The difference between the East and West is still present in 2014 and, although it does not appear to be very big, it is statistically significant.[9]

Looking at the trends in satisfaction in individual spheres of life also makes clear that the equalisation process with respect to circumstances does not progress in the same way for all spheres of life and that the equalisation process between East and West is not yet complete. Satisfaction with household income and standards of living in East Germany over the past 25 years have not yet reached West German levels although the differences have continued to decrease, similar to what has happened with general life satisfaction. The fact that this trend may change is evidenced by satisfaction with work. East Germans were more dissatisfied with work until six years ago. The mean values have now equalised to such a degree that they have now been statistically indistinguishable from one another since 2009. It must certainly be taken into account here that only those who are employed are eligible to respond to the question about work satisfaction, whilst those who are unemployed are not.

Satisfaction with housing, household work and free time have all fully equalised. Their trend was initially similar to that of general life satisfaction, but the "East-West gap" finally closed in 2005 because living standards and leisure opportunities equalised. Satisfaction with child care facilities for preschool-aged children was and has remained higher in East Germany than in West Germany since reunification, but here too the differences in recent years are no longer statistically significant. The opposite is true for satisfaction with health: Satisfaction was even in the East and West when reunification happened, but has since decreased somewhat in East Germany. This finding is noteworthy in light of the fact that life expectancy has increased in East Germany. Of course this also means that older people who are ill and require care are living longer than they did in the GDR but are not satisfied with their health owing to their advanced age.

If we now assess the findings on the importance of different spheres of life, the areas with below-average satisfaction are of particular interest; in 2014 these were health, personal income and household income.

Figure 2: Mean life satisfaction[1] in Germany

Source: SOEP, corrected for repeated surveying, cf. Priem et al. (2015).[1]

3. Determining relevance directly

3.1 Conventional survey

Following the selection of the "W3 indicators" by the Enquete Commission on *"Wachstum, Wohlstand und Lebensqualität"* ("Growth, Prosperity and Quality of Life")[10], the DIW Berlin and Infratest conducted a joint representative survey to empirically determine the importance (relevance) of the chosen indicators among the German population. A brief overview of these findings[11] is presented here.

As part of the representative telephone survey conducted by Infratest on 28 and 29 January 2013, 1,012 respondents differentiated the degree of importance of each of the ten indicators selected by the Enquete majority, with responses that could range from zero ("not at all important") to ten ("very important"). They were asked:

"How important is it to you that the political sphere in Germany addresses the following issues?"

1. the average per capita income in Germany;
2. the disparity in income and wealth;
3. the national debt;
4. that as many people as possible have enough work;
5. that people's life expectancy continues to increase;
6. that more students finish secondary school or complete an apprenticeship/training;
7. that democracy and freedom are maintained in Germany;
8. that the greenhouse gas emissions we generate be reduced;
9. that the harmful nitrogen surplus we produce be reduced;
10. that species extinction be stopped and we maintain species diversity.

Table 1: Relevance of different spheres of life
How important is it to you that the political sphere in Germany addresses the following issues?

Indicator	Mean	Median
Maintaining democracy and freedom	9,5	10
Enough jobs	9,2	10
Better educational opportunities	8,5	9
National debt	8,3	9
Reducing greenhouse gases	8,1	9
Cutting the nitrogen surplus	8,1	9
Maintaining species diversity	8,0	9
Income distribution	8,0	8
Per capita income	7,4	8
Increasing life expectancy	6,6	7

Table 2: Response distribution (percentage)

Indicator	0-5 points (not very important)	6-8 points (important)	9-10 points (very important)
Democracy	2	13	85
Jobs	1	22	75
Education	9	33	58
Debt	16	29	55
Greenhouse gas	16	33	51
Nitrogen	14	35	51
Species diversity	15	34	50
Inequality	16	38	46
Income (GDP)	21	47	32
Life expectancy	37	36	27

Sources: TNS Infratest telephone survey (January 2013), 1,012 respondents; calculations by the DIW Berlin.

The most important finding of the representative survey was (cf. Table 1)[12] : The statement "that democracy and freedom are maintained in Germany" was ranked as most important with an average rating (mean) of 9.4. Compared to all the other issues, this was a statistically significantly higher average rating and was seen across all age groups, regardless of political leanings or party affiliations. Only one other statement, namely "that as many people as possible have enough work", achieved a similarly high average rating of 9.2. These two issues are therefore by far the most important (which is also borne out by the distribution of responses as low, medium or high-rated value ranges; cf. Table 2).

The ratings on the degree of importance of these ten issues are divergent, meaning the information provided by respondents differed significantly. Although only a very few number of people responded with the lowest ratings (between zero and five) across all dimensions, the greatest variations in response were seen in the range between six and ten.

Surprisingly, further increasing life expectancy was by far of lowest importance, with an average rating of 6.6 (the median was only 7). This may indicate that people today often associate additional years of life with illness and suffering. The average income – as an indicator of gross domestic product – was far down on the scale of importance, with an average rating of 7.4. The issue of disparity in income distribution was seen as less important than democracy and freedom and having enough work.

The mean value for disparity in income distribution was eight, making it fairly average, and exactly aligns with the median of the spread, putting it at the same level as per capita income. At 8.3, the national debt was close to the average of all indicators (8.2).

The demand for students to complete secondary school or an apprenticeship/training was only slightly of above-average importance (8.5). The median response for both of these issues was 9, which put it above the median response for both per capita income and disparity in income distribution (8).

Similar to other investigations into the population's political preferences, the environmental indicators were not given any outstanding weight with mean and median ratings of 8 to 9. Although it is true that mankind cannot survive as a species if greenhouse gas emissions and a severe nitrogen surplus continue to increase, this problem will only become acute at an indefinite point in the distant future, which means it is not considered an urgent priority by many people today. The mean ratings for the importance of the three environmental issues averaged 8.

In summary we can say that *per capita income* and therefore gross domestic product (GDP) was not of paramount importance in the eyes of the German electorate in April 2013. A majority of respondents did not consider increasing gross domestic product an issue the political sphere should pursue as the highest priority. On the contrary: Compared to *maintaining democracy* and *having enough work*, GDP was less of a priority. *(In)equality of income and wealth* was also considered somewhat more important. However, because this in turn is ultimately closely tied to a high level of GDP and its growth, corresponding debates on societal growth cannot be avoided in the future.

The relevance of the examination of relevance presented here is of course limited by the fact that only the relevance of the ten "W3 indicators" was surveyed. This means that there are more important spheres of life and/or target dimensions/indicators that were not chosen to be "W3 indicators". In order to empirically shed some light on this (potential) problem on a representative basis, the SOEP posed the two key questions from the national dialogue as part of its 2015 survey. Responses were given as plain language answers, meaning there were no classifying parameters.

3.2 Plain language in a survey (SOEP)

The improved possibilities for automated text analysis in recent years, which "Living well in Germany" also took advantage of, also pay off in posing questions in surveys that are not answered in a standardised, quantitative manner, but instead with plain language. Because of this, the two key questions posed in the "Living well in Germany" project were also posed at the end of the 2015 SOEP survey to all those SOEP respondents participating in the survey using computers (some 71 per cent of all respondents[13]). These 19,352 respondents were based on a representative sampling of the resident population living in private households in Germany. As part of a computer-assisted personal interview (CAPI) or computer-assisted web interview (CAWI), SOEP respondents answered the two key questions from the German government's national dialogue: "What in life is important to you personally?" and "In your opinion, what constitutes quality of life in Germany?"

Other options for combining a long-term survey like the SOEP with qualitative survey formats will not be elaborated upon here because the results were directly incorporated into the overall analysis of the national dialogue. A sub-sample of some 60 randomly selected SOEP respondents were able to speak with Chancellor Merkel directly at a national dialogue event in Berlin. The respondents discussed their problems and wishes with the Chancellor (cf. Figure 3).[14]

Only a small proportion of SOEP respondents gave no text responses when asked the two key questions (6.5 per cent to the question on the importance of different spheres of life and 14.4 per cent to the question of quality of life in Germany). As briefly mentioned above, it was mostly keywords that were written down (an average of six words). The method and scope of word processing was adjusted to the type of text.[15] More in-depth analysis is largely unnecessary, especially for rating purposes (valence of terms). Nevertheless, valence (positive, neutral, negative) was taken into account when counterintuitive terms like "war" were used in response to questions about quality of life in Germany. These kinds of counterintuitive terms were supplemented in the analysis by their rating (for example, "no war").

These differences between East and West Germany are minimal. The following "word clouds" demonstrate the outcome:

Figure 3: National dialogue between the Chancellor and 60 randomly selected SOEP respondents on 1 June 2015 in Berlin

In terms of the most important things in life, Figure 4a shows that terms relating to health and family were mentioned most by far. Yet a societal term comes in at fourth place: “peace” (which was mentioned together with “social” in around one-third of mentions and in the sense of international peace in a further one-third). Also in the top 25 are ’material’ terms such as “work”, “money” and “financial”, and ’immaterial’ terms like “satisfaction” and “harmony” are mentioned. What is striking is that terms associated with conservation and environmental protection are not mentioned very often. The term “environment” is in 43rd place.

In terms of quality of life in Germany, the term “secure” is the top ranked by far, followed by “social” (often referred to as “social security”). Somewhat surprising may be that the terms “peace” and “freedom” (as well as “free”) take third and fourth place. These top rankings are plausible considering peace was also one of the most significant terms for what is important in life. “Work” took sixth place (which in turn corresponds with the

Figure 4a: What in life is important to you?

Figure 4b: In your opinion, what constitutes quality of life in Germany?

high importance of work). Words containing the string "work" (e.g., job, job opportunities [which all include the word *"Arbeit"* in German]) took third place. Neither is the term "environment" amongst the top ranked terms in evaluating quality of life. It is instead ranked 36th. The issue of the national debt was not ranked very high in either the question on importance or quality of life.

Most striking amongst the responses regarding what was important to people personally and what made up quality of life was that environmental protection and conservation were only rarely mentioned, and innovation as a driver of economic growth and quality of life were practically not mentioned at all. This may come down to the structure of these processes. Developing innovations is not something the vast majority of people who enjoy the end products of these innovations do not experience the sometimes tedious process of generating them (for example, the internet). In terms of nature and the environment, it should be noted that the environment in Germany has been cleaned up since reunification (especially in East Germany compared to the GDR era) and long-term problems like high $CO2$ emissions are not noticeable in everyday life. In this respect, it is no surprise that the terms "innovation" and "environment" are barely mentioned. This also applies to "national debt" since the costs associated with it are not directly noticeable (and the extent to which a low national debt is useful is an especially controversial topic, even amongst experts). The high importance of the term "peace" is likely similarly explained.

Although Germany has lived in (external) peace for decades, unlike the problems with the environment that are not immediately visible (such as gradually rising sea levels), war is happening all the time somewhere in the world. And war is visible every day in the media. And it is now happening quite close to Western Europe in what was formerly the Soviet Union. In other words, war is part of people's everyday lives and peace is valued accordingly.

In terms of the "Living well in Germany" project overall, it is striking that the terms collected by the SOEP are so similar in their ranking and importance to those terms found in the online dialogues/postcards/national dialogue events.

4. Conclusion

The "Living well in Germany" project and the empirical surveys presented in this essay make clear that it is entirely possible these days to representatively determine the "will of the people" in terms of the importance of societal aims and the status of quality of life and to do so in a detailed manner using methods developed in the social sciences.

The synopsis of the findings of various investigative methods has also shown that representative surveys in no way make non-representative survey methods superfluous, even if the representative surveys use qualitative methods and include text analyses (like the SOEP in 2015). The national dialogues go into much greater depth – something that also holds true for the texts collected online (even when taking a rather critical view of their significance in some cases).

One detail of the government's project makes especially clear the difference between the cognitive value of representative surveys and that of individual national dialogue events with interest groups: The German chancellor's national dialogue event with 60 randomly selected SOEP respondents which formed a representative crowd was for all intents and purposes unspectacular.

It did not reveal any surprising findings and has presumably not changed anything politically. The chancellor's next national dialogue event with students, however, led to an exchange between the chancellor and a young refugee, a girl named Reem. This not only drew attention to the story of the student from a Palestinian family living in Rostock, but the overall issue of "fleeing to Germany" advanced further into the public eye and likely amplified the existing positive feelings many already towards refugees.

All of the methods used make clear that problems that are difficult to monitor, especially problems like long-term climate change but also the national debt or problems with the quality of consumer goods (like food) and services (like medical treatment), for example, are not issues of particular importance to the majority of people.

The representative findings make especially clear that although the environment is discussed extensively in the political sphere, it does not play a major role in terms of its importance to life in Germany (Section 3.2) and current concerns about it (Section 3.1) because readily apparent environmental problems have already been overcome (East Germany) and future problems are not particularly noticeable. Even those who do acknowledge global warming do little for climate protection.[16] This means that the indirect "will of the people" for issues or problems that are important in the long term but are at the same time less noticeable at present cannot be politically decisive.

Despite its format allowing it to go into greater depth, the national dialogues have their own limits. At a number of national dialogue events with many different focal points (and therefore an overall "sample" approximating representativeness), individual special issues only carry minimal weight when included in the bigger picture.

In other words, developments and risks that are difficult to monitor and only have long-term effects must continue to be left primarily to the discourse conducted by experts and the politically-minded "elites", the avant garde. And it is ultimately the parliamentarians who must decide. Parliamentarians are likely able to make somewhat better decisions using modern representative surveys and national dialogues than they would be without these instruments of civic participation. Nevertheless, improved civic participation cannot replace parliaments.

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1 Cf. e.g., Schupp 2015.

2 Some examples for Germany are ALLBUS and the SOEP (cf. end note 4).

3 With thanks to Martin Brümmer, Marco Giesselmann, Axel Glemser, Richard Hilmer, Julia Rohrer, Jürgen Schupp and Nico A. Siegel.

4 Cf. Wagner et al. 2007; www.leibniz-soep.de, last accessed 03/05/2016. One particular way to link the quantitative SOEP survey with a "qualitative" survey approach can be found at http://www.zeit.de/feature/wiedervereinigung-deutschland-ost-west-mauerfall (German only), last accessed 03/05/2016.

5 The average online response was around 600 characters and the average postcard response was 70. Compare to SOEP responses, which had an average of 38 characters.

6 Sections 2.1 and 2.2 are taken in large part from Priem et al. (2015).

7 It should be noted here that, when looking at things in detail, the operationalisation of concerns in the SOEP is based on different questions and different response choices than that of the list of indicators presented by the government (cf. the affective fear of crime indicator in this report).This can also be used as an example to illustrate that operationalising indicators often involves going into great detail. The empirical findings of what appear at first glance to be similar indicators can turn out to be nearly incomparable.

8 Considering the trend of average general life satisfaction in East and West Germany over time, we must take into account that the life satisfaction indicator is more strongly dependent on the context of the survey situation, known as survey artefacts, than on measuring "objective information" such as education levels. The season in which the survey takes place or how often a person has previously participated in the SOEP study are examples of possible survey artefacts here. Especially, the observation is made that people taking part in the SOEP and responding to the survey for the first time tend to respond with the highest value (10: "completely satisfied") more than those participating in their second or subsequent interviews. This means that when people have been participating in longitudinal surveys like the SOEP for a long time, they respond with lower satisfaction values on average. Although this habituation effect has a fairly minimal impact year to year, it adds up when respondents have been participating for more than 30 years in some cases, like with the SOEP. It is important to correct for this, particularly when minuscule differences down to the decimal places in average satisfaction values are being interpreted (which itself is problematic due to random sampling errors but nevertheless occurs in the literature).

In order to take into account this effect in the descriptive analysis of trends in life satisfaction in East and West Germany, this report corrects the average general life satisfaction using a method developed by the SOEP Group at the DIW Berlin. A regression estimate is used to quantify a number of potential measurement artefacts and then the estimated coefficients are applied to each survey data point. The result is a number for satisfaction as if people were responding to the question for the first time in May and as part of an interview with “paper and pen”.

[9] Whether this involves structural differences that lead to higher dissatisfaction (especially as a result of unemployment) even in certain regions of West Germany or this difference is attributed to sociodemographic characteristics such as age, marital status or household type, or whether there is an “East effect” that cannot be any better identified is examined using a multivariate regression analysis (cf. Priem and Schupp 2014, p. 1007). This involves calculating the respective level of general life satisfaction as the dependent variable for sociodemographic co-variates and multiple periods. In addition, the respective place of residence in East or West Germany is taken into account so that the corresponding “East-West indicator” can be interpreted as a residual value for an East-West divergence that cannot be explained in any greater detail. In 1992, shortly after reunification, there was a negative average effect of nearly one full point on the eleven-point scale of life satisfaction if the respondent lived in one of the new German states. Ten years later, in 2002, this effect had halved. This negative net effect was only 0.14 points in 2013. Despite this trend of equalisation, the significant East effect indicates that the equalisation process for general life satisfaction is still not complete.

[10] Cf. Enquete Commission 2013, Wagner 2013 and the essay by Christoph M. Schmidt.

[11] Cf. Giesselmann et al. 2013. For an update cf. Giesselmann et al. 2017.

[12] The differences between East and West Germany are minimal; cf. also Giesselmann et al., 2013, 2017.

[13] These respondents are a virtually undistorted random selection of all respondents since the decision regarding the CAPI and CAWI survey methods was Infratest’s and not respondents’.

[14] Cf. here https://www.gut-leben-in-deutschland.de/SharedDocs/Blog/DE/05-Mai/2015-05-29-vorbericht-bkin.html, http://www.diw.de/de/diw_02.c.242802.de/portalseite_befragte.html and, for example, https://www.youtube.com/watch?v=WAv8B6w2LAE, all last accessed 03/05/2016. For information on this methodological approach, cf. also Minozzi et al. 2015.

[15] Cf. Rohrer et al. 2016 for information on methodology. The responses to the SOEP survey were largely short sentence fragments, key points separated by commas or phrases with just a few number of words. Analyses incorporating syntactic characteristics are therefore not very promising. In addition, standard software trained using machine learning, such as software that detects parts of speech, only work at fairly low levels of precisions because texts differ greatly from the training material used. In order to facilitate computer-aided quantitative analysis, the texts were initially prepared in several stages. The aim of this process was to reduce words with similar meanings to identical strings to reduce the inherent heterogeneity of the language. This involved taking into account the peculiarities of the German language, in particular the high degree of inflection. The word processing aimed at presenting words with the same meaning as identical strings to be able to carry out thematic analyses. As a result, a customised processing pipeline comprising the following components was used: tokenising texts into individual words and removing punctuation marks and punctuation; using a stop word list to remove stop words like articles, pronouns and conjunctions since they have no semantic content for analytical purposes; automatically correcting grammar to correct faults; replacing frequently used abbreviations using a dictionary customised for the data; converting all characters to lower case to align individual spellings and increase the integrity of the reduction in the next step; principal part reduction to reduce formulations of equal importance to identical strings; expanding reduced formulations to the corresponding dictionary formulation to make the results more readable. In order to make the explanatory power of the word count and word cloud comparable, a random sampling was taken from the larger West sample in the same sample size as the East sample. A word is displayed if it is mentioned in the respective sub-sample at least 30 times.

[16] Hornsey et al. 2016.

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Quality of Life and Wellbeing of Children and Young People

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Introduction

How children go through critical stages of their development and the beneficial or stressful experiences they have along the way significantly impacts their chances to reach their potential, their subsequent quality of life, their health and productivity, not to mention what they can then pass on to their own children. Accordingly, the wellbeing of children and young people both in Germany and internationally has increasingly become a political issue.[1] Numerous policy measures, legal requirements and proposals relating to the education, care and upbringing under public responsibility aim to ensure the wellbeing of children and young people, thereby creating optimal living and developmental conditions for the next generation. One of the key anchors for this is Section 1 of the eighth Social Code (*Sozialgesetzbuch VIII* [SGB VIII]): "Every young person enjoys the right to the advancement of their development and education to become a responsible and socially competent person."

A number of surveys and long-term studies that address the welfare of children and young people have now been carried out. These include broad surveys of selected age groups, such as the Children's Panel[2] by the German Youth Institute, World Vision's Children Studies[3] , the Shell Youth Study[4], the multi-age study *Aufwachsen in Deutschland: Alltagswelten* (Growing up in Germany: everyday life [AID:A])[5] , the Socio-Economic Panel's (SOEP)[6] with its extension study "Families in Germany" (FiD)[7] as well as thematically focused projects like the "German Health Interview and Examination Survey for Children and Adolescents" (KiGGS)[8] and the National Educational Panel[9]. The picture these studies form helps to inform policy on needs and societal trends and sheds light on the importance of contextual factors, sometimes providing evidence for evaluating policy measures. Taken together with a number of internationally comparative studies, these form the basis for policy advice.

However, the question of how to ascertain the wellbeing of children and young people is not easy to answer. Suitable characterisations must allow for the various facets of what makes a "good life", which cannot be done without normative stipulations. As an instrument for informing policy, they must also be able to reflect current challenges and problems. This essay will first discuss the changing conditions of growing up in Germany before moving on to the question of what the "good life" might be for children and young people. The aim is to show which different reference systems are used to ascertain the wellbeing of children and young people and what findings can be drawn from them.

Changing conditions of growing up

The life and development of children and young people have changed considerably in recent decades. Particularly striking are the distinctive transformation processes undergone by families, the first and primary context in which children and young people develop. These include rising divorce rates combined with a declining propensity to marry; the increase in non-marital cohabitation, which, combined with a growing number of non-marital births, increasingly represents the familial context for many children. Furthermore, same-sex unions are increasingly accepted as context for raising children. These contribute to the growing diversity of biological and social parent-child relationships which also results from separations and new relationships, as well as from the increased possibilities offered by reproductive medicine[10] . Given these changes, an increasing number of children today are growing up in "non-traditional" families, live in multi-local families with parents who are separated and sometimes experience multiple changes to the parental constellation within their household, around which their lives revolve.

The generational and gender-based internal structures of families, models of parenting and the everyday lives of families have also changed. With the decline of compliance objectives in bringing up children, children's autonomy and self-determination have been gaining in importance since the 1970s. Child rearing practices have become more democratic and correspond more to the model of non-violent parenting, something that has been enshrined by law in Germany since 2000[11]. At the same time, however, uncertainty and parents' need for advice in bringing up their children have increased[12]. More intensive forms of support have been increasingly used in helping parents with upbringing, and State interventions, i.e. by taking children into care, have increased. This may be interpreted as greater caution being taken in professional action aiming at better protection of children, but may in fact point to the fact that bringing up children has become a more demanding process with increased risks of failure. Increasing numbers of working mothers have meant that "family childhood" has given way to a kind of institutionalised childhood with nurseries, after-school programmes and all-day schools assuming a greater role as environments for growing up[13]. This has expanded public responsibility for children and young people growing up. However, these developments are not only a response to the increased demand for care from working parents, but also reflect the changing aims associated with the expansion of early childhood care services and all-day schools: Educational opportunities should be taken advantage of early and effectively. The findings of the first PISA study in 2000 provided significant impetus for this. The findings indicated that students in Germany only had an average level of competence and evidenced the particularly strong influence which social background had on educational opportunities and the acquisition of competence among young people in Germany[14] . Accordingly, a number of reform efforts were introduced to bolster equality of opportunity in education. Education has become a key issue that not only impacts the daily lives of children and young people to a major extent, but also places parents under increasing pressure[15] .

This is even more true as technological and labour market changes contribute to increasing demands on younger generations to acquire skills and qualifications. The noticeable and decades-long transition from an industrial to a knowledge and information-based society is highly evident in this respect. This is also changing the paths to working life. Although demographic change with low birth rates may minimise competitive pressure on young school-leavers and those starting their careers, and facilitates rapid transitions into job training and careers, additional qualifications and the acquisition of higher quality educational certificates are often preferred.

Finally, the economic crisis that has demanded painful cuts at the individual and national level almost worldwide since 2008 has created altered conditions for individual lifestyles and policy action[16]. Although Germany is one of the more affluent countries that came through the global economic crisis relatively unscathed, living conditions here are nevertheless characterised by distinctive socio-economic disparities. The income distribution indicates an increasing spread that is indirectly affecting children and young people through their parents' incomes. Although data from the German Socio-Economic Panel (SOEP) has not identified any increased risk of poverty for younger children up to 10 years of age since 2006, disadvantages facing young people (aged 11 to 20) nevertheless remain, and children continue to be less a part of the upper range of rising incomes as the population average[17] . The risk of poverty is closely linked to low educational resources, status as an immigrant family and family structure, and significantly affects the developmental and participatory opportunities as well as the health of children and young people[18] .

How and the extent to which these developments have hindered or improved the wellbeing of children and young people is the subject of intensive research and discourse in the scientific community, the political sphere and professional practice. Whilst the focus here is mostly on narrowly defined, specific contextual conditions, the past few years have seen increased efforts being made to generate a fuller picture of the situation of children and young people that goes beyond characterisations of economic resources or poverty rates and permits the analysis of relevant age-related or development-related strains and resources. The following section explains which descriptive systems have been developed for this purpose.

Concepts of children's and adolescents' "good life"

The various attempts to ascertain children's quality of life and wellbeing are each based on distinctive conceptualisations of the "good life" for children and young people. The term "child wellbeing" has increasingly established itself in Germany, and conceptually speaking goes well beyond purely mental or physical wellbeing. To avoid a narrow focus as implied in the German concept of *"Kindeswohl"* which rather refers to children's best interest (*"Kindeswohl"*), the term wellbeing includes the larger spectrum of positive living conditions and personal development instead of restricting its focus on legally relevant risk situations. In that sense, psychological wellbeing is one specific facet of the broader construct of wellbeing[19].

There are at least five conceptual theoretical reference points for selecting and identifying indicators of wellbeing: (1) the rights of children as defined by the UN Convention on the Rights of the Child; (2) the needs of children and young people; (3) the concept of capability (capability approach); (4) the concept of quality of life; and (5) concepts of good development from a developmental perspective. Each of these conceptualisations differ in how strong a focus is given to the environmental conditions of growing up or the behaviour and experience of children and young people, whether aggregated data on a macro level or individual data tend to be used and the importance attached to the subjective experience of children and young people in comparison to objective indicators. Whilst objective indicators such as poverty rates, infant mortality, competence measurements or health data from health insurance companies benefit from clearly defined criteria with a high degree of comparability, they still neglect to take into account subjective experience and personal evaluations of the living conditions, which are ultimately highly relevant to the wellbeing of children and young people. In this respect, broad conceptualisations increasingly aim at incorporating different perspectives and approaches.

Children's rights as a point of reference

Children's rights as defined by the 1989 UN Convention on the Rights of the Child provide an internationally accepted framework for social reporting on children[20]. UN Convention on the Rights of the Child and its 54 articles were summarised by UNICEF Luxembourg into ten fundamental rights:[21]

1. **The right to equality:**
   All children are equal. No one shall be discriminated against because of skin colour, gender or religion.

2. **The right to health:**
   All children have the right to obtain the help and care they need when they are sick.

3. **The right to education:**
   Every child has the right to go to school and to learn what is important. This includes respect for human rights and other cultures. It is important for children to be able to develop their skills in school and that they are encouraged to do so.

4. **The right to free time, play and recreation:**
   Every child has the right to play and grow up and live in a healthy environment.

5. **The right to inform themselves, communicate, be heard and assemble:**
   Every child has the right to express their thoughts freely. Children's opinions on all matters that directly affect them should be respected. All children have the right to information and knowledge about their rights. Every child has the right to obtain information from around the world through radio, TV, newspapers and books, and to pass on information to others.

6. **The right to a non-violent upbringing:**
   Every child has the right to be brought up without the use of force.

7. **The right to protection from economic and sexual exploitation:**
   No child should be mistreated, exploited or neglected. No child should be forced to perform dangerous work.

8. **The right to protection during times of war and when fleeing war:**
   A child who had to flee their country enjoys the same rights as any children in the new country. If a child arrives without their parents or family, they have the right to special protection and assistance. If possible, the child should be reunited with their family.

9. **The right to a family, parental care and a safe home:**
   Every child has the right to live with their mother and father, even if they do not live together. Parents have the right to receive support and relief.

10. **The right to care in the event of disability:**
    Every child has the right to a good life. If a child is disabled, they have the right to additional support and assistance.

As yet, the existing surveys do not offer a comprehensive view of children's rights. Nevertheless, reference can be made to individual basic rights, for example, the right to health, education and training, free time, play and recreation and family care. Children's rights form the central point of reference for the 2007 UNICEF Report Card on "Child poverty in perspective: An overview of child wellbeing in rich countries"[22], which also addressed the UNICEF report on the situation of children in Germany[23]. As the central dimensions of children's wellbeing, "material wellbeing", "health and safety", "education", "relationships with peers and family", "behaviour and risks" and "subjective wellbeing" were included. These dimensions are each based on different components that are measured using individual indicators. For example, subjective wellbeing includes the health of a child/young person, aspects of their school life (the extent to which young people like school), as well as personal wellbeing (general life satisfaction, negative aspects of wellbeing such as feelings of loneliness or feeling like an outsider).

Twenty-one countries were compared using the dimensions stated above with respect to children's wellbeing and their development prospects. Germany was not a front runner in any of the dimensions of wellbeing compared internationally. Of the 21 countries studied, Germany achieved an overall ranking of 11, placing it squarely in the middle of the pack. The conclusions were largely critical and suggested the need for more independent political effort to be made on children's wellbeing beyond family and educational policy.[24]

Needs-oriented theoretical approaches

Needs-oriented approaches based on fundamental personal needs represent another compatible point of reference. The theory of psychological self-determination put forth by Deci and Ryan[25] deserves particular mention here as it prioritises three basic needs: relatedness, autonomy and competence. These needs are considered innate and universal aspirations of all people and fulfilling these needs is associated with wellbeing and personal growth[26] . We can tie this back in with children's rights: With some reservations, the need for relatedness is addressed under the ninth fundamental right; the need for autonomy in the fifth and sixth fundamental rights; and the need for competence in the fourth fundamental right. However, the need for physical and mental inviolability is more strongly pronounced in the fundamental rights (3, 7 and 8), but is not addressed by Deci and Ryan.

This aspect holds greater significance in sociological needs-based approaches (e.g., social production function [SPF] theory[27]). SPF theory assumes two fundamental basic needs: the need for physical wellbeing and social wellbeing. The needs for physical health and integrity are also addressed in Martha Nussbaum's[28] capability approach in addition to cognitive, emotional and social needs (see below).

In contrast to these approaches, Allardt[29] emphasises the importance of material needs as well, providing a convenient point of reference for social reporting. His concept focuses around three basic needs: the need for appropriate material living conditions ("having"), positive social relationships ("loving") and personal growth ("being"), with the latter reflecting both the need for competence as well as for autonomy as defined by self-determination theory. In light of this, the following aspects of the "good life" are key to the wellbeing of children, young people and adults from a needs-oriented theoretical perspective:

1. securing material needs (economic resource provisions, living conditions);
2. physical health and safety;
3. social integration in positive relationships;
4. autonomy, freedom of expression, voice;
5. competence, conditions for stimulation.

A unique feature of needs-oriented approaches is that they offer greater leeway for the inclusion of the experiences of children and young people and their evaluations of living conditions. Corresponding exploratory surveys indicate that the needs of children do not differ fundamentally from those of adults and that they in fact have many similarities[30] . Nevertheless, some approaches focus more on developmentally typical needs, such as opportunities for participation, which play a greater role during adolescence. For example, Brazelton and Greenspan[31] take a child psychology and paediatric view, highlighting seven needs, including the need for developmentally appropriate experiences and for limits and structure.

The capability approach

The capability approach, which goes back to the work of economist Amartya Sen and presents a multi-dimensional concept for portraying societal and individual prosperity, has been widely accepted[32] . Fundamental to this approach is its focus on freedoms and opportunities for actualisation (capabilities) in leading a life considered worth living. In contrast, opportunities for actualisation that have been gained and have paid off by acquiring skills are termed "functionings" (in the sense of specific possibilities for action). By incorporating contextual opportunities for actualisation as well as those conditional upon the individual, the skills and behaviours available to a person are incorporated into a broad societal framework.

Moral philosopher Martha Nussbaum, who worked closely with Sen, has further developed and substantiated this approach under her own conception. Several studies of childhood are based on this substantiation of the capability approach. Unlike Amartya Sen, who follows an open concept of capabilities, Nussbaum attempts to universally describe relevant core values that are necessary to live a fulfilling life[33] . These basic capabilities include:

1. life;
2. bodily health;
3. bodily integrity;
4. cognitive abilities (senses, imagination, thought);
5. emotions and trust;
6. practical reason, conceptions of what is good;
7. affiliation;
8. environmental connectivity; other species;
9. leisure and play;
10. control over one's environment (autonomy, political influence).

This approach's main merit lies in its focus on the interplay between individual, contextual and institutional framework conditions conducive to acquiring basic competencies. This demanding approach has been borne out in certain areas in particular, for example, in language development[34] . The capability approach was used in the World Vision study by focusing on children's experience of self-efficacy as the key element in the effectiveness of their actions[35] .

Overall, the freedoms and opportunities for participation granted by parents proved to be a key element of what constitutes a "good life" from the child's perspective. The limitations experienced by children in socio-economically disadvantaged families are impressively demonstrated.

Quality of life of children and young people

Approaches to measuring quality of life focus primarily on subjective experiences of living conditions. This approach has been developed significantly, particularly in the area of health research, although it was initially used mainly for adults. There are now a range of relevant instruments available for determining the health-related quality of life of children, even though studies on younger children have to rely on information provided by parents[36] . Respective assessments include aspects such as limitations in motor skills, self-care and social aspects as well as physical wellbeing, pain, etc. One example of a German-language instrument is the KINDL questionnaire, which can be used with both children and parents and is available for three different age groups: young children (4 to 7 years old), children (8 to 12 years old) and adolescents (13 to 16 years old)[37]. The questionnaire measures six dimensions of quality of life (body, mind, self-esteem, family, friends and functional aspects) using 24 items that represent generic aspects of quality of life as well as specifically health-related aspects.

The KIDSCREEN instrument was used for the German Health Interview and Examination Survey for Children and Adolescents (KiGGS). The instrument allowed for a differentiated measure of quality of life across multiple dimensions as well as the calculation of an overall index value. KIDSCREEN was developed in parallel in more than 15 countries as part of an EU-funded project to provide an instrument that could be compared cross-culturally and independently of specific diseases to measure the quality of life of children and young people. KIDSCREEN was also used in the Health Behavior in School Age Children (HBSC) study. The abbreviated version of the KIDSCREEN 10 index presents a global quality of life score, which includes details on physical and mental wellbeing, on relationships with parents and friends and wellbeing at school. According to the findings of the KiGGS survey, children and young people predominantly reported either good or very good health-related quality of life. Where children suffer from physical illnesses or mental health problems, however, quality of life is significantly impaired. Girls are at a disadvantage during adolescence. Controlling for health-related influences, no further discrete effects of social class were associated with lower quality of life.

A broader view of the quality of life of children is provided by the Children's World Study (ISCWeB, second wave, 2013), a new international study which focuses on the perspective of children when looking at the lives of eight-year-old children in 16 countries[38] . Germany was among those countries to participate. Childhood wellbeing was measured in several different areas, including: school, neighbourhood, friends and other people, money and possessions, home and people you live with, how children spend their time, individual characteristics and life in general. Eight-year-olds gave relatively high endorsements for their general satisfaction with life. The findings of the comparative study across different countries recorded a difficult to interpret picture of consistently very positive values for children in Romania and Spain, whilst children in Nepal and Ethiopia responded with universally bad ratings. Children in Germany only had above average ratings for their free time, whilst their school experiences (except for relationships with teachers) fell below the average. Ratings of neighbourhoods and people in children's neighbourhoods were relatively poor. Germany was ranked 12th overall. The extent to which methodological issues played a role, in particular children's different response tendencies, is discussed by the study's authors.

Developmental psychology approaches

Approaches based on developmental psychology primarily seek to broadly measure characteristics of positive development, which are in turn analysed as to how they are influenced by various contextual factors and how they predict later development. For example, the US-based Early Childhood Longitudinal Study (ECLS) measured children's development of skills and abilities to examine their effects on later (school) life. And Canada's Atlas of Child Development[39], which also focuses on early childhood, compares children's stage of development in various contextual conditions, based on Bronfenbrenner's ecological model of development. The measuring instrument used in this study, the Early Development Index, describes five dimensions: physical health and wellbeing, social competence, emotional maturity, language and cognitive development, and communication skills and general knowledge. Repeated surveys conducted in three-year intervals allow for the investigation of how changes in contextual factors (e.g., child care facilities, family services, etc.) influence changes in a child's stage of development. The German version features many similarities to the Atlas of Child Development. The "KOMPIK" instrument was designed for children aged three-and-a-half to six and primarily records indicators of children's stage of development[40] . It is also used for documenting developmental progress.

Using data collected by the Socio-Economic Panel and the supplementary study on families in Germany, Schölmerich and his colleagues[41] have developed an index for the development of children up to ten years old. Their index relies on the concept of positive development, which was originally developed for adolescents. The "5 Cs" of positive development are (1) cognitive, academic and social skills ("competence"); (2) self-control, morality and spirituality ("character"); (3) self-esteem and identity ("confidence"); (4) bonds and relationships with friends and institutions like schools and clubs ("connection"); and (5) empathy and prosocial behaviour ("caring"). Six aspects were measured for the age group studied here: language skills, everyday life skills, social skills, motor skills, confidence (e.g., the child is sociable, happy), caring (e.g., the child is helpful, shows compassion) as well as the child's health as an additional element. The approach was characterised primarily by the careful review of the measurement model and its comparability across different age groups.

The empirical analyses built upon this were then able to highlight the expected relationships between children's wellbeing and their family structure and their family's economic situation. Furthermore, they pointed to the protective role of care outside the family in buffering against adverse effects of economic stress. Dyadic and didactic activities with a child's mother (arts and crafts, reading the child stories, painting) also fulfilled this protective role.

Conclusion

There is now broad consensus that independent reporting on the wellbeing of children and young people represents a key tool for identifying needs and reviewing the success of policy measures. To fulfil this purpose, reporting must be designed for long-term study, and must include repeated surveys to study social change over time. Furthermore, it needs to be complemented by longitudinal surveys conducted with the same children and young people across time to be able to describe individual development and determine the impact of contextual factors at the individual level. These kinds of studies are complicated and expensive because they must be designed to be representative, paying attention to which children are not included or are not included to a sufficient extent. Systematic exclusions, for example, of children of immigrant families without adequate language skills or children with disabilities, run the risk of distorting the findings[42] .

As this essay has shown, studies on children's views on the "good life" are based on a wide variety of different concepts of wellbeing and only record comparable information to a limited extent. Even international indicators vary[43]. Only five aspects were universally taken into account across six different indices on the wellbeing of children[44] : material situation, health, education, relationships with peers and family and subjective wellbeing. In contrast, aspects such as active citizenship, risks and lifestyles, home and neighbourhood and family processes were only measured sporadically.

Nevertheless, a few common pillars can be identified. For example, it has proved useful to consider the different contexts in which children and young people grow up. The family is accorded central importance here. As initially indicated, families have changed in many ways and thus deserve particular attention as the younger generation's context of development. In many cases, the available surveys are unlikely to be able to adequately describe the complexity of families following separations and parents engaging in new partnerships, nor are they likely to sufficiently reflect children's family histories. In this regard, studies such as the German Family Panel (pairfam)[45] and the survey "Growing up in Germany: everyday life" (AID:A) are particularly important as they intensively track the progression of familial transitions over time and the resulting and sometimes highly complex constellation of siblings[46] . However, no less key is the quality of family relationships, which has consistently proved a major factor in children's wellbeing. Both a family's emotional climate and opportunities for children to participate in decision-making are addressed here, as well as stimulating experiences parents provide for their children within the domestic context and outside the family in order to support children in developing skills.

Equally important are the experiences of children and young people in the institutional contexts of child care and school, as are their experiences with their peers. In both contexts, issues of social integration and opportunities for participation play a central role. Furthermore, issues of acquiring skills and gaining self-confidence in one's own abilities are of paramount importance in the school context. It will be up to future studies to examine how the current changes in our educational system contribute to this, whether it is necessary to readjust the quality of all-day facilities and whether extended education and child care guarantee the necessary periods of rest and recreation by providing time for play and creativity. Equally relevant is the question whether young people will still be able to play a part in their local communities and make important contributions through voluntary engagement when faced with extended demands on their time in educational institutions.

Measuring the wellbeing of children and young people from their own perspective is a desire held by child-related social reporting that has oft been attempted but has yet to be adequately carried out[47] . Younger children in particular rarely have their say. Suitable approaches must be developed that facilitate the incorporation of children's experiences in addition to the perspectives of their parents and of experts. Furthermore, the issue of substantive gaps is still at play. Data on child protection was not available in enough countries to reflect this dimension in international studies[48] . In addition to official records of risk assessments, a recent study of the German Youth Institute on the prevalence of risk factors and support provided to families with young children has only just now begun to identify risk factors for the maltreatment and neglect of young children on a broad scale[49] . Given the great importance attributed to these factors in the Rights of the Child and their strong influence on children's development opportunities, this aspect should be the subject of regular reporting.

As part of the Global Summit on Childhood, Finnish developmental psychologist Lea Pulkkinen developed ten pillars of a good childhood based on her many years of research[50] . In many respects, these pillars tie in nicely with what previous approaches have regarded as key, although in other respects they even go beyond previous approaches:

1. safe places to live and study, access to health care, adequate clothing and healthy food;
2. strong families and consistent, loving care;
3. social interaction and friendships;
4. creative play and physical activity;
5. appreciation of and a sense of responsibility towards nature;
6. creative expression through music, dance, drama and other art forms;
7. education that enables the child to unleash their full potential – cognitively, physically, socially, emotionally and ethically;
8. supportive, caring, encouraging, child-friendly communities;
9. growing independence and opportunities to make decisions;
10. participation by children and young people in the community.

It remains to be discussed between the scientific community and politicians responsible for these matters whether these points provide a suitable conceptual framework for comprehensive reporting on the wellbeing of children and young people, whether linking more closely to the Rights of the Child would present a more appropriate framework or whether other "anchors" should be set. An integrated European reporting system on the wellbeing of children and young people is highly desirable as a common point of reference for European policy on children and young people. Although much progress has been made in this area through the use of comparative international survey data, an independent and thematically broadly designed survey on children and young people is still lacking. Given the high value placed on the welfare of children and young people for the future of each country, viable information for policy and practice is absolutely essential.

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1 Bradshaw & Richardson, 2009; Richardson & Ali, 2014; Schölmerich et al., 2014.

2 Alt, 2007.

3 Andresen, Hurrelmann & TNS Infratest Sozialforschung, 2013.

4 Shell Deutschland Holding, 2015.

5 Rauschenbach & Bien, 2012; Walper, Bien & Rauschenbach, 2015.

6 Schupp, 2009.

7 Schölmerich et al., 2014.

8 Hölling et al., 2012; Ravens-Sieberer, Ellert & Erhart, 2007.

9 Blossfeld, Roßbach & von Maurice, 2011.

10 Peuckert, 2012; Vaskovics, 2011; Walper, Langmeyer & Wendt, 2015.

11 German Federal Ministry of Family Affairs, Senior Citizens, Women and Youth & German Federal Ministry of Justice, 2003, Section 1631 Para. 2 Sentence 1 of the German Civil Code (*Bürgerliches Gesetzbuch* [BGB]) as amended.

12 Lux & Walper, 2016.

13 Autorengruppe Bildungsberichterstattung, 2014.

14 German PISA-Konsortium, 2001.

15 Henry-Huthmacher, Borchard, Merkle & Wippermann, 2008.

16 International Monetary Fund, 2009.

17 German Bundestag, 2013, p. 93 et seq.

18 Walper, 2008.

19 See also Schölmerich, Agache, Leyendecker, Ott & Werding, 2014.

20 Z.B. Bertram, 2008; Bradshaw, Hoelscher & Richardson, 2006.

21 Cf. http://www.unicef.lu/Grundrechte, last accessed 04/05/2016.

22 Adamson, Bradshaw, Hoelscher & Richardson, 2007.

23 Bertram, 2008.

[24] Bertram, 2008, S. 41.

[25] Deci und Ryan, 2000.

[26] Ryan und Deci 2008.

[27] Ormel, Lindenberg, Steverink & Verbrugge, 1999.

[28] Nussbaum, 2000.

[29] Allardt, 1993.

[30] Andresen & Albus, 2010.

[31] Brazelton & Greenspan, 2002.

[32] Albus, Andresen, Fegter & Richter, 2009; Leßmann, 2006; Ziegler, 2010.

[33] Nussbaum, 2000.

[34] Z.B. Diehm & Magyaf-Haas, 2010.

[35] Andresen, Fegter & Hurrelmann, 2013, S. 31 f.

[36] Ravens-Sieberer, 2000.

[37] Ravens-Sieberer & Bullinger, 1998.

[38] Rees, Andresen & Bradshaw, 2016.

[39] Kershaw, Irwin, Trafford & Hertzman, 2005.

[40] Mayr, Krause & Bauer, 2011.

[41] Schölmerich et al., 2014.

[42] Richardson & Ali, 2014.

[43] Cf. Schölmerich, Agache, Leyendecker, Ott & Werding, 2013.

[44] The Child and Youth Well-Being Index in the US; FCD Land Index, Index of Child Well-Being in the EU; Index of Child Well-Being in Europe; UNICEF-Index; A Microdata Child Well-Being Index.

[45] Huinink et al., 2011; see also www.pairfam.de, last accessed 04/05/2016.

[46] Entleitner-Phleps & Walper, 2016.

[47] Crivello, Camfield & Woodhead, 2009.

[48] Richardson & Ali, 2014.

[49] http://www.dji.de/?id=41159, last accessed 04/05/2016.

[50] Pulkkinen, 2013.

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The Possibilities and Limitations of Measuring Prosperity and Wellbeing in Official Statistics

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Preliminary remarks

Policy-attendant indicator systems for measuring prosperity and wellbeing in the official statistics are gaining in importance. The Federal Statistical Office is Germany's leading provider of official statistical information, making it available to the decision-making processes that make up a democratic society and market economy.[1] The first section of this essay will outline the data services that are available from the German federal statistical authorities for measuring prosperity and wellbeing. The requirements for statistical indicators and indicator sets as well as the process of defining them are discussed in greater detail as well. The second section takes a closer look at the possibilities and limitations of measurability. Finally, the third section will provide an outlook on this process.

1. Official statistical data services on prosperity and wellbeing

The official statistical authorities are principally tasked with providing reliable and up-to-date statistical data on all socially, economically and environmentally relevant issues of general interest[2]. This kind of data is primarily used for planning purposes and in decision-making processes, particularly in the political sphere, but also in business, science and society as well.

Even though prosperity, wellbeing and "a good life" are among the fundamentals of the human experience and were the topics of focus for Greek philosophers, Plato in particular[3], it is not yet possible to directly measure these rather complex phenomena. To do this would require extensive and sufficiently differentiating concepts, models or generally accepted scientific theories.

The sheer range of concepts associated with welfare and wellbeing explain the spectrum, complexity and facets of possible interpretations. Among other things, politics and the sciences focus on prosperity, wellbeing, progress and life satisfaction, all at least just parts of the whole that make up welfare and wellbeing. There are also legal provisions that impact at least parts of this, for example the "establishment of equivalent living conditions" in the Basic Law of Germany or the promotion of "social and territorial cohesion" within the European Union[4].

Most would agree that prosperity is inherent in purely economic components as Adam Smith[5] pointed out in *The Wealth of Nations* in the mid-18th century. Wellbeing, however, is likely influenced to a greater extent by basic human needs as Abraham Maslow[6] outlined in his hierarchical order, for example. Basic needs range from food and shelter to social contact to self-actualisation and self-esteem. These different approaches are an example of the broad spectrum of prosperity and wellbeing, whose basic elements likely still apply today. Implicitly at least, a number of newer approaches at the regional, national, European and international level build upon this basis[7].

Indicators in official statistics

Looking first at the individual facets of prosperity and wellbeing, the German Federal Statistical Office provides a wealth of high-quality statistical data, some of which is available in a detailed breakdown for different issues or regions and are to a large extent comparable on a European and international level. Statistical data on the economic situation and economic development are traditionally used to allow us to detect economic crises as early as possible[8] and to mitigate or even prevent things that endanger life as we know it where possible. However, statistical data on certain environmental issues can also be incorporated when assessing wellbeing, e.g., air or water quality.

Expanding our observations of prosperity and wellbeing to include future generations, as is the case of political strategies for comprehensively sustainable development, i.e. policies that take into account the totality of all social, economic and environmental aspects, statistical information is also important for the consumption of natural resources and climate protection. In addition, there is a wealth of statistical information on societal conditions, including material living conditions such as income, employment and housing as well as non-material determinants (e.g., education and health) of individual wellbeing. Not only is there information on people, but also on the different ways people live together, especially in households.

Numerous statistical data are also provided on selected areas, such as equality between men and women or the integration of people from immigrant backgrounds. The official statistical authorities are also increasingly focusing on the issues involved with determining subjective wellbeing, i.e. personal assessments or experiences that are associated with a minimum level of prosperity and wellbeing. These data are available for specific areas such as health, certain consumer goods or food products and time spent on certain activities[9].

The public sector is increasingly being seen as a further determinant of wellbeing. This not only involves freedom and peace, the rule of law and legal certainty or efficacy; it also involves opportunities to participation and have a say in democratic decision-making processes.

There are a number of different policy-attendant indicator systems for which the Federal Statistical Office provides statistical data, some of which for a long time, and where it was even involved in establishing them[10]. This includes both comprehensive (such as the German National Sustainable Development Strategy) and issue-specific (e.g., education, health, integration) indicator systems[11].

Figure 1: Wellbeing and prosperity in terms of the conflict between the economy, the environment and the regulatory framework

Source: author's own research

Purposes and development of statistical indicators

Indicators are needed to analyse prosperity and wellbeing in the official statistics. There is a growing demand for increasingly reliable data from the official statistics particularly in close conjunction with policy strategies. Modern, open administrative and governmental action ("open government") is becoming increasingly significant. This kind of action falls under the scope of various legal acts at the national, European and international levels[12]. Statistical indicators make policy strategies and measures more transparent and verifiable. They also provide a basis for political planning and decision-making over time, and offer an overview of the efficiency and efficacy of measures that have already been introduced[13]. Appropriate statistical data are ultimately needed for increased participation in political decision-making processes by citizens – another objective of open government.

There is a general understanding of various aspects of welfare and wellbeing, but in order to measure them, it is necessary to specify what should actually be measured by statistical indicators in specific cases – i.e. for a specific group of people to be examined, for a specific period of time and for a specific geographical area.

Because statistical offices provide official data to a wide-ranging and heterogeneous group of users as well as for different purposes, these potential users of statistical indicators should be the ones to specify what information is needed for what purpose. For welfare and wellbeing this means that users specify what in particular they believe makes up welfare and/or wellbeing and what aims (e.g., analysing the situation as it stands, reviewing the effectiveness of policy measures) they are pursuing. The method in which the relevant aspects of prosperity and wellbeing were determined, whether these are based on scientific findings, political negotiations or national dialogues, as was the case with the German government's "Living well" strategy, are not important here.[14]

In practice, official statistics are often incorporated at an early stage in various political processes, especially in extensive and complex policy strategies with multiple, and sometimes conflicting, spheres of action. It is precisely here that official statistics can play an advisory role due to its scientific independent, objective and neutral role. Specialist substantive and methodological knowledge and experience means official statistics can narrow the focus for the real issues that can and should actually be measured using indicators.

Because indicators are only a proxy for real phenomena, those being considered must be as appropriate as possible.

Requirements of indicators

There are various approaches in the literature with criteria or practical considerations that more or less systematically describe the requirements for statistical indicators. The following requirements were recently set out by the UN Friends of the Chair Group (FOC) on broader measures of progress as part of the discussion on restructuring the United Nations' global Sustainable Development Goals (SDG) using the acronym "SMART"[15] : Indicators should be

- Specific;
- Measurable;
- Available/achievable in a cost effective way;
- Relevant;
- Timely[16,17]

When selecting a specific indicator for what is generally a pre-determined purpose, this means that it must (1) be sufficiently precise; (2) be measurable in some form or other; (3) already be available or can be generated cost-effectively; (4) be useful and expedient; and (5) be provided in a timely manner.

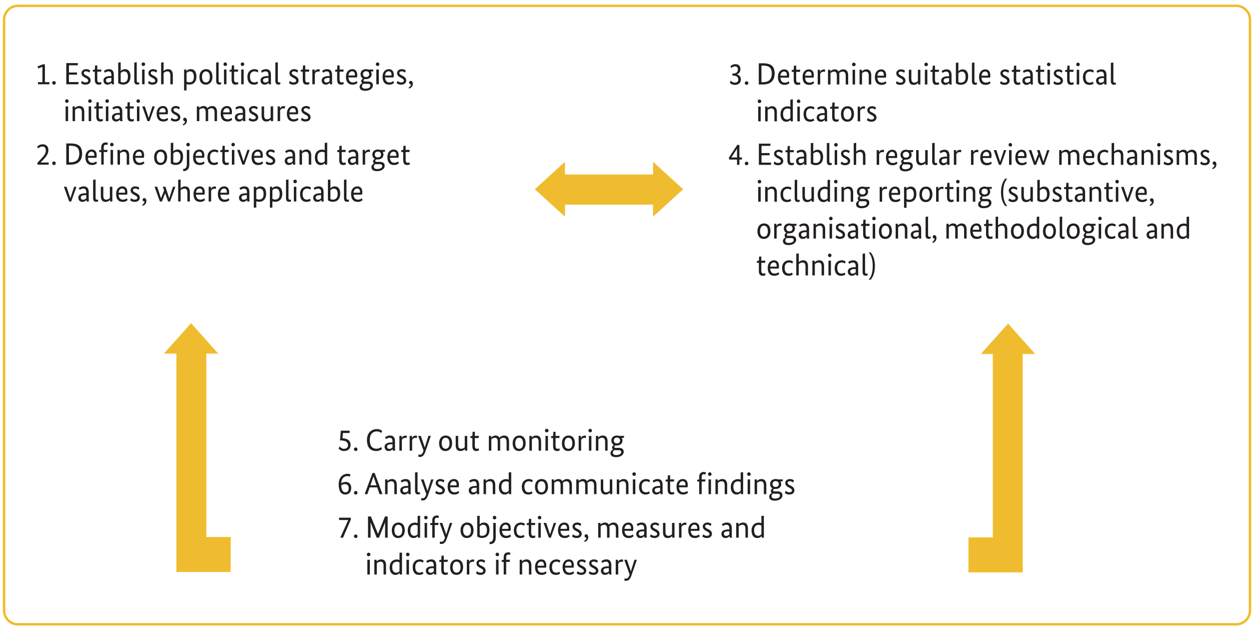
The decision as to whether a certain indicator is well-suited to a specific purpose is therefore based on practical considerations. This should also always be kept in mind when an indicator is being interpreted within the framework of this purpose and even more so should it be used as a basis for decision-making.

As the report by the United Nations Development Programme (UNDP) on Goal 16 of the SDGs[18] put it, an indicator must be as simple, relevant and appropriate as possible in terms of the phenomenon on which it focuses and its communicability in policy and society.

Process for defining policy-attendant indicators in practice

In practice, developing the objectives of a statistical measurement and analysis of welfare and wellbeing is carried out as a kind of feedback control system (see Figure 2). Once a detailed discussion has been carried out on the object being investigated and closely involving possible parameters, an appropriate indicator set is defined for the intended purposes. The details of periodic reporting should also be defined in advance in order to be able to identify progress. This also includes regularly reviewing the indicators in terms of their relevance and suitability, both substantively and over time, and making changes where necessary if indicators are no longer considered appropriate. However, these measures should be carried out on the basis of careful and well-founded considerations, particularly in terms of specific issues and methodologies.

Figure 2: Process for defining statistical indicators for political monitoring



Source: author's own research

2. Possibilities and limitations of statistical indicators

As mentioned at the beginning of this essay, because welfare and wellbeing generally involve such complex phenomena, an indicator set comprising multiple indicators with various dimensions is usually required for the individual facets deemed relevant. The following aspects must be taken into account, particularly in light of the objectives being sought at the political level.

Indicator type

The data provided by official statistics primarily includes objective data, meaning data that can be counted, weighed, measured or calculated. Their results are replicable and can be reviewed intersubjectively. Nevertheless, subjective data is increasingly making its way into the official statistics. These data are particularly useful if certain attitudes and experiences are crucial for assessing prosperity and wellbeing. There are two possibilities here: either the facets of interest can only be measured subjectively or they can be incorporated into the assessment of objective circumstances, such as determining the importance of recreational areas in cities or general life satisfaction more broadly. The primary issue lies in making the facts to be observed operational: What exactly should be measured and how can this be done? If recognised scientific theories and/or models exist, these can be taken as the basis for these measurements. A recognised methodology is necessary to enable the greatest possible degree of comparability of these data, both regionally and over time. One example here is the OECD's approach to subjective wellbeing to measure satisfaction[19].

Number of indicators

There is broad consensus in the political sphere, the field of official statistics and the scientific community that only the number of indicators absolutely necessary for specific policy-attendant monitoring should be used. The aim is a meaningful set of indicators, the number of which is limited to the greatest possible extent. Various correlations may exist between the real circumstances being observed that may mutually benefit each other. They may also have a conflicting relationship, which would mean that improvements in one goal could come at the expense of another. The best case scenario is for these correlations to be neutral. Indicators must also be communicable, in particular such that the underlying concepts and calculation methods

- are as simple as possible;
- are easily understandable and can be clearly documented;
- provide stable and reliable results in terms of actual developments.

Composite indicators are often used in the literature and in practice for extensive and complex indicator sets for measuring welfare and wellbeing. This involves grouping different indicators thematically where possible. They are often weighted according to their actual or perceived importance[20]. Standardisation and normalisation are also needed in cases involving different dimensions (e.g., life expectancy in years, income in euros). Even if these approaches can be used to potentially make an indicator set easier to communicate, it is nevertheless still difficult to establish transparency and focus attention on the developments that are actually significant. When designing composite indicators, even greater attention should be paid to the indicators selected and how they interact with one another.

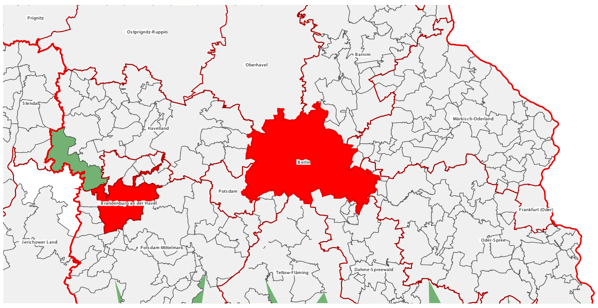
Spatial granularity

The official statistical authorities are traditionally responsible for providing data on a national level in particular for various different purposes.[21] International agencies, research institutions and various sub-national bodies (including local communities themselves) are facing increasing demand for relatively small-scale statistical data to allow for developments to be analysed in greater detail at each of these levels. Interoperable geographic informational systems (GIS) have been developed specially for the political sphere. One of the primary aims of GIS is to provide all relevant information (including small-area data) from within the member states in order to assist in the formulation of European environmental policy. In Germany this is primarily undertaken through German Spatial Data Infrastructure (*Geodateninfrastruktur Deutschland* [GDI-DE]) using the Geoportal Deutschland. A publication platform was created in close cooperation with the various administrative levels in Germany – federal, state and local – and includes a wealth of information from different areas of public administration. A corresponding tool was also developed for Germany using GOVData as part of the implementation of the OECD Open Data Charta.[22]

In addition, in its publication, entitled "How's life in your region?", the OECD described the role individual regions in a country play in fostering growth and prosperity: The developments in these different smaller regions, including all their advantages and disadvantages, are an important determinant of wellbeing for the people living and working in these areas. [23] The approach the OECD took in "How's life in your region?" was used as a frame of reference for the most important aspects of welfare and wellbeing for a selection of major German cities using the federal statistical data.[24] This was based on settlement conditions, measured here using population density, i.e. the number of people per square kilometre. This is presented in Figure 3a for administrative territorial units and in Figure 3b on a grid basis (with a grid size of 1 km x 1 km), i.e. in much greater detail. Figure 3b is taken from the census atlas.

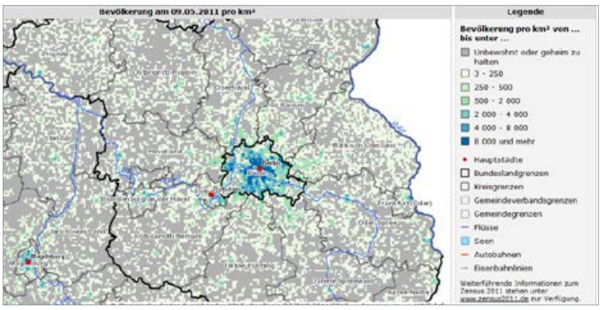
This small-scale nationwide statistical programme already holds a wealth of information that can be compared across Germany, mainly for administrative territorial units, independent cities and administrative districts.[25] Significant improvements have been made in recent years following an amendment to the German Law on Statistics for Federal Purposes to allow the federal statistics to use grid data.[26] General and freely accessible interactive data is already available on a grid basis for the two major censuses, the 2010 Agricultural Census and the 2011 Population Census.[27] Grid data offers a number of different advantages. For one, they are not affected by territorial changes, something that occurs frequently in Germany, especially at the municipal level. As regards the geographic grid applied, such legal provisions are also contained in state and federal laws governing access to geographical data and the implementation of the European INSPIRE directive. This means that comparisons will be possible at a European level in addition to the national level. Furthermore, grid data forms the basis for new analyses, especially as regards how the populace is being supplied with certain goods and services.[28] Given the fact that the federal statistics are increasingly using administrative data, i.e. data from other administrative institutions, for federal purposes and that this data register must also be geographically referenced under certain statutory provisions[29] , an expansion of the small-scale data services provided by the Federal Statistical Office is possible, at least in the medium term.

Figure 3a: Degree of urbanisation (DegUrba) in Berlin and Brandenburg 2011



Source: Schnorr-Bäcker, S.; Bömermann, H., reference as above p. 117.

Figure 3b: Population density in Berlin and Brandenburg 2011



Source: https://atlas.zensus2011.de.

Indicators for recent developments

The Federal Statistical Office has a wide range of statistical data and indicators, some of which with a detailed breakdown by specific issue and region, and regularly updates these to allow for recent developments. The political need for indicators, especially in terms of the global SDGs, nevertheless demonstrates that even the federal statistics has areas that need to be updated.

Investigations into the potential of new data sources, often referred to as "Big Data", are particularly relevant to official statistics worldwide. Big Data primarily involves using modern information and communication technology to produce data sources, methods and tools for official statistical purposes. Big Data holds a wealth of digital information from different sources. The information ranges from information that is freely accessible online and the use of information in words, images and speech to logging electronically controlled processes, particularly in the transport sector. Its potential lies in particular in the fact that

- it can close major gaps in official statistical programmes;
- existing statistical programmes can be supplemented and complemented with newer developments;
- alternative solutions can be found for conventional procedures to reduce the strain on the respondents (e.g., in the case of primary data collection) and improve the quality of statistical data (e.g., to achieve greater precision or more detailed spatial resolution or to provide data more quickly).

Pilot studies on the initial applications have already been published by several national statistical offices in the European Union. [30] Given the variety of different data sources, there are now numerous starting points for new statistical indicators for measuring welfare and wellbeing. This means that digitised information is now available practically in real time consisting of complex datasets. A plethora of new analytical options are conceivable in the medium and long term, including for official statistics, and could be prepared relatively quickly as indicated by the initial experiences seen in some of the Member States of the European Union as well as at the United Nations level.[31]

3. Outlook

Policy-attendant statistical indicator systems for welfare and wellbeing are facing increasing demand. Particularly well suited as a supplement to traditional and long-established indicators to measure growth and employment at a macroeconomic level as part of a "GDP and beyond" approach, the focus now tends to be on differentiated analyses and the microeconomic level. Largely due to their neutral role and broad-based information on an extensive range of highly structured, high-quality data, official statistics are increasingly being incorporated at an early stage into political discussions on determining appropriate strategies and the statistical indicators that can be derived from these strategies. Tasked with providing reliable statistical data of general significance to society, the economy, policy and the environment on the current situation as well as developments over time, national statistical bodies must also work to close existing gaps in their statistical programmes using the latest developments and must do so promptly, efficiently and effectively and in a way that saves energy and resources. The possibilities currently offered by modern information and communication technologies and tools represent a major challenge to official statistical authorities at the national, European and international level alike. The first steps in analysing the potential of new data sources or "Big Data" for official statistical purposes have already been taken on the European level. The German Federal Statistical Office has been involved in this process. Once fundamental issues are overcome, particularly issues of data access, options for performing analyses are tested and quality can be assured in the long-term, the use of this kind of data will likely enrich efforts to quickly and reliably provide even small-scale data and indicators using official statistics.

[1] This information is based on unbiased, objective and independent scientific individual data points that are treated with confidentiality; see also the German Federal Statistical Office: About us, https://www.destatis.de/EN/AboutUs/AboutUs.html, last accessed 21/04/2016.

[2] These and other globally applicable principles of official statistics are set out in the Fundamental Principles of National Official Statistics: United Nations Statistic Division: http://unstats.un.org/unsd/dnss/gp/fundprinciples.aspx, last accessed 21/04/2016. This is further regulated in Germany, specifically by the German Law on Statistics for Federal Purposes (*Gesetz über die Statistik für Bundeszwecke/Bundesstatistikgesetz* [BStatG]) of 22 January 1987 (Federal Law Gazette [BGBl.] I, pp. 462, 565), Section 1, last amended by Article 13 of the same law dated 25 July 2013 (BGBl. I, p. 2749); see also the German Federal Statistical Office: German Law on Statistics for Federal Purposes, https://www.destatis.de/DE/Methoden/Rechtsgrundlagen/Statistikbereiche/Inhalte/010_BStatG.pdf?__blob=publicationFile (German only), last accessed 21/04/2016. For details, see also the German Federal Statistical Office (2015), p. 11 et seq.

[3] See Streeck (2012).

[4] See Basic Law of the Federal Republic of Germany of 23/05/1949 (Federal Law Gazette I, p. 1), last amended by the Law of 23/12/2014 (Federal Law Gazette I, p. 2438), Article 72. For the European Union, see the Consolidated Versions of the Treaty on European Union and the Treaty on the Functioning of the European Union, Official Journal of the European Union 2010/C 83/01, here the Treaty on the Functioning of the European Union, Part 1, Title II, Article 14.

[5] See Smith (2012), p. 1 et seq.

[6] See Maslow (1981).

[7] Particularly noteworthy are the Sustainable Development Goals of the United Nations: https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals, last accessed 21/04/2016. See also the OECD Better Life Index, see OECD (2011).

[8] Cf. e.g., Heilemann and Schnorr-Bäcker (2016).

[9] The German Federal Statistical Office provides an overview of its publications regarding the German survey under the European Union Statistics on Income and Living Conditions (EU-SILC) project conducted across Europe: Leben in Europa, https://www.destatis.de/EN/FactsFigures/SocietyState/IncomeConsumptionLivingConditions/Methods/EUSILC.html, last accessed 21/04/2016. For the findings of surveys on time use, see also the German Federal Statistical Office: https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/EinkommenKonsumLebensbedingungen/Methoden/Zeitverwendungserhebung.html (German only), last accessed 21/04/2016.

[10] For an overview of key indicator systems using German federal statistics, cf.: UN Friends of the Chair (FOC) on broader measures of Progress (2013).

[11] The study conducted by Schnorr-Bäcker and Heilemann (2011) provides an overview of a number of different indicator systems.

[12] For details, cf. also the German Federal Ministry of the Interior: Moderne Verwaltung und Öffentlicher Dienst (German only), http://www.bmi.bund.de/DE/Themen/Moderne-Verwaltung/Open-Government/open-government_node.html, last accessed 21/04/2016.

[13] Since 2006, the German Federal Statistical Office has published an indicator report for the overall German National Sustainable Development Strategy (2002) every two years; cf. the German Federal Statistical Office: Sustainable development indicators, https://www.destatis.de/EN/FactsFigures/Indicators/SustainableDevelopmentIndicators/SustainableDevelopmentIndicators.html, last accessed 21/04/2016.

[14] As part of the restructuring of the global Sustainable Development Strategy, this was done by the Open Working Group closely tied to a high level report: United Nations (2013). The OECD's approach to How's Life? is largely based on a report by a commission appointed by then-French President Nicolas Sarkozy; cf. Stiglitz et al. (2009).

[15] See United Nations, Economic and Social Council (2015).

[16] The exact wording is "available in a timely manner"; see ibid, pp. 8/23.

[17] For detailed lists of requirements for statistical indicators with similar key criteria, cf. those listed by Holland et al. (2009).

[18] CF. the German Federal Ministry for Economic Cooperation and Development and the United Nations Development Programme (2015), p. 24 et seq.

[19] See OECD (2013).

[20] Each composite indicator is generally weighted, with the simplest case using equal weighting.

[21] Cf. the Statistical Offices of the Federation and the Länder (2005).

[22] Cf. the German Federal Agency for Cartography and Geodesy: Geoportal, http://www.geoportal.de/DE/Geoportal/geoportal.html?lang=de, last accessed 21/04/2016.

See also the Hamburg Tax Office: *Das Datenportal für Deutschland*, https://www.govdata.de/, last accessed 21/04/2016.

[23] See OECD: How's life in your region?, http://www.oecd.org/regional/how-is-life-in-your-region.htm; similar to the SDGs, especially Goal 11: "Make cities and human settlements inclusive, safe, resilient and sustainable", see United Nations: Sustainable Development Goals, https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals, last accessed 21/04/2016.

[24] Cf. Schnorr-Bäcker and Bömermann (2013).

[25] Cf. the joint publications by the Statistical Offices of the Federation and the Länder: German Federal Statistical Office: Regionaldaten im Überblick (German only), https://www.destatis.de/DE/ZahlenFakten/LaenderRegionen/Regionales/Regionaldaten.html, last accessed 21/04/2016.

[26] The German Law on Statistics for Federal Purposes was amended in 2013 to allow grids measuring 100 m x 100 m to be used for federal statistical purposes. For specific provisions, cf. Section 10 and 13 BStatG, reference as above.

[27] For the census atlas, cf.: Statistical Offices of the Federation and the Länder: Zensus 2011, https://atlas.zensus2011.de/, last accessed 21/04/2016. For the agricultural statistics atlas, cf.: Statistical Offices of the Federation and the Länder: http://www.atlas-agrarstatistik.nrw.de/, last accessed 21/04/2016.

[28] See also the article by Neutze (2015), p. 64 et seq.

[29] Cf. the provisions of Section 14 of the E-Government Act in support of electronic administration as well as the amendments to other provisions dated 25 July 2013, Federal Law Gazette 2013, Part I, No. 43, published in Bonn on 31 July 2013.

[30] For an overview of official statistical work worldwide: United Nations Economic Commission for Europe: Big Data in Official Statistics, http://www1.unece.org/stat/platform/display/bigdata/Big+Data+in+Official+Statistics, last accessed 21/04/2016.

[31] An overview of the current status of this work provided in the essay by Schnorr-Bäcker (2016), p. 2 et seq.

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Biographies

Dr Stefan Bergheim

Stefan Bergheim is the founder and Honorary Director of the not-for-profit think tank “Center for Societal Progress”. The network has been working since 2009 on new ways and methods that can help improve people’s wellbeing in Germany.

Stefan Bergheim worked in the banking sector from 1995 to 2008. The economist worked for several years as a business cycle analyst before moving to Deutsche Bank Research, where he works on issues such as demographics, education and life satisfaction. It was there that he published his first study in 2006, *BIP allein macht nicht glücklich* (“GDP alone does not create happiness”). As head of the “Prosperity, Quality of Life and Progress” working group, Bergheim was one of the key experts working on the Chancellor’s “Dialogue on Germany’s Future” in 2011 and 2012. He is also a lecturer at the University of St. Gallen.

Dr Heinz-Herbert Noll

Since retiring in 2014, sociologist Heinz-Herbert Noll has been working as a freelance researcher and scientific consultant. He was most recently involved in the “e-frame – European Framework for Measuring Progress” project. As part of a European network of experts, Noll is committed to the measurement of wellbeing being more strongly included in analyses of the economy and society.

He worked as a project manager for the German Welfare Survey from 1978 to 1998, which developed six representative surveys specifically designed to measure individual welfare and wellbeing. He became Head of the Department for Social Indicators at the Centre for Survey Research and Methodology (ZUMA) in 1987 and Head of the Centre for Social Indicator Research at GESIS – Leibniz Institute for the Social Sciences in Mannheim in 2008.

Prof Dr Christoph M. Schmidt

Christoph M. Schmidt has served as Chairman of the German Council of Economic Experts since March 2013, a council on which he has been a member since March 2009. He became president of the RWI – Leibniz Institute for Economic Research in Essen in 2002 and is a professor of economic policy and applied econometrics at Ruhr-Universität Bochum.

His research focuses on topics of applied econometrics, most notably in the field of macroeconomics and energy, health and labour economics. Christoph M. Schmidt served as an expert on the Chancellor's "Dialogue on Germany's Future" in 2011 and 2012, and was a member of the German Bundestag's Enquete Commission on *"Wachstum, Wohlstand, Lebensqualität – Wege zu nachhaltigem Wirtschaften und gesellschaftlichem Fortschritt in der Sozialen Marktwirtschaft"* ("Growth, Prosperity and Quality of Life: Paths to Sustainable Economic Activity and Societal Advancement in the Social Market Economy") between 2011 and 2013.

Dr Susanne Schnorr-Bäcker

Susanne Schnorr-Bäcker is head of the "Co-ordination, Regional Statistics, Indicators" unit at Germany's Federal Statistical Office. The legal scholar and economist's previous work focused on statistical monitoring systems, i.e. indicator-based monitoring.

Schnorr-Bäcker is currently working on developing indicator systems for various European programmes and programmes run by global institutions. Suitable indicator sets were required for the European Union's Europe 2020 growth strategy, the OECD Better Life Index and the United Nation's Post-2015 Development Agenda to make various immeasurable data measurable.

Prof Dr Gert G. Wagner

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Prof Dr Sabine Walper

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List of abbreviations

ABS	Australian Bureau of Statistics
AID:A	Growing up in Germany: day-to-day living *(Aufwachsen in Deutschland: Alltagswelten)*
CAE	Conseil d'Analyse Économique
CAPI	Computer assisted personal interviews
CAWI	Computer-assisted web interviewing
CDU	Christian Democratic Union of Germany
CIW	Canadian Index of Wellbeing
CSU	Christian Social Union in Bavaria
DegUrba	Degree of urbanisation
DGS	German Sociological Association (*Deutsche Gesellschaft für Soziologie*)
DIW	German Institute for Economic Research
ECLS	Early Childhood Longitudinal Study
EQLS	European Quality of Life Survey
EU	European Union
FiD	Families in Germany (*Familien in Deutschland*)
FOC	United Nations Friends of the Chair Group (on broader measures of progress)
GDI-DE	Spatial Data Infrastructure Germany
GDP	Gross domestic product
GDR	German Democratic Republic
GIS	Geo-information systems
HBSC	Health Behaviour in School Age Children
IALS	International Adult Literacy Survey
ISA	International Sociological Association
ISCWeB	International Survey of Children's Well-Being
KiGGS	Study on the health of children and adolescents in Germany *(Studie zur Gesundheit von Kindern und Jugendlichen in Deutschland)*
NASA	National Aeronautics and Space Administration
OECD	Organisation for Economic Co-operation and Development
SDG	Sustainable Development Goal
SFZ	Social Sciences Research Institute of Berlin-Brandenburg *(Sozialwissenschaftliches Forschungsinstitut Berlin-Brandenburg)*
SINET	Social Indicators Network News
SOEP	Socio-economic Panel
SPD	Social Democratic Party of Germany
SPF	Social Production Function
SVR	German Council of Economic Experts (*Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung*)
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USA	United States of America

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