20 March: International Day of Happiness

Portuguese Index of Wellbeing: a project by Statistics Portugal

Are we measuring what matters in terms of household wellbeing? What varies across societies?

Statistics Portugal has been developing a national Wellbeing Index, challenged by the Stiglitz-Sen-Fitoussi Report on measurement of economic performance and social progress, and encouraged by similar initiatives of international organisations and in a number of countries worldwide, such as Canada, Brazil or Timor.

The Index compiles a set of wellbeing-related indicators, structured and aggregated into various domains of analysis, in order to quantify households wellbeing.

Being one barometer for the level of household economic and social wellbeing, the Index of Wellbeing is an instrument to promote citizenship, and a potential benchmark when defining public policies aiming at quality of life and social progress.

The design of the Index encompasses the identification of key domains concerning material and economic conditions and quality of life — as wellbeing sustainability/vulnerability factors — and of the reliable data available at Statistics Portugal, other National Statistical System institutions as well as other reliable external sources like the "European Social Survey" and the "European Quality of Life Survey". The purpose is to capture the multidimensional nature of human wellbeing.

Around 90 statistical indicators have been identified following two major viewpoints — material living conditions and quality of life — that in turn are sub-divided into 10 leading domains, which are:

Material living conditions
- Economic wellbeing
- Economic vulnerability
- Work and pay

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Quality of life

- Health
- Work – life balance
- Education, knowledge and skills
- Social relationships and subjective wellbeing
- Civic engagement and governance
- Security and crime
- Environment

The full detailed composition of the Wellbeing Index in term of basic indicators is as follows:

Material Living Conditions

Economic wellbeing

Current and future consumption possibilities
Material wellbeing
Inequality in income distribution
Subjective assessment of material living conditions

Material Living Conditions

Economic vulnerability

Monetary poverty
Material deprivation
Indebtedness
Housing vulnerability

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Material Living Conditions

Work and pay

Socialparticipation and inclusion: focus on the quantitative aspect of labour participation

Quality at work: pay, stability, skills, social characteristics of work and safety at work

Vulnerability at work and gender-based vulnerability

Quality of life

Health

Outcomes in health, mortality, morbidity, and overall assessment of public services

Indicators on lifestyle risk or health protection factors

Quality of life

Work - life balance

Work - life balance: objective assessment

Job satisfaction and satisfaction with the distribution of time spent on paid work and on other aspects of life

Quality of life

Education, knowledge and skills

Formal education

Lifelong learning

Culture

Quality of education and level of skills

Production of knowledge and innovation

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Quality of life

Social relationships and subjective wellbeing

Social wellbeing

Individual wellbeing – cognitive dimension and affective dimension

Social economy

Quality of life

Civic engagement and governance

Civic and political engagement

Trust in institutions

Quality of life

Security and crime

Security and crime

Objective and subjective measures on corruption

Quality of life

Environment

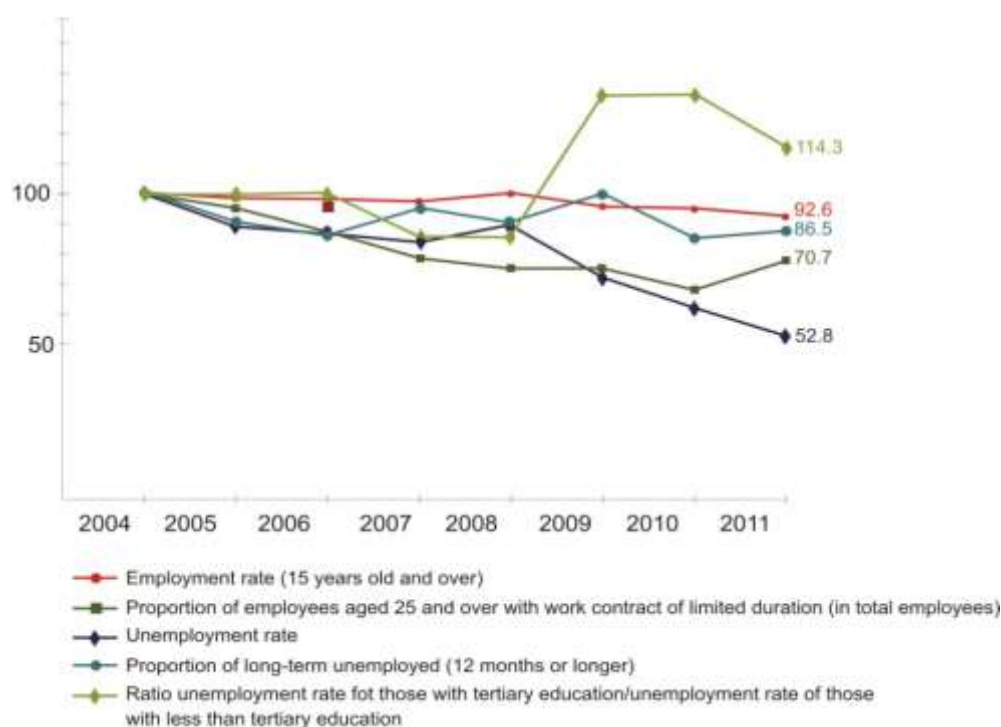Water quality

Air quality

Noise

Soil quality and land

Biodiversity

Subjective assessment of environmental quality

Example: *Work and pay* domain /*Social participation and inclusion* dimension /*2004 – 2011* trend

Social Participation and inclusion

- Employment rate (15 years old and over)
- Proportion of employees aged 25 and over with work contract of limited duration (in total employees)
- Unemployment rate
- Proportion of long-term unemployed (12 months or longer)
- Ratio unemployment rate fot those with tertiary education/unemployment rate of those with less than tertiary education

Indicator (annual averages)	2004	2005	2006	2007	2008	2009	2010	2011
Employment rate (15 years old and over) (%)	57.8	57.5	57.7	57.6	57.8	56.0	55.2	53.5
Proportion of employees aged 25 and over with a work contract of limited duration (in total employees)	10.4	10.9	11.7	12.9	13.7	13.7	15.1	14.7
Unemployment rate (%)	6.7	7.6	7.7	8.0	7.6	9.5	10.8	12.7
Proportion of long-term unemployed (12 months or longer) (%)	46.3	50.0	51.9	48.8	50.0	46.3	54.6	53.5
Ratio unemployment rate for those with tertiary education/unemployment rate for those with less than tertiary education	0.8	0.8	0.8	0.9	0.9	0.6	0.6	0.7

Indicator (2004=100)	2004	2005	2006	2007	2008	2009	2010	2011
Employment rate (15 years old and over)	100.0	99.5	99.8	99.7	100.0	96.9	95.5	92.6
Proportion of employees aged 25 and over with a work contract of limited duration (in total employees)	100.0	95.4	88.9	80.6	75.9	75.9	68.9	70.7
Unemployment rate	100.0	88.2	87.0	83.8	88.2	70.5	62.0	52.8
Proportion of long-term unemployed (12 months or longer)	100.0	92.5	89.1	94.9	92.5	99.9	84.7	86.5
Ratio unemployment rate for those with tertiary education/unemployment rate for those with less than tertiary education	100.0	100.0	100.0	88.9	88.9	133.3	133.3	114.3

Statistics Portugal has been seeking open views, listening to the valuable opinion of renowned experts in different relevant areas of interest, who have played an important role in the development of this project.

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