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The Use of Well-Being Indicators in Policy-Making: A Case Study of the Netherlands

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Universiteit Leiden

The Use of Well-Being Indicators in Policy-Making: A Case Study of the Netherlands

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Dutch Terms and Abbreviations

CBS = Centraal Bureau voor de Statistiek (Statistics Netherlands)
 CDA = Christen-Democratisch Appèl (Christian Democratic Party)
 CPB = Centraal Planbureau (Central Planning Office)
 CPT = Causal Process Tracing
 CU= ChristenUnie (Christian Party)
 D66 = Democratic Party
 EZK = Ministry of Economic Affairs and Climate Policy
 GroenLinks = Dutch Green Left Party
 IAK = Integraal Afwegingskader (Integral Assessment Framework)
 PBL = Planbureau voor de Leefomgeving (the Netherlands Environmental Assessment Agency)
 PvdA = Partij voor de Arbeid (Labour Party)
 PvdD = Partij voor de Dieren (Party for the Animals)
 SCBA = Social Cost-Benefit Analysis
 SCP = Sociaal-Cultureel Planbureau (the Netherlands Institute for Social Research)
 SLI = SCP Leefsituatie Index
 SP = Socialistische Partij (Socialist Party)
 the Monitor = the Monitor Brede Welvaart (Monitor ‘Welfare in the Broad Sense’)
 VVD = Volkspartij voor Vrijheid en Democratie (Liberal Party)

1. Introduction

In 2020, the Dutch government presented het Nationaal Groeifonds (the National Growth Fund). This Fund was introduced in response to the expected pressure that the outbreak of the COVID-19 virus would put on the national economy. This investment fund of 20 billion euros was created in order to stimulate economic growth (Middeldorp et al., 2019). According to the government, this is beneficial to all citizens, as more economic growth positively impacts the entire of society as this might promote the expenditure on healthcare, education or measures against climate change (Ministerie van Economische Zaken en Klimaat, 2021).

Since the main goal was to generate Gross Domestic Product (GDP) growth, the plan encountered criticism from multiple societal actors (Stellinga, 2020). On the scientific and research side, economists such as Prof. Dr. Bas Jacobs, connected to the Erasmus University, spoke out against the decision to make economic growth leading in the selection process of initiatives that would receive the funding. On the political side, GroenLinks (the Green Left party) spoke out against the fund. The party argued that it could be used to finance projects that would negatively affect the environment, such as the construction of roads and the building of the contested Lelystad Airport. The critiques led to an alteration of the plan (Stellinga, 2020). In the current version, a social cost-benefit analysis (SCBA) will be conducted of each initiative, and an initiative will only be selected if the benefits for society will be higher than the costs. Therefore, the costs to the environment will be taken into account. However, the goal to generate economic growth was not changed. Consequently, if initiatives do not grow GDP sufficiently, the fund will still be refused to them despite the reduce in CO² emissions and high benefits for society they might create.

The development of the National Growth Fund was interesting in light of the critique that GDP has been receiving. These critiques have been existing since the metric became mainstream after the 1930s, but have been growing more recently (Hoekstra, 2019). The main critiques are built upon two arguments: 1) GDP does not measure welfare correctly and 2) it does not take all the important aspects of welfare into account. These critiques have led to the question of how to report, measure and steer towards prosperity.

1.1 Goal of the Study

Based upon the aforementioned, the goal of this research is to broaden the understanding of what monitoring well-being in the Netherlands has looked like, in order to gain more knowledge about how to transform the idea of well-being into a measurement framework. In the Netherlands this has taken shape as the Monitor Brede Welvaart. Once this development is established, the aim is to gain a better understand of which factors have led to this framework not being used in the policy-cycle, beyond agenda-setting (Exton and Shinwell, 2019). Therefore, the research question this thesis aims to answer is: “Why have well-being indicators not been integrated into the Dutch policy-cycle, beyond the phase of agenda-setting?”

The movement towards new measurements indicators started with the influential *the Report by the Commission on the Measurement of Economic Performance and Social Progress* written by Joseph E. Stiglitz, Amartya Sen and Jean-Paul Fitoussi in 2009 at the request of the President of the French Republic Nicholas Sarkozy. After this report, an abundant amount of literature on the topic emerged which will be used in the literature review of this thesis, such as the articles written by Fioramonti et al. (2019), Huppert (2014), Pouw and McGregor (2014) as well as the books by Dalziel and Saunders (2018), Hoekstra (2019) and Pouw (2020).

In order to gain more theoretical insights into how to move to a well-being framework for policy-making, the Organisation for Economic Co-operation and Development (OECD) articles by

Exton and Shinwell (2018) and Stiglitz et al. (2018 and 2019) are used. These papers focus on different stages of the policy-cycle: agenda-setting, policy-formulation, implementation, monitoring and evaluation. According to Exton and Shinwell, despite the fact that the Netherlands monitors and reports quite extensively on well-being through the Monitor Brede Welvaart (which will be referred to in the rest of this thesis as the Monitor), the indicators are not used in the rest of the policy-cycle. However, in a recent conference about the topic Dutch Ministries clearly signalled that there was a need and a want to implement well-being more in the policy-cycle (SDG Nederland, 2020).

1.2 Research Method

The method that is used is the Causal Process Tracing (CPT) method. Through a thorough analysis of government documents, a comprehensive picture of the process will be painted. This document analysis is then complemented with five interviews with experts on the current state of the process in the Netherlands. These interviews both test the information found in the documents, as well as giving extra insights about the practical efforts. In order to create a theoretical framework from which to conduct the CPT, multiple articles were combined. The three barriers from the article of Exton and Shinwell (2018) to implementing a well-being framework, are used: indicator barriers, process and structural barriers and political barriers. In order to analyse the possible presence of these barriers in the policy assessment, the framework of Turnpenny et al. (2013) is used, where they distinguish three different levels at which analysis of the phase of policy assessment can be done: the micro-, meso- and macro level.

1.3 Relevance of the Study

With GDP becoming less important for long term measurement of economic prosperity and as a policy-goal, steering towards other indicators will become more dominant and crucial. The societal benefits of steering towards well-being instead of GDP growth, can be very influential, especially in everyday lives of individuals and households (Stiglitz et al., 2018) However, with the movement gaining ground, it is important to pay close attention to what exactly is replacing GDP and how our economic policies will be developed (Fox, 2014). Especially since the movement is relatively new and vulnerable to political change, questions about how it will be institutionalized will be important (Exton and Shinwell, 2018; Stiglitz et al, 2018). Yet, this research is not only relevant for societal purposes but will also add to the academic field of public policy-making as well as well-being economics. Not many countries have managed to implement a well-being framework throughout the whole policy-cycle (Exton and Shinwell, 2018), therefore research about the topic is still in its infancy, especially into the three barriers of interaction and their interconnection. Therefore, this analysis can bring new insights into the struggles that arise in the process of institutionalization of new indicators.

1.4 Outline of the Study

This thesis will be build up in a succinct and clear manner. Firstly, the literature review discusses the most important literature about the GDP debate and how criticism of GDP leads to the idea of well-being economics. Following this, in the theoretical framework, the articles of Exton and Shinwell (2018) and Stiglitz et al. (2018 and 2019) about using well-being frameworks in the policy-cycle will be discussed. These then lead to a methodology where, together with the levels of integration of Turnpenny et al., a framework for analysis is drafted and the use of Causal Process-Tracing is discussed. After, the evidence that was found about the Dutch case will be brought to light in the two following chapters. Lastly, the analysis will follow, which leads to a conclusion and discussion of the findings.

2. Theory

2.1 Literature Review: the GDP debate and Well-being Economics

Well-being economics has been thoroughly studied in the last few years, as a proposed solution to the question: how to design a new economic system rooted in the notion of degrowth? (Stiglitz et al., 2019; Dalziel et al., 2018; Coscieme et al., 2019; Büchs and Koch, 2019; Huppert, 2014). Sustainable degrowth means “an equitable downscaling of production and consumption that increases human well-being and enhances ecological conditions at the local and global level, in the short and long term” (Schneider et al., 2010, p. 512). According to Milena Büchs and Max Koch (2018), it has been argued in the last few years that degrowth is a necessity in order to tackle climate change and preserve the world for future generations. Büchs and Koch (2018), among others, argue that it is impossible to decouple greenhouse gas emissions from economic growth. Thus the need for economic growth needs to be diminished. One of the proposed solutions to shift away from a narrative of economic growth, is to shift a country’s focus from GDP-growth to the well-being of the citizens’ of a country.

In this section, I will discuss the debate around the role that macroeconomic indicators, specifically GDP, play in policy-making. Afterwards I will discuss how the notion to move away from economic growth leads to the call for an economy based on well-being.

2.1.1 The GDP Debate

Gross Domestic Product (GDP), is a macroeconomic indicator, which measures all the monetary value created by the production of goods and services in a country (OECD, 2020). The value is used as an economic metric in policy-making, as well as a performance assessment tool for society (Fioramonti et al., 2019). Ever since it gained popularity in the 1930s, the metric has been contested (Hoekstra, 2019).

2.1.1.1 How GDP Became Institutionalized

Initially, the rise of the use of macroeconomic indicators, like GDP, started in the 1930s. This was a result of the Great Depression and the emergence of war economies, which led to greater importance for national accounting (Lehtonen, 76). In the book *Replacing GDP by 2030* (2019), author Rutger Hoekstra describes how in the United States Great Depression sparked a new outlook towards government and statistics in order to solve this economic crisis. Economists and their national accounting had informed governments during war and formed theories on how to prevent another economic crisis. After the war, the Marshall Plan and growing international cooperation asked for calculations of countries contributions. At the same time, the geopolitical situation marked by the competition between a communist- and a capitalist block led to an arms race where the West felt the need to grow the economy as fast as possible.

In the 1960s, economists’ ideas about national accounts and statistical coordination became increasingly important in governments. Economic projections were crucial for policy-makers, who needed those for planning and forecast needs. “As a result, many national governments and international organisations started to create forecasts of economic growth” (Hoekstra, 2019, p.39). These ideas also became prevalent in non-economic policy areas, such as education, where a leading idea became the development of human capital. In the US, this focus on economics had become so big, that GDP growth was the biggest government priority (Hoekstra, 2019, p.40). Thus, an indicator that was supposed to inform policy-making, became a goal in itself.

In 2015, professor of Political Arithmetic Daniel Mügge, argued that different performance indicators hold great importance in public policymaking. Statistical indicators have gained influence since the 1990s (Stiglitz et al., 2009). Not only economics but also education, healthcare and public

safety are governed through the monitoring of indicators. They are used both to measure domestically as well as to make comparisons between countries on an international scale. Out of multiple performance indicators, the most prominent ones are macroeconomic indicators, such as gross domestic product (GDP) growth, inflation, public deficits and unemployment. These indicators are not only important in measuring our economies, “macroeconomic indicators are political both in their origins – the choices for or against particular formulas to calculate them – and in their consequences- their use in public policy and the debates surrounding it” (Mügge, 2015, p. 2). There are always winners and losers when choosing which indicators to use and in the manner in which these are calculated.

Mügge conceptualizes macroeconomic indicators as powerful ideas, based on Parsons framework to study ideas more pragmatically by distinguishing between power *through, over* and *in* ideas. In the case of GDP growth as an indicator, the power that is held in that idea is the question of what counts as growth. When citizens and policymakers accept this one idea of growth, the idea becomes discharged from its political meaning, and is seen as being objective. According to Mügge, the power in macroeconomic indicators is especially influential since it can lead to a situation in which the distributional consequences of policy choices are seen as purely technical, which is not the case.

2.1.1.2 Critiques of GDP

The main issues with GDP are related to what it promises to do. GDP is seen as a measure of welfare or economic growth; how well a country is doing. However, according to Fiorimenti et al (2019), GDP only measures activities that generate monetary value. Therefore, there are many aspects that could be said to generate value for society that are not measured. An example of this is that unpaid work, such as household work. GDP does not measure informal activities, community-based activities or activities based on self-production or co-production or other forms of the sharing economy. Furthermore, GDP does not correctly measure all new types of products and services offered in our current societies (Fioramenti et al., 2019). Many communication and entertainment services are provided on online platforms for free. Although these services do not contribute to the GDP of a country, they do create value, utility and consumer surplus within the economy. These informal activities often depend on a process of reciprocity instead of monetary payments (Pouw and McGregor, 2014). The absence of the unpaid economy in GDP measurement is a significant issue, which is shown by the Organisation for Economic Co-operation and Development (OECD), which estimated that in 2011 “the unpaid activities performed in households and communities create enormous (unaccounted) value for the economy, in some cases up to 80% of national income” (Fioramenti et al., 2019, p. 8). Pouw and McGregor (2014) add to that by arguing that the formal and informal economy are interconnected. It is impossible for one to function, without the other. Hence, it is important to keep both into account in economic analyses (Pouw and McGregor, 2014) and in policy-making (Fioramenti et al, 2019).

Not only are unpaid activities not part of GDP, other effects on people’s lives such as environmental degradation are not measured either. Stiglitz et al. (2009) emphasize this creates a false dichotomy where society needs to choose between one or the other since the protection of the environment is not included in GDP calculations. Another issue with GDP is that it does not measure inequality. As GDP is measure per capita; “if inequality increases enough relative to the increase in average per capital GDP, most people can be worse off even though average income is increasing” (Stiglitz et al., 2009, p.8).

These issues with GDP have been identified and critiqued in all types of academic disciplines. From ecological economics, political science to sociology appeals have been made to develop a new form of measurement. And not only in the academic world has GDP lost its high status, in policy circles the issues of the metric are also recognised. Globally, the Paris Agreement and the Sustainable

Development Goals (SDGs) can be seen as roadmaps that take a different type of measure of prosperity (Fioramonti et al., 2019).

2.1.2 From GDP Critiques to Well-being

New ideas about how to measure economic prosperity are not focused on GDP growth, but on human and ecological well-being. Felicia Huppert (2014) aims to define well-being and give a state of the art considering well-being science. Huppert argues that well-being has a broad range of possible definitions, from a purely positive emotional experience to a more sustainable experience of functioning well. Huppert makes an important distinction between an objective and a subjective experience of well-being. Objective well-being concerns a societal level of well-being, “the quality of outcomes for which a government or organization traditionally regards itself to be responsible; for example, education, health, employment, housing, security and the environment” (Huppert, 2014, p.2). The subjective meaning, however, relates more to the experience of citizens. Thus, in the subjective meaning, a person’s well-being can be removed from the objective facts about that person’s life.

Well-being and welfare are often used synonymously. According to Associate Professor of Well-being economics Nicky Pouw (2020), the two are not the same. Welfare is often measured with GDP, where the underlying theory is that if the individual utility of all citizens is aggregated, one is able to calculate societal welfare. Pouw raises the question whether individual utility can be seen as such a one-dimensional concept. Pouw argues that other aspects, such as subjective well-being and relational well-being (people’s relations towards each other) also influence how well a society is doing, in other words, societal well-being.

With the emergence of well-being economics, critique about the concept has arisen, especially with regards to the possibility to measure it. Ian Bache and Louise Reardon (2016) for example, argue that well-being is a wicked problem, which means that well-being or happiness are matters that are difficult to be managed by scientific solutions. In another research paper, Büchs and Koch argue that a positive relationship between income and happiness can be found, which could point towards an important need of GDP-growth for society. Additionally, the measurement of well-being, happiness or life satisfaction is often based on survey questions. Whereas GDP can continue to rise, the measure of well-being remains measured on this specific scale, which is somewhat subjective and affected by context. However, these studies do not necessarily disprove the usefulness of well-being indicators, but merely show that, contrary to GDP, well-being indicators might be difficult to measure, especially when it comes to subjective well-being. Therefore, in the theoretical chapter of this thesis, well-being measurement frameworks and its use in the policy-cycle will be discussed

2.2 Theoretical Framework

From the literature, it becomes clear that well-being has been thoroughly studied. However, questions remain about how to measure and implement well-being frameworks in actual policy-making. This theoretical framework aims to answer this question by looking into how well-being has been implemented in the policy-formulation stage of the policy-cycle in a number of countries thus far by looking at the articles of Exton and Shinwell (2018) and Stiglitz et al. (2018). Exton and Shinwell distinguished three types of barriers when well-being was integrated into the policy-cycle, which are contextualized with the findings of Stiglitz et al. (2018 and 2019). Afterwards, the theories of policy-formulation will be introduced, upon which the methodology chapter of this thesis will build further.

2.2.1 How to Measure Well-being?

In order to actively steer towards well-being in policy-making, it is firstly very important to measure well-being (Stiglitz et al, 2018). Hoekstra (2019) distinguishes between different well-being measurement frameworks. These can be either an index or a set of indicators. Indexes aggregate

multiple sub-components of well-being into one index-number. A set of indicators provide multiple measurements, which are presented separately.

2.2.2 *Well-Being in the Policy-cycle*

GDP critique took a more standardized form in 2009, when economists Joseph E. Stiglitz, Amartya Sen and Jean-Paul Fitoussi published an influential report called *the Report by the Commission on the Measurement of Economic Performance and Social Progress* (2009). At the request of the then President of the French Republic Nicholas Sarkozy, they formed a commission with the aim to analyse the limitations of GDP and how more relevant indicators could be produced. In their books *Beyond GDP: Measuring What Counts for Economic and Social Performance* (2018) and *Measuring What Counts: The Global Movement for Well-Being* (2019), Joseph E. Stiglitz, Jean-Paul Fitoussi and Martine Durand look back at the 2009 Report. In these two books, they build upon their earlier critique of GDP in order to propose a new ‘beyond GDP’ agenda.

In Stiglitz et al. (2018), the authors argue that only a correct measurement of well-being is not enough to change the way in which policy is made. It is necessary to put institutions in place in order to organize the use of these indicators in the policy-making process. In addition, Exton and Shinwell write, if a government only focuses on the sole reporting of well-being indicators, they run the risk that “newly developed indicators may become “just another report” rather than leading to a substantial change in the setting and framing of policy” (Exton and Shinwell, 2018, p. 16, quotation marks in original). Thus, a skewed focus on the agenda-setting stage does not provide enough tools in order to formulate concrete policy proposals, “it also requires an established set of tools, models and techniques recognized across the analyst profession within governments to evaluate the costs and benefits, monetary and nonmonetary, of all government programs” (Stiglitz et al., 2019, p. 139).

Stiglitz et al. (2018) argue that deciding to take the step beyond only making indicators available and to make the decision to actively steer towards well-being can have many advantages: 1) As was discussed in the theory chapter, GDP does not do a good job of showing the actual condition of society. Using a well-being framework can give a much more complete picture. 2) Well-being is more comprehensive than singular economic metrics, so it requires more cooperation and cohesion between different government agencies (Whitby, 2014). This can lead to a more consistent government outcome. 3) If the metrics that are used are not aggregated to one number (such as GDP), but show more diverse data on the individual or household level, policy can be used to benefit certain groups more effectively. 4) GDP does not show the balance between what society needs today and what resources are available for tomorrow, this is something well-being does more effectively. If the well-being measurements contain elements that can forecast certain indicators. 5) By looking at well-being indicators, the impact of policy on people’s lives is taken more into account. Therefore, policy “has the potential to help policy-makers identify impacts of programmes, and articulate trade-offs and spill-overs more explicitly and transparently.” (Stiglitz et al., 2018, p. 105). In order to do so, well-being frameworks need to make clear what the desired outcomes of policy interventions should be. 6) Lastly, integrating a well-being framework in the policy-cycle can create more discussion and debate about what different actors in society would define as a good life.

In order to reach these goals, well-being can be integrated in the policy-cycle. Stiglitz et al. (2018 and 2019) studied the experience of countries that have used well-being indicators in order to steer public policies. They evaluated what happened in these country cases in the different stages of the policy-cycle: agenda-setting, policy-formulation, implementation, monitoring and evaluation and aim to see how well-being indicators can be used in each of these stages.

In the stage of agenda-setting, well-being can be highlighted through a routine of reporting on well-being statistics, such as information about inequality. This can be a means to shift the opinions of

important stakeholders. The actors mostly involved in this step are the national governments and parliaments (Exton and Shinwell, 2018). The second stage of policy-formulation. The actors involved in this stage, according to Exton and Shinwell, are mostly planning- and government agencies, as well as government and parliamentary decisions about the budget. The third step of the policy-cycle is the implementation phase. In this phase, the agencies responsible for implementation execute the programs that were designed within the former two stages. In this stage, the former made prioritization and policy-formulations are supposed to be taken into account (Stiglitz et al., 2019). The fourth step is the monitoring of policy. Monitoring of policy, according to Stiglitz et al. (2019), entails the measurement of the input and generated output of a specific policy. The fifth and final step is policy-evaluation, where the policy is evaluated on the basis of its goals. In this stage, the decision is made whether the policy will continue or will be abandoned.

This thesis will mainly focus on policy-assessment, because this is the stage in which the use of alternative indicators can play the most substantive role. Policy-formulation is that stage that “includes the investigation of policy options, the evaluation of their costs, benefits and feasibility, and finally the selection of relevant policy instruments and levers” (Stiglitz et al., 2018, p. 106). The stage of policy-formulation begins once a problem has entered the agenda of the government. After the problem has been acknowledged, it is the job of policy-makers to draft a course of action in order to solve it. Policy-formulation entails “exploring the various options or alternative courses of action available for addressing a problem” (Howlett et al., 2009, p. 110). In order to do so, they have multiple tools which they can utilize, such as cost-benefit analyses, scenario analyses and the usage of computer models. In the process of policy-formulation, possible options for solutions are weighted by different actors, before a final decision is taken. The process can vary in different ways for specific cases. Just as in the phase of agenda-setting, perception of the information provided is highly important in this phase of the policy-cycle. The adoption and refusion of specific policy options, can be dependent upon the opinion of significant policy actors.

2.2.3 Barriers to the Integration of Well-Being into the Policy-Cycle

In the article by Carrie Exton and Michal Shinwell (2018), the authors study seven cases of countries in which a well-being framework has been implemented and aimed to draw lessons about the process of implementation. They focused on the common factors that led to a (successful) implementation. In this process, they observed common barriers. Based on the work by Whitby et al. (2014) on the uptake of alternative indicators into policy-making, they distinguish: political barriers, indicator barriers and process structural barriers. In the following section, the barriers will be discussed as well as how these barriers have been successfully eliminated for the policy-formulation stage in some of the countries.

2.2.3.1 Political Barriers

The inability to successfully integrate well-being indicators into the policy-cycle can be due to political barriers. The barrier includes issues such as “a lack of legitimacy for the process to develop new indicators, a poorly defined narrative and a lack of strong political imperative to look “Beyond GDP” (Exton and Shinwell, 2018, p. 23). The authors found that especially strong political leadership was important in countries where the integration was successful. This means that a prominent political figure or coalition takes the lead in the promotion of well-being. In Ecuador, for example, the concept of *Buen Vivir* (the good life) has been embedded in the constitution, initiated by the former president Rafael Correa. The inclusion of a clear definition of well-being into the constitution gave the Ecuadorian government a starting point from which to draw and evaluate public policies.

Changes in political leadership due to elections or changes in coalitions can be key moments at which the opportunity to put forward more emphasis on well-being arises. On the other side, these can also be the moments at which well-being is taken off of the political agenda (Stiglitz et al., 2018).

In order to avoid this from taking place, Stiglitz et al. (2018) argue that it is important that post-growth is not only supported by the political leaders but also and most predominantly supported by the public through democratic legitimacy and the civil service. Creating more democratic legitimacy for the public can be done through inclusion of the public in the selection process of indicators (Whitby et al., 2014). Exton and Shinwell (2018) noted that this was successful in France and Italy, where the indicators were selected after consulting multiple societal stakeholders such as scholars and civil society (Exton and Shinwell, 2018, p.31).

2.2.3.2 Indicator Barriers

The second barrier, indicator barriers, are related to the methodology used in order to measure the well-being of citizens. These indicators might form a barrier if there is no consensus about these measurements or if the number or type of indicators used are not well suited to the specific case. Exton and Shinwell (2018) found that countries that mainly used indicators in order to inform the parliament (agenda-setting), a low number of indicators was successful in order to facilitate communication. “Well-being monitoring efforts need to be brought closer to policy-makers, by producing shorter and more communicative dashboards of indicators, timed to coincide with strategic decisions” (Durand and Exton, 2019, p 208). In this regard, Stiglitz et al. (2018) argue that it might be problematic for the integration into the policy-cycle, if indicators were not created for later use in multiple stages of the policy-cycle.

Additionally, Whitby et al. (2014) argue that a lack of resources to collect and use data for well-being indicators can form a barrier. Especially for more recently developed indicators, the ability to enable forecasting and create models based upon the indicators can be problematic, “In the case of well-being metrics, additional challenges for policy are the multi-dimensional nature of well-being and ... the difficulty in identifying inter-linkages between different well-being metrics.” (Stiglitz et al., 2018, p. 111).

The inclusion of subjective well-being measures can affect the integration into the policy-cycle (Stiglitz et al., 2018). Italy, for instance, chose to not include those in their policy-formulation framework because subjective well-being measures are difficult to forecast into the future. In the UK, however, the subjective well-being measures are heavily emphasised by the *What Works for Well-Being Centre*. They outlined which policies need to be altered when subjective well-being indicators are used as a policy framework instead of the regularly used cost-benefit analysis (Stiglitz et al., 2018, p. 110). Generally, Stiglitz et al. (2018) see the inclusion of features of subjective well-being as useful in policy-formulation, as these respond to other factors such as health and income, which can be seen as important aspects of well-being.

Exton and Shinwell found that there was a big difference between country cases concerning the lead agency that creates the indicators. In most countries, the framework was developed or initiated by the units that serve the chief executive office (Centre of Government, Exton and Shinwell, 2018, p. 9) or at one of the Ministries, such as the Ministry of Finance or Ministry of Planning. In these cases, there was a clear aim to use the indicators in a policy setting. In the Netherlands and Austria, the National Statistics Offices led the initiative, “thereby distancing the measurement work from the ministries in which policy decisions are taken” (Exton and Shinwell, 2018).

2.2.2.3 Process and Structural Barriers

Lastly, Exton and Shinwell discuss process and structural barriers to the uptake of well-being frameworks, “these barriers relate to the support and incentives within policy-making for using well-being frameworks, as well as institutional resistance to change and poor communication of the frameworks to potential users and stakeholders” (Exton and Shinwell, 2018, p. 23). Changing the formal and informal structures of policy-making leads to ongoing engagement with well-being

indicators. Especially since well-being requires an integrated system of policy-making, where cooperation between departments is necessary (Whitby et al., 2014).

Creating frameworks for policymakers to use can either come from within or outside the government. In the United Kingdom, the earlier mentioned What Works Centre for Well-Being is an independent social enterprise (although set up with support from the Cabinet Office), which provides evidence in order to shape decision-making that is provided to policymakers through multiple channels. In doing so, they also work together with and inform other relevant actors. "The focus of the Centre is currently on helping to build a movement around the value of taking a well-being approach and providing evidence-based thought leadership around emerging issues" (Exton and Shinwell, 2018, p. 53). In 2018, the centre published a policy guide in which they explained how well-being evidence can be used in policy analysis by, for instance, explaining how a well-being approach would change the process of conducting a social cost-benefit analysis (What Works Centre for Well-Being, 2018). These concrete tools and techniques that policy-makers can use are necessary in order to uptake well-being into the policy-formulation and evaluation stage of the policy-cycle (Exton and Shinwell, 2018, p. 19). Setting up such a structure where policy-makers can find an evidence base for their policy decisions, can facilitate a change of culture and changes in practices in policymaking (Durand and Exton, 2019).

To create a structure in which the second characteristic is to implement the well-being indicators into a budget or plan. In Ecuador, the notion of *Buen Vivir* was incorporated in the National Development Plan. In Italy, the basis for the implementation of well-being indicators was to implement them in the public finance process, at the base of the orientation of fiscal policies for the year. Sweden also implemented a small number of indicators related to the Sustainable Development Goals into the budget law.

2.2.3.4 Expectations for the Dutch Case

With these barriers, Exton and Shinwell (2018) and Whitby et al. (2014) reveal factors that they expect to have an influence on the uptake of well-being indicators in the policy-cycle. However, these causal factors and the mechanisms that are at work, are not yet fully developed and especially the interaction between them remains unclear.

From the aforementioned, expectations can be formulated for the Dutch case. From each barrier can be expected that they are present to a certain degree and that certain causes that can be derived from the theory are at play. From the political barriers, a lack of political imperative of integrating well-being into the policy-cycle by the coalition parties since 2018¹: VVD, CDA, D66 and CU could be a possible cause. Furthermore a lack of democratic legitimacy could have influenced this barrier. From the indicators barriers, I mainly expect that the creation of the indicators by the National Statistics Office has played a role, since Exton and Shinwell mention that this structure might mean that the indicators are distanced from the policy-decisions made in the Ministries. Additionally, the amount of chosen indicators might affect the possibility to take up the indicators beyond agenda-setting in the policy-cycle. In terms of process and structural barriers, a lack of policy-instruments or structures such as the policy-guide created in the United Kingdom to use in order to measure well-being might have affected the process.

¹ The year in which the Monitor was published, see chapter 4

3. Research Method

3.1 Research Design

In this thesis the aim is to identify why well-being indicators are not integrated into the Dutch policy-cycle beyond the stage of agenda-setting. Therefore, this study is a single-case study, in which the dependent variable is known and I aim to grasp a better understanding of how independent variables might have affected this outcome. A research design that is well-suited to this research goal, is Causal Process-Tracing (CPT). In their book *Designing Case Studies: Explanatory Approaches in Small-N Research*, Joachim Blatter and Markus Haverland (2012) explain in detail the underlying reasoning and usage of this method. CPT is used in order to trace the process from a causal factor to an outcome, in order to “search for necessary and sufficient conditions that lead to a specific type of outcome” (Blatter and Haverland, 2012, p. 99). At the end of the theoretical chapter the expectations of what the barriers to integrating well-being indicators in the policy-cycle might look like in the Netherlands were put forward. In CPT the goal is to either identify a causal chain, a causal conjunction or a causal mechanism. In this study, I will aim to identify a causal conjunction, since the aim is to uncover how different aspects of the political-, indicator- and process and structural barriers (the independent variables) interact, and which role each aspect takes within this conjunction.

This chapter will firstly discuss the operationalization of the important concepts. Afterwards I will explain why this specific case is chosen and how the data about this case will be collected and analyzed. Lastly, the reliability and validity of this method will be discussed.

3.2 Operationalization

From their case studies of countries where a well-being framework was implemented, Exton and Shinwell (2018), found three types of barriers that hindered the uptake of well-being frameworks within the policy-cycle: political barriers, indicator barriers and process and structural barriers. In this research, these barriers will be operationalized in order to use them for the CPT. In order to do so, they are combined with the three levels of policy-formulation which barriers can exist, found by Turnpenney et al. (2014). Turnpenney et al. (2008, p. 763) researched the structural and institutional constraints that exist in the process of policy assessment into policymaking. In this paper, they distinguish the micro-, meso- and macro level of analysis. On the micro level, the analysis includes the resources available: time, money and staff. On the meso level, the researcher can look at organisational norms and culture, the decision rules (both formal and informal) that inform decision-making, the use of knowledge/data/evidence in the coordination procedures and lastly the researcher can look at the role of political leadership in the process. The macro-level concerns the role that the network of stakeholders plays, and the administrative and legal context in which the assessment process takes place.

In order to methodologically distinguish whether the barriers by Exton and Shinwell are present, the levels of integration by Turnpenney et al. will be used in order to make sure that all the relevant information is taken into account. Combining the two led to the following scheme (figure 1). It was followed in order to divide which information should be extracted from the document research, and which questions should be asked during the expert interviews. The same scheme was followed in the analysis stage of the research, in order to distinguish the critical evidence that points towards the existence of the barriers. However, the aim of the study is not to simply detect these barriers, but also to gain a better understanding of the underlying mechanisms that have created the specific outcome of this case.

LEVEL OF INTEGRATION		INFORMATION TO BE RETRIEVED	POLITICAL BARRIERS	INDICATOR BARRIERS	PROCESS AND STRUCTURAL BARRIERS
<i>MICRO</i>	The Background of Officials	<p>Documents: General information about employees: levels and types of expertise, training, background and skills</p> <p>Interviews: Background of the interviewee, perception of colleagues, the presence of a formal structure to work with the Monitor Brede Welvaart.</p>		Are the indicators presented in such a way that policy-makers can work with them?	Is there a formal structure in place to work with the Monitor Brede Welvaart?
	The Support Network: Social Networks inside and outside of government	<p>Documents: organizations that work with the Monitor and the formal ways of collaborating with these organizations</p> <p>Interviews: The process of collaboration with these organizations in practice</p>	Are the indicators created through a democratic legitimate process?	Were the indicators created in consultation with the public or other organizations?	How do policy-makers interact with other organisations?
	Knowledge, Time and Money	<p>Documents: The process of policy-assessment in the Netherlands</p> <p>Interviews: policy-makers' use macroeconomic indicators, data access, which data is used, timeframe to spend on policy appraisal</p>	Is well-being prioritized in the policy process? Do political decisions hinder the use of well-being indicators?	What do the indicators look like? How do policy-makers gain access?	What type of training do policy-makers get, are there much resources in order to learn to use the indicators in policy-making?
<i>MESO</i>	Legal and Organisational	<p>Documents: The knowledge regime of the Netherlands, the role of experts in policy-making, and any possible legal requirements in the process. → formal decision rules</p> <p>Interviews: The culture towards well-being, attitude towards well-being → informal decision rules</p>			Organisational culture and traditions that might hinder the usage of well-being indicators? Which role do experts play in the field?

	Different Perspectives	Documents: - Interviews: Attitude towards policy appraisal, when in the policy-cycle is policy appraisal necessary		Do policy-makers think that the chosen indicators are useful?	How do policy-makers look at the use of well-being indicators in policy assessment?
	Politics and Analysis	Documents: The process of creating the indicators, assessment of policies. Interviews: Usability of the chosen indicators (especially in the calculation of trade-offs, when is an analysis sufficient, types of analyses that are used most often, discretion of policy-makers	What has the political process in regards to well-being looked like?	Which indicators were chosen in the political process?	How is policy assessment related to political decision-making
MACRO	Priorities and Paradigms	Documents: The goals that are prioritised in policy-making Interviews: Goals of policy-makers, the presence of an economic growth paradigm, existing view regarding GDP growth	Which priorities are put forward from the political process?	Do the indicators bring a great difference in how policy is made?	
	EU Policy and other high-level constraints	Documents: Formal constraints related to EU and international policy Interviews: Practical constraints related to EU and international policy		Are certain parts of the indicators already part of EU or UN requirements?	Are there any structures through which international collaboration on well-being takes place?
	Patterns of Consultation	Documents: Dutch organizations and stakeholders that are active in the field, process of public engagement in the creation of indicators Interviews: Patterns of consultation with organizations and citizens	How did well-being reach the political agenda? Were citizens involved?	Is the public involved in the process of creating the well-being indicators?	Is there a continued engagement with the well-being framework?

FIGURE 1

3.3 The Case

In their study, Exton and Shinwell (2018) and Stiglitz et al. (2018) researched 15 countries² that have integrated well-being in one or more stages of the policy-cycle. From these studies it became clear that the Netherlands is the only country in which well-being, or “beyond GDP” indicators have only been implemented in the agenda-setting stage of the policy-cycle. However, they also mention the Netherlands as the country where well-being has been on the agenda ever since 1974.

The case of integrating well-being in the policy-cycle of the Netherlands, proposes a puzzle in the existing research because it is not yet known why this is the case. Exton and Shinwell propose three barriers to the uptake of a well-being framework in the policy-cycle. However, in their case studies they do not specifically identify the barriers in each case, nor do they provide insights into how these three barriers interact. For instance it is still unclear what effect of the choices to select and monitor specific indicators is on the uptake of these indicators in the policy-cycle. The Netherlands, in this sense, is an especially interesting case to study since it is one of the few cases in which the initiative for the measuring and reporting of the indicators is assigned to the National Statistics Office.

3.4 Data Collection

According to Blatter and Haverland (2012), the collection of qualitatively high and trustworthy empirical data is incredibly important in a causal process-tracing. The data that is to be collected should focus on uncovering the causal mechanisms in the process. This starts by examining the outcome, and then tracing back the paths that could have led to this specific outcome. In this process, not only the proposed causal factors that are derived from the literature are examined, but also other possible explanations.

In order to collect this data, relevant documents about the Monitor Brede Welvaart and its use in the policy-cycle will be used. These will be derived from the databases of the Dutch government³ and of the Planning Offices that are involved in the measuring, publishing and interpreting of the current well-being framework: Statistics Netherlands (CBS), the Netherlands Bureau for Economic Policy Analysis (CPB), the Netherlands Environmental Assessment Agency (PBL) and the Netherlands Institute for Social Research (SCP)⁴. The search terms will be: *Brede Welvaart*⁵, *Monitor brede welvaart*, *leefsituatie index*, *indicatoren welzijn*, *BBP groei*, *Sustainable Development Goals*. All documents published before the 1st of March 2021 were taken into account. Eventually the documents were selected on the basis of the basis to fulfil the research goals, leading to documents that give insights into the development of the Monitor itself (publications of the Monitor and the accompanying letters to parliament) and sources about the integration of the Monitor into the policy-cycle (letters to Parliament by Cabinet Rutte III written by Ministry officials and letters written by the Planning Offices). A full list of these documents can be found in the reference list.

Aside from these documents, five expert interviews will be conducted. These experts are working in the ministry of Economics and Climate, the Ministry of Finance, the Ministry of Foreign Affairs and at the SCP and PBL. They are selected by using the snowball sampling method. The goal of the interviews is twofold: to find additional information that was not provided in the government

² Australia, Austria, Belgium, Ecuador, Finland, Germany, Italy, Israel, Japan, Luxembourg, the Netherlands, Scotland, Slovenia, the United Kingdom and Wales

³ <https://rijksoverheid.nl>

⁴ <https://www.cbs.nl/nl-nl> <https://www.cpb.nl/> <https://www.pbl.nl/> <https://www.scp.nl/>

⁵ The term Brede Welvaart was used since in Dutch, this term can be seen as a rough translation of the term well-being (Pouw, 2020). She argues that the main difference is that in well-being, social and subjective well-being are seen as inherently connected. In ‘welfare in the broad sense’ these dimensions are treated as separate domains.

documents and to test whether statements made in the government documents uphold in practice. In order to safeguard an ethical process, each interviewee signed a consent form in which they gave permission for the use of the interview information and to what degree it was allowed to use quote-material (For Consent Form, see Appendix 9.2). After the interview, each interviewee was sent the transcript of their interview so that they could correct or delete information that they did not wish to be used in the final thesis. The interviews were taken over video-call (Microsoft Teams) or over the phone and lasted approximately 30 minutes to an hour.

The interviews were semi-structured. The basic structure of the interviews and the questions that were asked in all interviews were derived from the scheme above (figure 1). In order to conduct the interviews, an interview guide was constructed (Appendix 9.1). The structure of the interviews was similar, where we firstly discussed micro-level, then meso- and lastly macro-levels of integration. However, the focus of each interview was different, since I wanted to uncover the specific role of each organization in the integration of well-being in the policy-cycle. One interviewee asked to receive the list of questions beforehand, the other interviewees did not. The development of the interview process (conducting the interviews, signing the consent form), were kept in an interview-journal in order to make the interview process as efficient and secure as possible.

3.5 Data Analysis

In order to analyse the data, the documents and the interviews were coded using a color-coding system which was derived from the scheme (figure 1). For an overview of the codes, see the Appendix 9.3. The coded data was used for the CPT. When conducting a CPT, the researcher aims to understand how a development played out in time and space. Understanding how a development has played out in time and space, helps the researcher to understand which role independent variables have played in the outcome. In order to uncover the causal conjunction, firstly a description of the developments in the observed data will be presented (chapter 4 and 5). The comprehensive presentation of this data will give the reader an understanding of the important developments over time and space. Secondly, in chapter 6 an analysis of the data is conducted by using the three barriers and levels of integration. In this section the most important independent variables are mapped together within the barriers. This gives an overview, but also provides the possibility to map the causal configuration of the interplay of the most important factors.

3.6 Validity and Reliability

In terms of validity, a causal process-tracing can “increase the internal validity of causal inference by identifying links between X and Y” (Blatter and Haverland, 2012, p.88). This study aims to uncover the causal links between the proposed barriers and the development of well-being in policy-making in the Netherlands. The method of CPT should produce valid results, since its design focuses on being as comprehensive as possible in data collection and analysis. However, the collection of empirical data is very much dependent upon the data which is available currently, and since the debate concerning well-being is very current, future developments might change the findings. The internal validity of the study is strengthened by the use of triangulation. As the government documents that are published might be altered for political sensitivity and thus not tell the whole story, it was decided to conduct anonymized interviews. The interview data will increase the internal validity by providing more information and insights into processes without the pressures of the political environment. The results of a CPT study can often not be generalized beyond the specific case. However, the generalizability of a process-tracing is in respect to the possible causal factors that are found. In this case, the produced outcomes provide insights into both the mechanisms within each barrier and the interaction between the barriers. In a CPT, it is important that sufficient contextual information is provided in order to determine reliable results

(Blatter and Haverland, p.98). Because this study uses both documents and interview data, the context can be painted thoroughly.

4. Measuring and Reporting on Well-Being in the Netherlands

In this chapter the efforts to create a system to measure and report on well-being indicators in the Netherlands will be presented. It starts with the SCP Leefsituatie Index. Afterwards, the discussion will centre around the creation of the Monitor Brede Welvaart and the developments it has been through since 2018.

4.1 The SCP Leefsituatie Index

As Exton and Shinwell (2018) wrote in their article, the Netherlands has been a pioneer in terms of measuring well-being. It took a formal shape in 1975, when the SCP Leefsituatie Index (SLI) was created. In 1974 the Netherland Institute for Social Research (SCP) constructed the ‘well-being standard’. The introduction of certain well-being measurement frameworks can be traced back to the ‘social indicators movement’ of the 1960s and 1970s. (Boelhouwer, 2010). The SLI research is conducted twice a year by the SCP and Statistics Netherlands (CBS) through survey questions. The goal of the SLI is to create an indicator that shows the social living situation of the Dutch population (SCP and CBS, 2020).

The SLI is not based on an underlying, international theory of which indicators to choose, as such a theory did not exist, and does not exist to this day. The SLI consists subjective-wellbeing measurements and the SCP decided to aggregate these into one index number. The weight was decided by a statistical method based on correlations (non-linear canonical correlation analysis). The decision to combine the indicators into a composite index was made because it offered a few benefits in opposition to offering loose indicators. 1) Communication with policy makers and the public is less complicated. 2) The cumulative effects become visible, which helps policy-makers to understand the extent and seriousness of certain issues. 3) The index makes it possible to compare different groups with each other, because it is calculated at the individual level. 4) The use of an index makes the concept more understandable within the public debate (Boelhouwer, 2010). The main goal of the SLI was for it to be policy-relevant, to describe the situation broadly and to show whether the life situation in the Netherlands was improving or not, not only for the country as a whole but also for various social groups (Boelhouwer, 2010).

The SLI has measured subjective well-being by surveying people about their experiences since 1974. In 2015 a more broad interest in well-being as an addition to GDP emerged on the political agenda, which led to the development of the Monitor Brede Welvaart. Its development will be discussed in the next section.

4.2 Parliamentary Research ‘Welfare in a Broad Sense’

In 2015, the Second Chamber of parliament decided to call a new parliamentary commission into existence to conduct research on well-being. The need for this research was incentivised by the awareness of the tendency to only focus on Gross Domestic Product (GDP) in measuring welfare, whereas a broader sense of welfare encompasses more aspects such as education, healthcare and the environment (Parlementair onderzoek breed welvaartsbegrip, n.d.).

The Commissie Grashoff, consisted of six members: H.J Grashoff (GroenLinks), M.G.J. Harbers (VVD), H. Nijboer, (PvdA), A.Z. Merkies (SP), P.E. Heerma (CDA,) and W. Koolmees (D66).

The members of the committee were supported by Parliamentary staff and a seconded civil servant⁶. In order to conduct their research, the commission tapped into multiple sources. Firstly, they analysed national and international literature on the topic of GDP and ‘welfare in the broad sense’. Afterwards, they conducted interviews with experts and went on working visits in France and Germany. Lastly, they wrote a report which was then reflected upon by scholars in the field⁷.

The commission made a clear distinction between welfare and ‘welfare in a broad sense’ (Brede Welvaart⁸). They argue that welfare, as it stems from economic theory, assumes that people strive towards utility maximization in order to fulfil their needs. The resources that bring utility are scarce. However, happiness, for instance, does not require merely scarce resources. Therefore the commission proposes a more broad theory of value, namely ‘welfare in the broad sense’ (Commissie Grashoff, 2016, p. 14). Through this definition, the commission sees welfare as something subjective that is different for every individual. The commission emphasised that this welfare theory can be applicable to individuals, both on the national and international level. An important report that the commission mentions is *the Commission on the Measurement of Economic Performance and Social Progress* (Stiglitz, Sen and Fitoussi, 2009), which was mentioned in the Theoretical Framework of this thesis. The Commissie Grashoff stresses the importance that this report has had on the debate on welfare, both nationally and internationally and on the creation of measurement systems by the OECD and Eurostat. Welfare today can have effects elsewhere and on future generations. They refer to the report *Our Common Future of the United Nations*, better known as *the Brundtlandreport*, written in 1987 in which the idea of sustainable development is introduced as a form of development that sustains the current generation, but does not hinder future generations from meeting their needs. Therefore, the Commissie Grashoff distinguished three aspects of welfare: ‘here and now’, ‘later’ and ‘elsewhere’.

4.3 The Monitor Brede Welvaart

4.3.1 The Creation of the Monitor

Cabinet Rutte III adopted all the recommendations that the Commissie Grashoff had made, which led to the following structure in order to measure and report on ‘welfare in the broad sense’. The Centraal Bureau voor Statistiek (CBS; Statistics Netherlands) developed the ‘Monitor Brede Welvaart’ (hereafter: the Monitor) (Tweede Kamer der Staten-Generaal, 2018a). This Monitor was supposed to replace the Monitor Duurzaam Nederland that the CBS had developed previously. To make the Monitor more comprehensive than its successor had been, it was supposed to show what the indicators would look like at any given moment (“now-casting”) and show the inequality and distribution between different societal groups and, where possible, show a comparison with other countries. These changes were requested by the Commissie Grashof, which asked the CBS to take inspiration from the OECD Better Life Index (OECD, n.d.), an interactive tool that allows the user to compare well-being among countries (Commissie Grashof, 2016). The Ministry of Economic Affairs and Climate Policy, the Ministry of Foreign Affairs and the Ministry of Infrastructure and Water Management officially commission the Monitor, which means that employees from these Ministries, together with employees from the CBS, work on the yearly development of the Monitor (interview 1).

⁶ mevrouw M.E. (Marloes) Haveman-Schüssel, griffier; de heer M.Y. (Miguel) Israel, griffier; de heer M.J.P. (Michiel) Becker, onderzoekscoördinator; de heer M.C.C. (Martijn) van Haften, plv. onderzoekscoördinator; de heer R. (Rutger) Hoekstra, onderzoeksmedewerker; mevrouw W.J. (Wilma) van Zeijts, informatiespecialist; mevrouw M. (Marja) Rotermundt, commissieassistent

⁷ prof. dr. M.W. (Marjan) Hofkes, hoogleraar Milieueconomie, Vrije Universiteit Amsterdam; prof. dr. M.P. (Marcel) Timmer, hoogleraar Economische groei en ontwikkeling, Rijksuniversiteit Groningen; drs. P.J.M. (Peter) van de Ven, hoofd Nationale rekeningen, OESO; dr. R.C.P.M. (Robert) Went, econoom en senior wetenschappelijk medewerker, WRR.

Each year, the Monitor is discussed in Parliament during the Accountability Debate on the third Wednesday of May. On Accountability Day the Minister of Finance is held accountable for policies and finances of the previous year (Ministerie van Algemene Zaken, n.d.). The publication of the Monitor is accompanied by a letter from the Cabinet, in which the important trends and policy-relevant points of interest are discussed. In this response, the Ministries interpret the numbers that are provided by the CBS. The CBS provides the measurements and outcomes of the indicators, whereas the Ministries link it to specific policies. The three Dutch Planning Offices (CPB, PBL and SCP) also provide a response to the contents of that year's Monitor, in which they discuss what happened in the Monitor from their respective fields.

4.3.2 The Development of the Monitor

The goal of the first publication of the Monitor was to give an objective description of 'welfare in the broad sense' in the Netherlands in 2018, and to signal on which domains the developments were favourable or less favourable. The Monitor presented a large number of indicators on multiple domains important for 'welfare in the broad sense': consumption, health, good educations, social contacts, a nice and affordable house, nature and the climate. The Monitor was based upon the definitions that the commission Grashoff already had deemed useful, thus the definition of sustainable development from the Brundtlandreport, which led to the three dimensions of measure 'welfare in a broad sense': 'here and now', 'later' and 'elsewhere' (Tweede Kamer der Staten-Generaal, 2018a).

4.3.2.1 Choosing the Indicators

The indicators were chosen on the basis of the CES-framework. The CES-framework is a collaboration of the UN, OECD and Eurostat, the Worldbank and national statistics agencies, which worked together on the harmonisation of measuring well-being. This framework also follows the three dimensions from the Brundtlandreport (Commissie Grashoff, 2016, p. 5). The more than 170 indicators (CBS, 2018a) developed for the Dutch Monitor, were chosen mostly for practical reasons of data-availability and relevance (Interview 4). The indicators are presented in a dashboard, which is also a recommendation from the commission Grashoff. This was a different decision from what is sometimes aimed: to have one number for 'welfare in the broad sense'. The Commissie Grashoff found that having multiple indicators is beneficial, since there will be no discussions on how to value or weigh individual indicators in the process of aggregation (Commissie Grashoff, 2016). Since people assign different value to income, education, healthcare, the climate, etc., the Cabinet Rutte III decided that it was impossible to grasp everything in one indicator, reduced to a single index number (Tweede Kamer der Staten-Generaal, 2018a, p. 2). According to the interviewees, the structure of a dashboard instead of an index fits the goal of the Monitor well, namely to inform parliament about developments in different policy-areas. The measurement by the CBS is important for the monitor's neutrality and scientific basis, as the indicators are not chosen by political parties. This is important since the Monitor needs to be seen as an instrument to create better policy, and not to assist only certain parties (Interview 5).

4.3.2.2 The Integration of the Sustainable Development Goals (SDGs)

In 2016 and 2018, the CBS published a report about the Sustainable Development Goals (SDGs) in the Netherlands (CBS, 2018b) The Cabinet Rutte III indicated that it would investigate, together with the CBS, whether these two reports could be integrated and presented at the same time on Accountability Day. In the second Monitor Brede Welvaart which was published in 2019, the CBS granted the request and included the ambitions for reaching the Sustainable Development Goals (SDGs) into the publication of the Monitor (CBS, 2019). These goals are formulated on a global level and all 193 UN-countries have officially committed to fulfilling them. It was the first year in which the progress on the Monitor Brede Welvaart and the SDGs were published together in one report.

The SDG report was compiled in collaboration between the national government, the decentral governments, companies and financial institutes, civil society, knowledge institutes and youth associations (Tweede Kamer der Staten-Generaal, 2019a). In the Monitor, the SDG-indicators are supplemented with SDG+ indicators that are specifically relevant for the Netherlands. However, the SDG goals are not translated to the Dutch context. SDG1 for instance states that extreme poverty needs to be eradicated. Extreme poverty in this case means that someone needs to live on less than \$1,25 a day (United Nations, 2020). In the Netherlands, however, the subsistence minimum might be much higher. This is not taken into account in the SDG report (Interview 5).

However, even with the integration of the SDGs, the dimension ‘elsewhere’ in the Monitor has been the most contested. Measuring the effects on other countries is still in its infancy and presented in a basic manner (interview 5). The commission Grashoff already predicted that the measurement of the dimension elsewhere would be a complicated endeavour in the Dutch case, since trade is very important for the Netherlands (Commissie Grashoff, 2016, p. 74). In 2018, the Cabinet questioned whether the imports of biomass and fossil energy carriers should be assigned as negatively as they are in the Monitor since they have a very positive effect on economic growth and employment opportunities. In 2019, this issue was raised again, when Cabinet Rutte III found that relevant factors such as the spill-over from Dutch knowledge and innovation abroad were missing. The greenhouse gas footprint was seen as problematic, because it still partly included the footprint of products that were produced in the Netherlands but consumed elsewhere.

4.3.2.3 The Influence of COVID-19

The publication of the 2020 monitor was affected by the outbreak of the COVID-19 global pandemic. The Cabinet expressed that their main priority for the upcoming year would be public health. In addition, it is important that the negative financial and economic implications will be as small as possible. Also the social effects of the virus, such as loneliness, are mentioned. “Welfare in times of corona is resilience and health, for everybody” (Tweede Kamer der Staten-Generaal, 2020b, p. 1). The Cabinet also expresses how the good score on the economic and financial aspects in the 2019 Monitor, meant that there would be enough means available to manage the burdens the COVID-19 pandemic will cause for 2020 and later. The interviews underscored the importance that the pandemic has had on the acceptance of a well-being framework (Interview 1, 4).

4.4 Summary

The presentation of the Report by the Commissie Grashoff, led to the creation of the Monitor Brede Welvaart. The developments of the approximately 170 indicators of the Monitor are measured and presented by the CBS. The Cabinet writes a response to the Monitor in which they note which developments might be policy-relevant. In 2019 the SDGs were integrated into the Monitor, however the dimensions ‘elsewhere’ remains contested. In the following section, I the efforts that have been made in order to integrate the indicators from the Monitor into the policy- and budget cycle will be discussed.

5. ‘Welfare in the Broad Sense’ and the Policy- and Budget Cycle and the Netherlands

After the development and publication of the Monitor, members from the political parties SP and PvdD asked whether it would be possible to incorporate well-being indicators more in the policy- and budget cycle. This led to multiple publications by the Ministries and the Planning Offices. The results of these research projects were derived from literature studies, conversations with experts and other organisations that work in the field of ‘welfare in the broad sense’. In December 2020 the Ministry of Economic Affairs and Climate, the Ministry of Finance and the Ministry of Foreign Affairs⁹ hosted an international conference titled *Beyond GDP: Well-being and SDGs in policy making*. See figure 2 on the next page for an overview of each publication, which organisation conducted the research and in response to which request they were published.

The results from the documents and the interviews show that there are three possible stages of the policy-cycle in which the integration of the Monitor Brede Welvaart would be relevant: Agenda-setting, policy-formulation and policy-evaluation. These findings will be presented in the next sections.

⁹ <https://www.sdgnederland.nl/event/online-conference-beyond-gdp-well-being-and-sdgs-in-policy-making/>

PUBLICATION YEAR	IN-TEXT REFERENCE	ORGANISATION	PUBLISHED DOCUMENT	PUBLISHED IN RESPONSE TO
2018	Tweede Kamer der Staten-Generaal (2018b)	Ministry of Economic Affairs and Climate Policy and Ministry of Finance	The integration of the Monitor Brede Welvaart into decision-making ¹⁰	Motie Van Raan (PvdD) en Beckerman (SP) tijdens het Wetgevingsoverleg van 20 juni 2018, Kamerstuk 34 298, nr. 24 ¹¹
2019	CPB, PBL and SCP (2019)	CPB, PBL and SCP	Letter Planning Offices regarding ‘welfare in the broad sense’ ¹²	Yearly accompanying letter of the Monitor
2019	Tweede Kamer der Staten-Generaal (2019b)	Ministry of Economic Affairs and Climate Policy and Ministry of Finance	The Monitor Brede Welvaart and the policy-cycle (Parliamentary Research ‘Welfare in the Broad Sense’) ¹³	Commitment made by Prime Minister Mark Rutte after the 2018 Accountability Debate
2020	Tweede Kamer der Staten-Generaal (2020c)	Ministry of Finance: Martijn Filak & Abdel Ouarraki Ministry of Economic Affairs and Climate Policy: Sander Gerritsen & Maaïke Stoeel	Social Cost-Benefit Analysis and the Monitor Brede Welvaart & SDGs ¹⁴	Commitment made by Prime Minister Mark Rutte after the 2019 Accountability Debate
2020	SDG Nederland (2020)	Ministry of Economic Affairs and Climate, the Ministry of Finance and the Ministry of Foreign Affairs	Conference: Beyond GDP: Well-being and SDGs in policy-making.	-
2021	CPB, PBL and SCP (2020)	CPB, PBL and SCP	Action plan CPB-PBL-SCP anchoring ‘welfare in the broad sense’-thinking into the budgeting system of the Cabinet and Chamber. ¹⁵	Requested by the 16th studygroup Budgettingspace: deciding direction, Choosig in times of budgetary shortage ¹⁶

FIGURE 2

¹⁰ Het integreren van de Monitor Brede Welvaart in de algehele besluitvorming

¹¹ Motion van Raan (PvdD) and Beckerman (SP) during the legislation meeting of 20 June 2018
<https://www.tweedekamer.nl/kamerstukken/detail?id=2018Z11957&did=2018D35144>

¹² Brief Planbureaus inzake Brede welvaart

¹³ De Monitor Brede Welvaart en de beleidscyclus (Parlementair Onderzoek Breed Welvaartsbegrip

¹⁴ Maatschappelijke Kosten Baten Analyse en de Monitor Brede Welvaart & SDG's

¹⁵ Plan van-aanpak CPB-PBL-SCP Verankering Brede Welvaarts-denken in begrotingssystematiek van Kabinet en Kamer

¹⁶ Studiegroep Begrotingsruimte: Koers bepalen, Kiezen in tijdens van budgettaire krapte.

5.1 Agenda-setting

As a response to the question how to integrate the Monitor more in decision-making and the policy-cycle, both the 2018b and 2019b research papers suggested paying attention to the Monitor at other times in addition to Accountability Day. The reason for reporting on the Monitor more often, is mostly to raise awareness (interview 1). The change in GDP, for instance, is reported four times during the year.

Firstly, the Monitor could be used more as an information source for Parliament in debates and for the Council of State in the budgeting process. Different moments are suggested at which it is possible to report on the Monitor. This would enhance the signal function that the Monitor has (interview 1). This signal function is important, since political parties each have a different view on what the most important aspects of welfare are, and therefore can draw different conclusions about the state of the Netherlands as it is presented in the Monitor. Thus, the Monitor can function as a factual basis for debates (Tweede Kamer der Staten-Generaal, 2019b, p.6).

In 2020 the Monitor was first used in the Miljoenennota, the annual publication in which the Cabinet's plans for the upcoming year are presented. The Miljoenennota is written in the Ministry of Finance. The Parliament asked the Ministry to take well-being indicators into account while drafting this publication (interview 3). Therefore, since 202 the Monitor is used in order to provide context about the condition of the Dutch economy in the Miljoenennota (Tweede Kamer der Staten Generaal, 2019, p. 4, Interview 1, interview 3).

Another moment when the Monitor could play a role in the agenda-setting phase of the policy-cycle, is during the formulation of a new coalition. "The combination of the integral weighing of policy and the multiannual character of the coalition agreement, provides chances to explicitly steer towards 'welfare in the broad sense'" (Tweede Kamer der Staten-Generaal, 2020T, p.2). A small group of civil servants is working on a plan to see how 'welfare in the broad sense' could be concretized in a coalition agreement, inspired by efforts in other countries such as Finland and Ireland have done in previous years (interview 1). The coalition agreement is an important point for decision-making, once the coalition agreement is made, there is only limited room left for civil servants to influence policy (Interview 5).

5.2 Policy-formulation

Parliamentary questions about including the outcomes of the Monitor in the policy- and budget cycle have been asked during the Accountability debate in 2018 and 2019. However, using the indicators is not so straightforward. The main issues with the Monitor, as it existed in 2019, was that the indicator set could not provide insights into the expected effects of policy, since it only looked backwards. "In order to use the indicators for 'welfare in the broad sense' in the rest of the policy-cycle, a political focus, a deeper insight into the coherence between indicators and other instruments is needed¹⁷" (Tweede Kamer der Staten-Generaal, 2019b, p. 4). However, efforts have been made in order to integrate well-being into two existing policy instruments that are currently used in order to measure the expected effects of policy, which will be discussed in the next section.

Policy-makers can use the Integraal Afwegingskader (Integral Assessment Framework, IAK) to map the policy-goals and the expected (side)effects of a policy-instrument. The list asks policy-makers to critically reflect on the policy-decision taken on aspects that they might not have considered initially, such as the living environment. However, the practical use of this policy-instrument hinders its usefulness as a means to integrate well-being into the policy-cycle. The IAK is not always filled out by policy-makers, or the process happens ex-post (interview 1). Therefore, it is often used in the policy-evaluation step of the policy-cycle instead of during policy-formulation. Additionally, the IAK remains a form that the policy-maker fills out themselves, which might create a situation in which policy-makers

¹⁷ "Voor het gebruik van indicatoren voor brede welvaart in de verdere cyclus zijn politieke focus, een dieper inzicht in samenhang tussen de indicatoren, en andere instrumenten nodig."

do not fill it out as critically as necessary (Interview 5). In the research paper written by EZK and the Ministry of Finance (2018), the option is mentioned to take up relevant aspects of the Monitor and the SDGs in the IAK (Tweede Kamer der Staten-Generaal, 2018b). In 2019 two relevant SDGs were included in the IAK after lobbying of societal actors (Interview 5). These were the effects of policy on gender inequality (SDG 5), and the effects of domestic policy on developing countries (all SDGs) (Tweede Kamer der Staten-Generaal, 2019b; interview 5). However, a link to ‘welfare in the broad sense’ is not explicitly made.

Within the IAK, a social cost-benefit analysis (SCBA) can be conducted. A SCBA is often conducted by the Dutch Planning Offices for big infrastructure projects and is used in the policy appraisal phase of policy-formulation. It is mostly used as an *ex-ante* instrument, but it can also be used later (*ex-post*), to see whether the expected outcomes of policy were realised. The SCBA shows the expected positive and negative effects relative to a reference point, the so-called zero alternative (benchmark), which is the situation if the government was to decide to not intervene. The SCBA maps all the relevant societal effects. Whenever possible, these effects are monetized. If this is not possible, the effects are shown in a quantified form of volume-effects. After monetization, the future effects are discounted back to the present. In the Netherlands, these calculations are done by the Planning Offices.

In 2019, Parliament adopted a resolution that asked the Cabinet Rutte III to evaluate the SCBA from the concept of ‘welfare in the broad sense’. This research focused on whether SCBAs took the societal effects of policy into account sufficiently, and whether the ‘welfare in the broad sense’-effects measured in the SCBA were broad enough. To answer these, experts¹⁸ were consulted, as well as earlier editions of the SCBA. A comparison between the SCBA and the Monitor were made. The Monitor looks at the current state of the Netherlands, whereas the SCBA looks *ex ante* at the evaluation of policy. The Monitor does not weigh the effect of certain indicators. The SCBA on the other hand, aims to give insight into the trade-offs between different effects. There are also different indicators used in the Monitor and the SCBA. The Monitor looks at all relevant indicators on a macro-level, whereas the SCBA only looks at relevant factors for the actors involved in the project. For instance, in an infrastructure project the SCBA would only look at the people who live within a certain radius, not the population in general by measuring longer lasting environmental damage. “... some relevant aspects of ‘welfare in the broad sense’ are not taken into account, even though they should – according to the Guideline *all* relevant societal effects should be taken in to account¹⁹” (Tweede Kamer der Staten-Generaal, 2019b, p. 19, emphasis in original). However, it is impossible to simply use the indicators of the Monitor in the SCBA. In chapter 5.4 Creating Models the reasons why will be discussed.

5.3 Policy-evaluation

The last option in order to integrate ‘welfare in the broad sense’ into the policy-cycle, is to include it during the policy-evaluation stage. In this phase, it is checked whether chosen policy-instruments serve the initial policy goals. The evaluator asks what the specific reason for government intervention was, and which societal effect policy has. Often the IAK is used in order to conduct this evaluation. Therefore, the relevant SDGs that were integrated into this instrument in 2019 are taken into account.

Each policy-evaluation written, should include a section that discusses the reason for government intervention and the detected societal effects. For these evaluations, ‘welfare in the broad sense’-indicators can be taken into account (Tweede Kamer der Staten-Generaal, 2018b). “In the wider decision-making process, the Monitor has added value by showing the issues to which the Netherlands should pay more attention by making the trade-offs between different aspects of welfare more

¹⁸ three planning offices, the CBS, the General Chamber of Audit, universities and several ministries.

¹⁹ “Zo blijken sommige relevante aspecten van brede welvaart niet te worden meegenomen, terwijl dat wel zou moeten – volgens de Leidraad dienen *alle* maatschappelijke relevante effecten te worden meegenomen”

insightful”²⁰ (Tweede Kamer der Staten-Generaal, 2018b, p.3). However, from the Planning Offices’ letters to parliament (CPB, PBL and SCP, 2019) and interviews with employees of the planning offices, it became clear that deriving insights into the trade-offs is not possible from the Monitor in its current form. I will discuss this more in-depth in the following section.

5.4 Creating Models

In the previous two sections I briefly discussed that it is difficult to simply integrate the indicators from the Monitor into policy-formulation and evaluation. As one of the interviewees said²¹:

“what certain politicians want, is that we do not only look at economic indicators such as employment levels, income, et cetera. But that we, in those calculation, take many more indicators of ‘welfare in the broad sense’ into account. What they envision is that we involve the complete Monitor in policy-making. And that is quite complicated of course, because, if you want to calculate certain effects, you need to have a model. In the Netherlands, the CPB and PBL have models, those can estimate what certain measures will do to CO2 emissions, and what certain measures do to unemployment ... income-inequality, wealth inequality, etcetera. But it is very complicated to calculate how certain measures affect happiness or ... noise disturbance, there are so many, that is almost impossible to do” (Interview 3)

These issues were already detected in 2018, when the Planning Offices published a letter (CPB, PBL and SCP, 2018) in which they mention four key reasons why it would be difficult to integrate the Monitor into the policy-cycle : 1) The Monitor only looks backwards at the previous year, and therefore portrays a somewhat static image. It does not show what is needed to maintain ‘welfare in the broad sense’ in the long term. 2) the Monitor does not provide insights into the distribution of welfare. The planning offices mention that it is important for policy-makers to have a more broad view than just averages, and also look at the clustering and dispersion within groups. Especially considering that its inability to take these things into account is what is critiqued about GDP. 3) The Monitor does not provide insights into the trade-offs and side effects of different indicators. Considerable economic growth, for instance, can lead to more investments in clean technologies on the one hand, but also to higher emission of greenhouse gasses, more use of exhaustible resources and a decrease in biodiversity on the other (CPB, SCP and PBL, 2019). 4) the Monitor does not indicate which level is desired for an indicator, thus, if the trend of an indicator declines, it is unclear whether this is a positive or negative development. The choice of which levels are desired is political, according to the Planning Offices. When the CBS started to indicate the developments of certain indicators as being good (green) or bad (red), the government criticised this development.

5.4.1 Creating a Core Set

²⁰ “Bij bredere besluitvorming heeft de Monitor Brede Welvaart meerwaarde, door de aandachtspunten voor Nederland te tonen en afwegingen tussen verschillende aspecten van welvaart inzichtelijker te maken”

²¹ En wat bepaalde politici nou eigenlijk willen, is dat niet alleen wordt gekeken naar economische indicatoren zoals werkgelegenheid, inkomen, et cetera. Maar dat bij die doorrekeningen veel meer indicatoren van brede welvaart worden meegenomen. En wat zij volgens mij voor ogen hebben is dat de hele de monitor wordt betrokken bij het maken van het beleid. En dat is natuurlijk best wel lastig, omdat er, als je dingen wilt doorrekenen moeten daar wel modellen aan ten grondslag liggen. Dus we hebben in Nederland, het CPB en het PBL hebben allemaal modellen, die kunnen schatten wat bepaalde maatregelen doen CO2 uitstoot, en wat bepaalde maatregelen doen met de werkloosheid. En ook wat bepaalde maatregelen doen met de ongelijkheid, inkomensongelijkheid, vermogensongelijkheid, etcetera. Maar het is dus heel lastig om door te rekenen wat een bepaalde maatregel doet met geluk, of noem nog eens wat, geluidsoverlast, er zijn er zo veel, dat is bijna niet te doen.

In 2021 the Planning Offices announced that they would create a core set of indicators in order to facilitate the decision-making process²². This set will hold a limited amount of indicators for each of the Planning Offices' domains. Each planning office aims to develop five indicators, which would make it fifteen in total (interview 4). An important feature of the core set is that the chosen indicators should be able to be influenced by policy, so that the Planning Offices can analyse policy-measures from the notion of 'welfare in the broad sense'.

The Planning Offices' main reasons for collaborating on these core sets is to show the cohesion between the indicators, both within 'their own' set, as between the three. Currently this is not possible because there are no "models" connected to the indicators yet. By making the trade-offs between the indicators and domains visible, the decision-making process in Parliament will be supported (interview 4). The core set will be presented as a dashboard, and will be made available right before an important decision-making point in the year, namely the "Voorjaarsnota". The models that will be created, will be quantitative for the CPB and PBL. The SCP will use a more qualitative approach, but will also create a quantitative instrument to estimate policy effects. In the end, the goal is for political decision-makers to be able to set priorities based on the dashboard which can then be integration into the policy-instruments.

5.5 Political Attitudes Towards Well-Being

The core set will help political decision-makers to make more evidence-based decisions between different aspects of 'welfare in the broad sense'. From all interviews it became clear that it is especially this political decision-making is important in order to integrate well-being into the policy-cycle.

As was mentioned in the literature chapter of this thesis, the well-being agenda is linked to the idea of economic degrowth. The idea that the indicator GDP should not be something policy should be steered towards, however, has not yet been adopted in the Netherlands. In multiple government documents, the notions of 'green growth', or 'sustainable growth' play an important role. (Tweede Kamer der Staten-Generaal, 2013),(Tweede Kamer der Staten-Generaal, 2019c). From the interviews, a similar image emerged. In response to the question what the view towards economic growth looked like, interviewee 1 responded: "I think the image now is that growth is still important, because many aspects of 'welfare in the broad sense' have a positive cohesion with economic growth. What we can spend on health care, pensions, education, all those things. But we have to earn it in a sustainable manner" (Interview 1). The interviewee mentions that there are multiple words to describe this idea, such as green growth, innovative growth and inclusive growth.

However, continuous reporting on the Monitor seems to have had a positive effect on the views of GDP-growth in the last few years (interview 1). The liberal party (VVD) in their 2020 election programme had a more broad focus on 'welfare in the broad sense', whereas this party traditionally emphasized economic aspects more (interview 1). The party has been more reserved towards the well-being agenda, and was not in favour of integrating the SDGs into the coalition agreement after the 2017 elections (interview 5). One of the interviewees mentioned how the COVID-19 pandemic might have had an effect on this shift in thinking, because it made clear that sometimes other aspects, in this case public health, are more important policy-goals than achieving economic growth.

5.6 Summary

In the last few years, employees from the Dutch Ministries and Planning Offices have been engulfed with the question whether it would be possible to integrate 'welfare in the broad sense' and the SDGs

²² They were asked to do so in 2020 when the report of Study group for the Budget Space²² of the Netherlands was published. This research is published traditionally the year before the elections, in order to see what the budget of political party's plans can be.

in the policy- and budget cycle. There still exists uncertainty about whether the best course of action would be to alter the existing policy-instruments or to create new ones. The two current instruments in which well-being indicators could be integrated are the IAK and the SCBA. However, both are currently not used to their full potential.

The main issue in order to integrate indicators from the Monitor is that in order to integrate the indicators into instruments, the trade-offs between different indicators needs to be made clear. This is something the Planning Offices are currently working on through the creation of a core set of indicators. However, for well-being indicators to have an effect on the policy that is created, political decision-makers need to decide to actively steer towards them.

6. Analysis

In the theory chapter, the three barriers to shifting to a well-being framework by Exton and Shinwell (2018). These authors distinguished between political barriers, indicator barriers and process and structural barriers. In this chapter, the findings from the previous two chapters will be discussed through the theoretical lens provided by Exton and Shinwell (2018), Whitby et al. (2014) and Stiglitz et al. (2018 and 2019). In the scheme, the relevant observations are taken into account. In the following section, I will discuss the relevant pieces of evidence found and how these exactly form a barrier.

LEVEL OF INTEGRATION	POLITICAL BARRIERS	INDICATOR BARRIERS	PROCESS AND STRUCTURAL BARRIERS
MICRO	The Background of Officials		
	The Support Network: Social Networks inside and outside of government		Ministries use the calculations by the Planning Offices
	Knowledge, Time and Money		
		The Monitor only looks backwards, which means it does not provide a basis for decision-making.	Policy instruments that could be used (IAK and SCBA) are not well-suited to well-being indicators yet.
MESO	Legal and Organisational	No legal requirements for political decision-makers to take well-being indicators into account	
	Different Perspectives	Difference of opinion on the use of GDP	
	Politics and Analysis		
		The 150 indicators are not made to be used in the rest of the policy-cycle	
MACRO	Priorities and Paradigms	Economic growth paradigm is still present (green growth, sustainable growth)	Disagreement about the dimension “elsewhere”
	EU Policy and other high-level constraints		The SDG agenda does not provide concrete goals for Dutch policy-making
	Patterns of Consultation		

FIGURE 3

6.1 Indicator Barriers

According to Stiglitz et al. (2018), solely presenting well-being indicators is not enough to steer policy

towards well-being. They found that in some cases, indicators were not designed to be used in the policy-cycle. This seems to have been the case in the Netherlands, where the Monitor Brede Welvaart, a set of more than 170 indicators was created mainly to inform decision-making as broadly as possible, but gave no insight into relationships or trade-offs between the indicators. Therefore, these indicators are not presented in a way so that policymakers can use them if they need to decide between different policy-options. All interviewees find the many indicators a positive aspect. The many indicators make the Monitor and scientific measurements by the CBS make the Monitor nonpartisan.

Stiglitz et al. (2018) describe that a set of tools, models and techniques is necessary in order to translate indicators into usable tools for policy-makers. This process is currently happening in the Netherlands, after the Parliament has requested to integrate well-being in the budget- and policy-cycle (Tweede Kamer der Staten-Generaal, 2019b). All the interviewees underscored the difficulty of this process, and that no other country has managed to do this so far. However, Exton and Shinwell (2018) and Stiglitz et al. (2018) found a number of countries that managed to use well-being indicators in policy-formulation more explicitly, especially the United Kingdom and New Zealand. Stiglitz et al. mention that this might have been due to a great focus on subjective well-being, this focus does not seem to be as present in the Netherlands yet. The idea that subjective well-being indicators can be taken as signifiers for other important aspects of well-being was not discussed, even though the SCP Life-Situation Index (SLI) that measures subjective well-being, is still regularly published.

The planning offices are working towards a core set in order to make the trade-offs between different indicators more visible, which would aid this political decision-making process. In order to make the indicators suitable to be used in policy-formulation, much more information is needed in order to gain insights into the cohesion between different indicators. This is necessary in order to create a model. These models already exist for some economic indicators, such as unemployment and income, and for some ecological indicators such as CO2 emissions. The core set will show the cohesion within each specific set, but also between the sets. In this way, it will be possible to predict what the effect of indicators will be on each other for the future.

The successful use of indicators in the policy-cycle was, according to Exton and Shinwell's (2018) research, also partly due to the creation of a mandate through which to force these indicators to be used in budgeting, which happens in Italy and Sweden. This can for instance be political parties who are very involved in the creation and choosing of the indicators. This mandate is not very present in the Netherlands for the Monitor, except for the inclusion of indicators in the Miljoenennota, but this is not a very structured process. For the Sustainable Development Goals (SDGs) however, a campaign is set up from actors all throughout society to get the Sustainable Development Goals integrated in the new coalition agreement. The integration of the SDGs and the Monitor Brede Welvaart, is generally seen as a positive development, whereas the Monitor looks backwards at the previous year, the SDGs specify goals for the future. However, these goals are not all translated to the Dutch context.

6.2 Process and Structural Barriers

Exton and Shinwell (2018) distinguish process and structural barriers in the uptake of a well-being framework. These depend upon the support that the well-being framework receives within the policy process. Exton and Shinwell expected that the measuring and reporting by the CBS might create a barrier for the indicators to be used within the Ministries.

Stiglitz et al. (2018) point out the importance of having models and tools that make it possible to integrate well-being in the formulation of policy. This can either mean to change the policy-instruments that are in place to include well-being, or to create new instruments. The two main policy-instruments in which well-being could potentially play a role are the IAK and the SCBA. However, the IAK is not structurally used for each policy decision. It is often filled in ex post instead of ex ante and is a self-test, therefore it can easily be not reliable. The SCBA, a part of the IAK, is used in order to

weigh certain effects by assigning them a monetary value. The main reason why it is difficult to integrate well-being indicators into these policy instruments, is that both depend upon models in order to predict certain outcomes, which not yet exist for some well-being indicators.

Turnpenny et al. wrote that on the macro-level, attitudes and perspectives towards the indicators can also influence the process. From the interviews, attitudes towards well-being seemed to be positive. However, the degree to which ‘welfare in the broad sense’ and the SDGs have gained traction within ministries seems to differ. Within this barrier, the most important aspect is the willingness to change within the system. Although the interviewees were mostly very involved with well-being, they explained how the idea is not yet mainstream within the ministries. The SDGs, for instance, are still seen as something that should mainly concern foreign policy, and not something to integrate into policy that concerns domestic issues.

6.3 Political Barriers

Exton and Shinwell and Stiglitz et al. (2018) found that strong leadership towards the beyond-GDP agenda is very important in order to integrate well-being into the policy-cycle, especially from coalition parties or a political leader such as the president. This has not been the case in the Netherlands, where the coalition of Rutte III, has actively steered towards economic growth, often under the term green growth or sustainable growth. However, the emergence of the recent global pandemic has somewhat changed this. Due to the crisis it became clear that some aspects of welfare have clear trade-offs with each other. In this case, public health and economic growth.

Multiple actors within the Ministries and outside of government, such as SDG Nederland, aim to seize the opportunity of the elections and the drafting of a new coalition agreement in order to put well-being on the agenda again. Also the Planning Offices have aimed to take on a more political role in emphasizing the importance of environmental and social aspects in the economic recovery of COVID-19. This involvement of Ministries and the Planning Offices, trying to influence political decision-making, show that in order to create a substantive change in the role of well-being in to policy-cycle, a key change that needs to be made is political decision-making. This reinforces the findings of Exton and Shinwell regarding the importance of political barriers.

6.4 A Causal Conjunction

In this study, a Causal Process Tracing-methodology was used in order to understand how different causal factors worked together in order to explain the outcome. In order to do so, I aim to see how the different causal factors within the three barriers relate to each other. In the data that was found, I have detected the following causal conjunction.

In the Netherlands, the Commissie Grashoff advised to create a Monitor Brede Welvaart. This Monitor was supposed to be measured and presented by the CBS. On multiple occasions it is mentioned that this Monitor is mostly supposed to be a facilitator for political debates. Thus, the goal is for it to be used in the agenda-setting phase of policy-making. However, as Stiglitz et al (2018) state, solely reporting on well-being is not enough for it to become integrated in the policy-cycle. Because the indicators that were eventually developed by the CBS and not based on decision-making within the ministry, there was a gap between the development of the indicators and their use in policy-making. The Netherlands additionally has a second step, since the Planning Offices conduct most calculations for the Ministries. Because the Monitor only reports on what has happened in the past, it does not provide enough base for political decision-makers to steer towards well-being. The Planning Offices have recently started working on a core set of indicators, which will facilitate the process of political decision-making.

7. Conclusion and Discussion

7.1 Summary of the Study

For this master thesis, the research goal was to gain a better understanding of the state of implementing well-being indicators in the policy-cycle in the Netherlands. The motivation to research this issue was the implementation of the National Growth Fund, a fund with its main goal to stimulate GDP growth for the Netherlands. This decision was critiqued, since GDP has been receiving criticism both as a measurement instrument as well as a goal to steer policy towards.

The beyond-GDP agenda has been gaining momentum in the last decades, especially since the publication of *the Report by the Commission on the Measurement of Economic Performance and Social Progress* by Joseph E. Stiglitz, Amartya Sen and Jean-Paul Fitoussi in 2009, in which the main limits of Gross Domestic Product (GDP) were studied and a new framework of well-being economics was presented. In the years after, several countries have tried to measure and report on well-being in their country. Stiglitz et al. (2018), however, found that merely reporting on well-being is not enough to change the structure in which policy is made, for that, well-being indicators need to be used in the policy-cycle. Therefore, I asked the research question: “Why have well-being indicators not been integrated into the Dutch policy-cycle, beyond the phase of agenda-setting?”

The policy-cycle counts five stages: agenda-setting, policy-formulation, implementation, monitoring and evaluation. The integration of policy assessment into this cycle, according to Turnpenny et al. (2013), can take place on three levels: the micro- meso- and macro-level. Thus, if new ideas are not integrated, the reasons for this can range from the time, money and knowledge of policy-makers to the existing paradigm on economic growth. Exton and Shinwell previously found three categories of barriers present explicitly to the integration of well-being: political barriers, indicator barriers and process and structural barriers. The Netherlands has had a focus on the monitoring and presenting of well-being indicators in the agenda-setting stage of the policy-cycle. In the process of integrating the indicators into other stages of the policy-cycle, all three barriers can be identified. Firstly, the indicator barriers exist on the level that the indicators are currently not able to be used by the policy-makers. There are over 170 indicators that were not developed with policy-making in mind, therefore these form a substantial barrier. On the process and structural level, this issue also plays a role. The Planning Offices are currently working on a core set of indicators that should make these trade-offs visible. Moreover, the two policy-instruments (IAK and SCBA) in which well-being could be integrated, are not well suited to this yet. Besides this issue, the idea of well-being does not seem to have become as mainstream as indicators such as GDP-growth and unemployment for policy-makers. Lastly the lack of a coalition that has decided to actively advocate for well-being, forms a political barrier. Thus, the theory of Exton and Shinwell was applicable to this case. The presence of these barriers has indeed hindered the uptake of well-being indicators in the policy-cycle beyond agenda-setting, and the interplay between barriers showed the specific issues at play in the Dutch case.

However, the role of uncovering trade-offs between different types of indicators did not play a big role in the theory, although this was an important objective for the Planning Offices in the Netherlands. Stiglitz et al. (2018) mention that it might be necessary to change a cost-benefit analysis, such as has been done in the United Kingdom, but do not elaborate. Therefore, this research has provided interesting new insights into the issues that arise when trying to integrate well-being indicators into policy-making.

7.2 Limitations of the Study

There are certain limitations to this research that need to be addressed. Firstly, it is possible that the snowball sampling method of the interviews has had an effect on the validity of the outcomes. The

chosen interviewees were all experts that work together in the same field. This could have created a situation where particular aspects that the interviewees deem important got more attention. Perhaps alternative solutions to the questions of integrating well-being in the policy-cycle do exist, but did not arise out of the interview data as the interviewees collectively did not know about it or had previously discarded it as a suitable option. However, making the decision to choose this interviewees can still be justified due to their expertise on the topic, which provided necessary additional insights to the document study.

Additionally, the research design of this study mostly focused on the policy-formulation stage of the policy-cycle, since this phase includes the possibility to include more well-being indicators into decision-making and Exton and Shinwell (2018) distinguished this stage most often in other country cases. However, the focus on this stage of the cycle in the methodology might have led to a lack of data-collection about other stages of the policy-cycle, especially policy-evaluation. The main issue to integrate well-being indicators into the policy-cycle, which is the lack of possibilities to calculate the trade-offs between indicators, is not specifically related to this stage of the policy-cycle.

7.3 Options for Future Research

This study provides some interesting options for future research. Firstly, the presence of the political barrier in this case raises the question to what extent the well-being economics agenda can be seen as politically neutral. Although scholars in the field argue that the theory follows from economic reasoning, the reluctance to adopt the agenda in the Netherlands seems to be partly related to specific political parties. It would be interesting to see whether a causal mechanism between the biggest political party or the type of coalition and the uptake of well-being exists. Perhaps, in the future, this might allow the possibility to create a typology of using well-being indicators internationally. Secondly, the emergence of the COVID-19 virus seems to have had an influence on the perception of well-being and the importance of GDP in the Dutch government. Currently, these results have not developed sufficiently, but it would be interesting to research internationally what the result of the virus has been on the uptake of the well-being agenda.

7.4 Policy Recommendation

The Dutch system of reporting on well-being indicators, and using them in the policy-cycle, has aimed towards political neutrality and scientific reasoning. In my opinion, the efforts that are currently being worked on such as the core set, are admirable. However, I would like to raise the question to what extent complete scientific reasoning is possible and necessary. For instance the discussions that arose on the dimensions 'elsewhere', where a difference in opinion emerged about what should count as the effects of Dutch policy abroad, show that a complete scientific approach might not be attainable at this point in time. A first step in order to use well-being indicators more in policy-making, might be to make them better known in the policy-making framework. If policy-makers have a more continued engagement with the concept, the indicators might become more integrated. Therefore, it seems to be beneficial to alter the IAK, to integrate the Monitor Brede Welvaart more. If well-being indicators are integrated into this instrument and its use is made mandatory, policy-makers would be confronted consistently with the possible effects of their policy on areas they might not expect it to in the first place.

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9. Appendix

9.1 Interview Guide

The interview will be semi-structured, which means that questions will be formulated beforehand, but that follow-up questions might be asked if the interviewer deems those useful. These follow-up questions can be used in order to get more explanation of the topics that the respondent mentions and add depth. They can also be asked if answers are unclear or inconsistent with what has been said previously.

The interview guide is written in Dutch, since the interview will take place in Dutch. After conducting these interviews, these will be transcribed in Dutch. For usage in the Appendix, English translations of the questions will be added. If quotes are used in the thesis, these will be translated to English by the researcher. This interview guide is structured along the lines of micro-, meso- and macro-levels of integration of indicators in policy formulation. The interviews will be conducted with experts in the field. Before conducting the interviews, the interviewee signs a permission statement, in which it is clearly outlined what the person agrees to by being interviewed. The interviewee is aware that they can withdraw from the research at any given moment.

Sectie 1: Vragen omtrent persoon en organisatie

Questions regarding the person and organisation

1. Naam
Name
2. Waar werkt u?
Where do you work?
3. Welke baan vervult u daar?
What job do you do there?
4. Hoe lang bent u in deze hoedanigheid werkzaam?
How long have you been employed as such?

Sectie 2: Concepten en algemene vragen

Concepts and general questions

1. Hoe zou u economische groei omschrijven?
How would you describe economic growth?
2. Hoe zou u welzijn (well-being) omschrijven?
How would you describe well-being?
3. Hoe zou u de monitor brede welvaart omschrijven?
How would you describe the Monitor 'welfare in the broad sense'?

Sectie 3: Micro-level integratie

Micro-level integration

1. Werkt u zelf met de monitor brede welvaart? Zo ja, hoe?
Do you work with the Monitor 'welfare in the broad sense'? If yes, how?
2. Hoe werkt uw organisatie precies met de monitor brede welvaart?
How does your organisation work with the Monitor 'welfare in the broad sense'?
3. Zou u iets kunnen vertellen over de totstandkoming van de monitor en welke rol uw organisatie daarin speelt?
Could you tell me something about the creation of the Monitor and which role your organisation plays in it?

4. Op welke manier komt de duiding brede welvaart¹ tot stand?
How is the interpretation 'welfare in the broad sense' created?
5. Hoe kan de duiding brede welvaart beleidsmakers helpen in het maken van keuzes?
How can the interpretation 'welfare in the broad sense' help policy-makers make policy-decisions?
6. Hoe krijgen beleidsmakers toegang tot de duiding?
How would policy-makers access the interpretation?
7. Ontvangt u signalen van beleidsmakers dat ze gebruik van de duiding maken?
Do you receive signals from policy-makers that they make use of the interpretation?
8. Denkt u dat het praktisch gebruik van de monitor voor beleidsmakers verbeterd zou kunnen worden?
Do you think that the practical use of the Monitor by policy-makers could be improved?
9. Welke rol speelt de monitor brede welvaart in de publicatie van de sociale staat van Nederland
Which role does the Monitor play in the publication "de sociale staat van Nederland¹"

Sectie 4: Meso-level integratie

Meso-level integration

1. Werkt uw organisatie samen met andere organisaties die met de monitor brede welvaart werken?
Does your organisation cooperate with other organisations that work with the Monitor?
2. Hoe ziet die samenwerking er precies uit?
What does that cooperation look like?
3. Denkt u dat deze samenwerking verbeterd kan worden?
Do you think this cooperation can be improved upon?
4. Hoe is de samenwerking ontstaan? (Vooral de rol die het CBS en de planbureaus spelen in de totstandkoming en duiding van de Monitor)
How did the structure between different organisations come about? (Especially the role of the CBS and the Planning Offices in the creation and interpretation of the Monitor)
5. Wat vindt u van de organisatorische structuur? (met het CBS, de planbureaus en de ministeries)
What do you think about this organisational structure? (With the CBS, the Planning Offices and the Ministries)

Sectie 5: Macro-level integratie

Macro-level integration

1. Hoe zou u de kijk op economische groei binnen uw organisatie omschrijven?
How would you describe the view of economic growth within your organisation?
2. Hoe zou u de kijk op economische groei in het politieke landschap omschrijven?
How would you describe the view of economic growth in the current political landscape?
3. Hoe ziet u de relatie tussen de Monitor en economische groei
How do you see the relationship between the Monitor and economic growth?
4. Zijn er binnen uw werk/organisatie EU reguleringen die het werk met de monitor beïnvloeden?
Are there in your job/organisation EU regulations that influence working with the Monitor?

9.2 Consent Form Example

The consent form was written and presented to the interviewees in Dutch. The version in this Appendix is translated into English.



Universiteit
Leiden

Consent Form Interview

Research project: Master thesis: The Use of Well-being Indicators in Dutch Policy-making

Researcher: Roelien van der Wel

Participant:

Thank you for collaborating to this thesis-research project into the use of well-being indicators in Dutch policy-making.

The interview will take maximum one hour. It is not expected that participation in this interview will bring any risks. However, you always have the right to stop the interview at any moment or to withdraw from the research.

It is important that you, the interviewee, explicitly consents to being interviewed and that you understand for which purposes the information that you provide in this interview will be used. Therefore, this consent form is needed, for you to understand the goal of your participation and to agree with the terms of your participation.

I therefore ask you to read the following information carefully, and afterwards to sign the form in order to declare that you agree to the following:

- The interview will be recorded and a transcript of the interview will be produced
- The transcript will be send to you, you then have the possibility to correct possible mistakes.
- Thereafter, the transcript will be analysed by Roelien van der Wel as researcher.
- The transcripts will only be available to Roelien van der Wel and her thesis-supervisor Dr. N.A.J. van der Zwan (Leiden University).
- From the interviews, summarized parts or direct quotes can be used for academic publication and/or publications for a broader public. These will be anonymized so that you cannot be identified.
- The interview recordings will be deleted as soon as the research is completed.
- Granted that the thesis receives a passing grade, it will be taken up into the Thesis repository of Leiden University.
- Changes to the abovementioned will only take place with your explicit consent.

Consent concerning the use of quotations:

I understand that my words can be cited directly. Regarding the usage of quotations, please indicate whether you give consent to:

	I would like to receive the notes, transcripts or other data that is collected during the interview.
	I give permission to be cited anonymously as an employee of [insert institution]
	I give the researcher permission to publish documents that contain citations of me.

By signing this form I indicate that;

1. I read this consent form;
2. I voluntarily take part in this project. I understand that I am not in any way obligated to do so and that I can stop the interview at any given moment;
3. I do not expect payment in any form for my participation;
4. The transcribed interview or parts of it may be used as abovementioned;
5. I will receive a transcript of the interview and can make changes related to faulty information or the safe-keeping of confidentiality;
6. I have been able to ask any questions that I had, and that I can always contact the researcher in case of future questions.

Signatures of interviewee and researcher

Contact information

If you have any further questions concerning this research, you can contact the researcher:

Contact Information

Or you can contact her thesis-supervisor Dr. N.A.J. van der Zwan

Contact information

9.3 Codes used in order to Collect evidence in Documents and Interviews

Code

Skills, knowledge and policy instruments, time and money

Support networks (role of experts and (non-) governmental organizations)

Process of creating indicators

Goals in policy-making

Higher level decisions (at EU-, or UN-level)

Political decision-making and attitudes towards well-being

Consultation with the public