Barriers and opportunities for Beyond GDP adoption

Evidence from the Netherlands

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Foreword

1   # Abstract

2

3   For decades GDP has been the most influential economic metric in policymaking, but in recent

4   decades, its fitness as a measure of well-being has been called into serious question. Numerous

5   alternatives have emerged to complement or even substitute it, and several governments have

6   begun incorporating broader well-being indicators into their national statistics. However, few

7   have fully institutionalized these indicators into their policy cycle. This study explores the

8   barriers and opportunities for using Beyond GDP indicators in policymaking through a case study

9   of the Netherlands. An extensive document analysis, combined with a content analysis of five

10   interviews with high-level experts, reveals various barriers to the adoption of a Beyond GDP

11   agenda in the Netherlands. The most significant barriers involve the lack of a national broad

12   well-being framework, the lack of sophisticated broad well-being modeling and forecasting, and

13   a challenge in translating well-being indicators from the national to the regional level.

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1   **1   Introduction**

2   Since the 1930's, Gross Domestic Product (GDP) has been the leading indicator guiding

3   economic policy. Because neoclassical theory links economic growth to increases in well-being,

4   GDP has implicitly been accepted as the best proxy to measure well-being in society. But the

5   challenges that our societies face in the 21st century—rising inequality, environmental

6   degradation, healthcare crises—have thrown the fitness of GDP as a well-being indicator into

7   question.

8   In recent decades, the Beyond GDP movement has gained momentum. In 2007, the

9   European Commission and the European Parliament organized the Beyond GDP Conference,

10   which set off EU-level discussions on the most appropriate indicators to measure progress

11   (European Commission, 2022). One year later, then-President of France Nicola Sarkozy set up

12   the Commission on the Measurement of Economic Performance and Social Progress, now

13   famously known as the Stiglitz-Sen-Fitoussi Commission. The Commission's report called for

14   moving beyond production and towards well-being to measure societal progress (Stiglitz et al.,

15   2009). Since that period, a myriad of new indicators have emerged to complement or replace

16   GDP.

17   2008-2012 was a period of stagnation for Beyond GDP talks, as many governments

18   leaned towards more traditional policies to deal with the economic and financial crisis. At

19   present, various governments have incorporated broad well-being indicators in their national

20   statistics, yet very few have institutionalized the Beyond GDP agenda into their policy cycle. The

21   BRAINPOoL ("Bringing Alternative Indicators into Policy") project, funded by the European

22   Union, conducted a series of case studies to investigate the barriers and opportunities for using

23   Beyond GDP in policymaking.

24   This study investigates those barriers and opportunities focusing on the Netherlands: a

25   developed nation that has made significant steps toward a broad well-being agenda. In 2018,

26   Statistics Netherlands launched the Monitor of Well-being (MoW), a dashboard of indicators

27   that monitors trends in the country across multiple well-being themes. Despite this critical step,

28   the Beyond GDP framework has still not found its place in Dutch policymaking. GDP is still the

29   core metric for policy debates, economic modeling and forecasting, and budgeting decisions.

1   Therefore, the proposed study focuses on the question: "What are the barriers and
2   opportunities for Beyond GDP adoption in the Netherlands?"

3   Academic literature has barely scraped the surface on this topic, with a few recent case
4   studies in Denmark (Hoff et al., 2021), Finland (Demos Helsinki, 2022), as well as Germany and
5   Belgium (Bleys & Whitby, 2015). This study contributes to that literature, paving the way for
6   further empirical research. The societal relevance of this study is immense; troubleshooting the
7   barriers of Beyond GDP policymaking is vital to building resilient, sustainable, and future-fit
8   societies. Identifying opportunities to implement the Beyond GDP agenda is equally important.

9   The remainder of this study is structured as follows. Chapter 2 includes a literature
10   review that touches on the history of GDP and the collection of current Beyond GDP indicators.
11   It also includes an account of current Beyond GDP best practices and a theoretical framework of
12   the Beyond GDP policy cycle. Chapter 3 covers the methodology, including the interview
13   method, interviewees, data processing, and a reflection on methodological challenges
14   encountered. Chapter 4 describes the barriers identified through the analysis. Finally, Chapter 5
15   discusses some of the key emerging themes from the study and directions for future research.

16

17   **2   GDP and Beyond GDP**

18   **2.1   The Successes and failures of GDP**

19   GDP is the number at the heart of every economy. When governments try to improve their
20   country's economic standing, they use GDP growth as the target outcome. When investors are
21   deciding if potential returns are worth investing in a country, that country's GDP will almost
22   always be a relevant factor. When economists try to understand whether an economy is
23   overheating or about to hit a recession, we turn to GDP to look for warning signs. And when we
24   are comparing progress and national development between countries, GDP is often the
25   preferred yardstick. If economists were doctors and the economy was a patient, GDP would be
26   the most important symptom at our disposal to diagnose the patient's health.

1   GDP is an estimate of *market throughput* (Costanza et al., 2014a). Throughput, in general,

2   refers to the amount of material passing through a system. When we talk about market

3   throughput, we are thus referring to the amount of "material" passing through the economy.

4   GDP is that material: it is the total amount of goods and services produced and sold for money

5   in an economy in a specific time period. It is a highly efficacious measure of economic activity in

6   a country. That is partly why it has become so central to economic modeling and forecasting

7   and why it has been hailed as "one of the great inventions of the 20th century" (Landefeld,

8   2000).

9   The efficacy of GDP as a metric alone, however, is not the reason for its success; much of

10   that is owed to political history and happenstance. The "golden years" of GDP as we know it

11   today came after it was popularized in the US during the 1930s and 1940s. The Roosevelt

12   government used GDP statistics to justify the policies enacted to exit the Great Depression

13   (Costanza et al., 2014a). The next pivotal moment came when American involvement in WWII

14   became likely. In 1942, GDP statistics were used to justify the cost of the war production

15   program, which at that point was 90% of the national budget (Marcuss & Kane, 2007). This was

16   necessary to convince the American public that had just lived through the Great Depression that

17   it could maintain its living standard while financing the war effort. Near the end of WWII, the

18   Bretton Woods system was established—an international monetary management system aimed

19   at fostering international cooperation on trade and currency exchange. The *de facto* power and

20   influence of the US within that system and its institutions[1] meant that GDP-driven economic

21   policymaking proliferated around the world.

22   The concept of GDP—the quantification of national income—existed before these events.

23   But after proving itself to be an indispensable policy tool in the WWII era, its status changed.

24   GDP crystallized as a vital diagnostic instrument in policymaking. In their book *Economics*, Paul

25   Samuelson and William Nordhaus (2009) write:

26

27   *Much like a satellite in space can survey the weather across an entire continent,*
28   *so can the GDP give an overall picture of the state of the economy. It enables the*

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[1] The International Monetary Fund and the World Bank.

1   *President, Congress, and the Federal Reserve to judge whether the economy is*

2   *contracting or expanding, whether the economy needs a boost or should be*

3   *reined in a bit, and whether a severe recession or inflation threatens*.

4

5   Along the way, GDP achieved something crucial, which Hoekstra (2019) dubs a "successful

6   community." First of all, GDP has a clear objective: understanding the sources of growth and

7   creating policies to stimulate it. This objective is supported by a scientific community of

8   macroeconomists and by a sophisticated global reporting infrastructure that was built around

9   GDP. This infrastructure receives institutional backing from the United Nations and now forms a

10   shared standard across the world (Van den Bergh, 2022). This feat of systemic change has led to

11   the description of GDP as "the world's most powerful number" (Fioramonti, 2013). And it is,

12   indeed, very powerful: internationally, GDP performance determines countries' participation

13   and influence in global fora. Domestically, it can make or break an electoral campaign

14   (Abramowitz, 1996).

15   But does GDP serve us in the 21st century as well as it did in the 20th century? Simon

16   Kuznets (the main developer of modern GDP) discouraged its misuse as a measure of economic

17   or social well-being (Costanza et al., 2014a), stating that measurements of national income are

18   vulnerable to oversimplification and abuse (Kuznets, 1934). His prophecy about the potential

19   impact of these statistics came true: nowadays, a higher GDP is instantaneously equated to a

20   higher state of well-being, although this often amounts to an oversimplification of reality.

21   Famously, Robert F. Kennedy said that GDP measures "everything except that which

22   makes life worthwhile" (Costanza et al., 2014b). We have implicitly grown to consider it an

23   indicator of social well-being, but paradoxically, it cannot adequately measure many vital

24   dimensions of social well-being. It was never intended as such a measure; GDP as a metric does

25   not account for things like environmental degradation, natural resource depletion, income

26   inequality, or the quality of a country's healthcare system (Van den Bergh, 2009). Yet, most

27   would agree that such factors are crucial for experienced well-being in society and deserve to be

28   measured accurately. The US is a perfect example of this dichotomy. It has the highest GDP in

29   the world, but increasing economic and social inequalities have radically undermined the

30   American population's quality of life (Piketty, 2014). Furthermore, the country's healthcare

1   system is seen as the most expensive and least effective in the world (Kumar et al., 2011),

2   leaving the American population vulnerable.

3   The obvious counterargument is that GDP may not be adequate for measuring these

4   factors of social concern, but does that matter? Many developing nations prioritize growth to

5   lift people from poverty (Dollar & Kraay, 2002; Kraay, 2006). One might argue that, at least for

6   those nations, GDP as a measure of economic activity might still be the most important metric.

7   But in economically advanced societies, GDP growth is certainly not as important a policy

8   objective. Research suggests that in economically advanced countries, there is a decoupling of

9   growth and social well-being (Posner & Costanza, 2011). Some studies even suggest this is true

10   for all countries, no matter the level of development (Easterlin, 2015; Kubiszewski et al., 2013).

11   If that is the case, GDP growth does not equate to significant increases in well-being

12   anymore (Van den Bergh, 2022). Yet our societies have become entrenched in GDP-focused

13   thinking. GDP has transcended its position as a measure of economic activity and has become a

14   goal in and of itself. For decades, macroeconomics has followed an unwavering path towards

15   higher growth, overshadowing other vital well-being issues (Esposito & Tse, 2015). In order to

16   try and dispel this singular focus on GDP as a measure of well-being, many have come forward

17   with alternatives. These alternatives—collectively referred to as "Beyond GDP" indicators—have

18   the same objective: to reflect societal well-being more accurately. The next section provides an

19   overview of these indicators and explains their relative advantages and disadvantages.

20   **2.2   The domain of Beyond GDP indicators**

21   The domain of Beyond GDP indicators has only expanded over the years, with one estimate

22   bringing their total number to more than 900 (Hoekstra, 2019). These indicators fall into three

23   broad categories.

24   The first category concerns indicators of *subjective well-being* (SWB). SWB indicators

25   attempt to measure how people view their own lives, focusing on personal feelings of

26   happiness, life satisfaction, and positive emotions (Diener, 2009). They typically draw from

27   databases such as the World Happiness Database, the European Value Survey, the World Value

28   Survey, as well as national polls. These measures emerge mainly from psychological research, as

1 is the case, for example, with the Satisfaction with Life Scale. The fact that SWB measures enter

2 more into the mainstream reflects the increased importance placed on how people evaluate

3 their own lives (Diener et al., 2018).

4   The core challenge with SWB measurements is that they are highly insensitive to

5 changes in well-being. Much SWB-based research finds no correlation between self-reported life

6 satisfaction and real-life changes, such as increased public expenditure or fewer work hours

7 (Johns & Ormerod, 2008). One can trace the reason for that in human nature: humans are

8 astonishingly capable of adapting to their present circumstances (Diener et al., 1999). That

9 results in highly static estimates of SWB despite significant changes in relevant external factors

10 of life.

11   The next category concerns *green accounting* indicators, which focus on "greening"

12 national accounts to represent ecological concerns such as resource depletion and

13 environmental degradation (El Serafy, 1997). The ultimate goal of these indicators is to provide

14 policymakers with an updated model of real costs and savings beyond economic ones. One

15 initiative in this category is Comprehensive Wealth (Ferreira et al., 2008), which accounts for

16 five capital stocks: produced, financial, natural, human, and social. Another is Adjusted Net

17 Saving (Thiry & Cassiers, 2010) by the World Bank, which represents the actual rate of saving in

18 an economy after accounting for investments in human capital, natural resource depletion, and

19 pollution damages. One of the most well-used is the Inclusive Wealth Index (Dasgupta et al.,

20 2021) by the United Nations (UN), which, much like Comprehensive Wealth, tracks multiple

21 types of capital in an economy. A significant asset of green accounting indicators is that they

22 remove biases and misrepresentations in national wealth (Rout, 2010).

23   On the other hand, a major criticism of green accounting indicators is that they are

24 merely optional for affluent countries, whose primary concern is simply pollution. In contrast,

25 they are necessary for developing countries that are running down their natural resources and

26 for whom traditional accounting grossly misrepresents national wealth (El Serafy, 1997). From

27 this perspective, green accounting is a helpful but amateur step towards strong sustainability.

28   The final category concerns *composite* indicators. These index measures bring together

29 various aspects of well-being into a single number. This category includes well-known indicators

1   such as the UN Human Development Index (HDI) (Hopkins, 1991), the Happy Planet Index (HPI)

2   (Abdallah et al., 2009), and the Multidimensional Poverty Index (MPI) (Alkire & Santos, 2014).

3   The HDI, for example, includes economics, health, and education, while the HPI includes health,

4   happiness, and the environment. Composite indicators offer the advantage of a single metric

5   directly comparable across countries and time, just like GDP.

6   These indicators have the disadvantage of being composite, meaning that by necessity, a

7   choice is made regarding relevant factors. Not only is there a choice regarding which *factors* are

8   relevant, but there is a choice regarding the relative *weights* of each factor in the calculation of

9   the index number. For this reason, composite indicators can quickly come under fire for the

10   implicit weights they attribute to different components (Burgass et al., 2017; Greco et al., 2019;

11   Sharpe & Andrews, 2012). This suspicion of implicit bias makes it difficult for any single one to

12   enjoy united approval compared to GDP.

13   Despite the fact that many Beyond GDP indicators come with certain downsides, various

14   countries have made progress in broadening their national statistics and incorporating Beyond

15   GDP into their measurements and policymaking. The following section examines some of the

16   most exemplary cases.

17   **2.3   Advanced Beyond GDP practices in the developed world**

18   Certain developed nations have made strides in their Beyond GDP efforts. The shared

19   characteristic of these nations is that they seem to have embraced the idea of building a "well-

20   being economy" as a complete guiding framework to inform policymaking. The Well-being

21   Economy Governments (WEGo) are the most proactive in this sense. The WEGo group was

22   founded by Scotland in 2018 and has grown to include the governments of Iceland, New

23   Zealand, Wales, and Finland. The group is founded on the "recognition that 'development' in

24   the 21st century entails delivering human and ecological well-being" (Wellbeing Economy

25   Alliance, 2022).

26   The group has committed to three objectives: a) to collaborate towards innovative policy

27   approaches to create well-being economies, b) to foster partnership and cooperation in line

28   with SDG 17 ("partnerships for the goals") in order to identify how they can deliver wellbeing,

1 and c) to address the pressing economic, social, and environmental challenges of our time. The

2 group has also allied with the Wellbeing Economy Alliance (WEAll), an organization that

3 provides knowledge and evidence for a well-being economy agenda. According to Coscieme et

4 al. (2019), "this network has the potential to fundamentally re-shape current global leadership

5 still anchored to old economic paradigms that give primacy to economic growth over

6 environmental and social wealth and wellbeing." This section examines a selection of examples,

7 demonstrating significant steps that can be taken towards broad well-being on a national scale.

8

9 **Finland: A national governance framework for well-being**

10 Finland has formally adopted a policy orientation and governance approach called "the

11 economy of well-being." This approach places people and their well-being at the center of policy

12 and decision-making, balancing sustainable development's social, economic, and ecological

13 dimensions (Finnish Ministry of Social Affairs and Health, 2022a). The Finns have explicitly based

14 this approach on the definition of a well-being economy developed by the Organization for

15 Economic Cooperation and Development (OECD) (OECD, 2019). Within the framework of the

16 SDGs, the Finnish economy of well-being is seen as an investment in future generations and

17

18 Figure 1: The "Economy of Well-being" approach (Finnish Ministry of Social Affairs and Health, 2022a).

1   strives to ensure for people a sufficient income, well-being services and safety, and fair and just

2   access to resources and opportunities, among others.

3   Since 2021, Finland has instituted a steering group for the economy of well-being linked

4   to the Ministry of Social Affairs and Health. The group is tasked with preparing a national action

5   plan to integrate the *economy of well-being* approach into knowledge-based decision-making

6   (Finnish Ministry of Social Affairs and Health, 2022b). The explicit goal of this endeavor is to

7   implement this approach both in central and local government. Furthermore, the Finnish think

8   tank Demos Helsinki is an active partner in designing the well-being economy governance model

9   and ensuring that the effects of well-being policies are visible in Finnish society (Demos Helsinki,

10   2020, 2022). The most noteworthy element of the Finnish case is that it represents a united and

11   coordinated effort of the government.

12

13   **New Zealand: A cross-cutting, holistic approach to well-being**

14   The government with perhaps the most advanced and integrated broad well-being policy in the

15   WEGo group is that of New Zealand. In 2011, the New Zealand government developed the Living

16   Standards Framework (LSF), a guide for integrated policymaking that incorporates economic,

17   environmental, and social aspects. The Treasury developed the framework to assess

18   government policies' impact on current and long-term well-being (Thomsen et al., 2018).

19   The LSF includes three levels, which are all significant to the well-being of New

20   Zealanders and their communities (New Zealand Treasury, 2022b). The first is called "Our

21   Individual and Collective Well-being", and it concerns vital resources that enable well-being,

22   such as housing, education, or income. The second level, "Our Institutions and Governance",

23   identifies institutions crucial for well-being, such as households, markets, and government.

24   Finally, the third level, "The Wealth of Aotearoa[2] New Zealand," captures New Zealand's overall

25   wealth, including financial and physical capital. However, it also includes elements not captured

26   in the system of national accounts, such as human capability and the natural environment. The

27   framework also includes relevant prompts for analyzing policy issues.

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[2] "Aotearoa" means "New Zealand" in Māori.

1   The key innovation of the LSF is that it has given the Treasury a tool to conceptualize the

2   drivers of well-being and to analyze the impact of any well-being policy in a systematic,

3   evidence-based manner. According to the Treasury, the existence of the LSF has considerably

4   strengthened its position as the government's chief economic and financial advisor (New

5   Zealand Treasury, 2022b). Since its inception, the LSF has been used in various policy analyses,

6   such as retirement income or defense policy (Au & Karacaoglu, 2015).
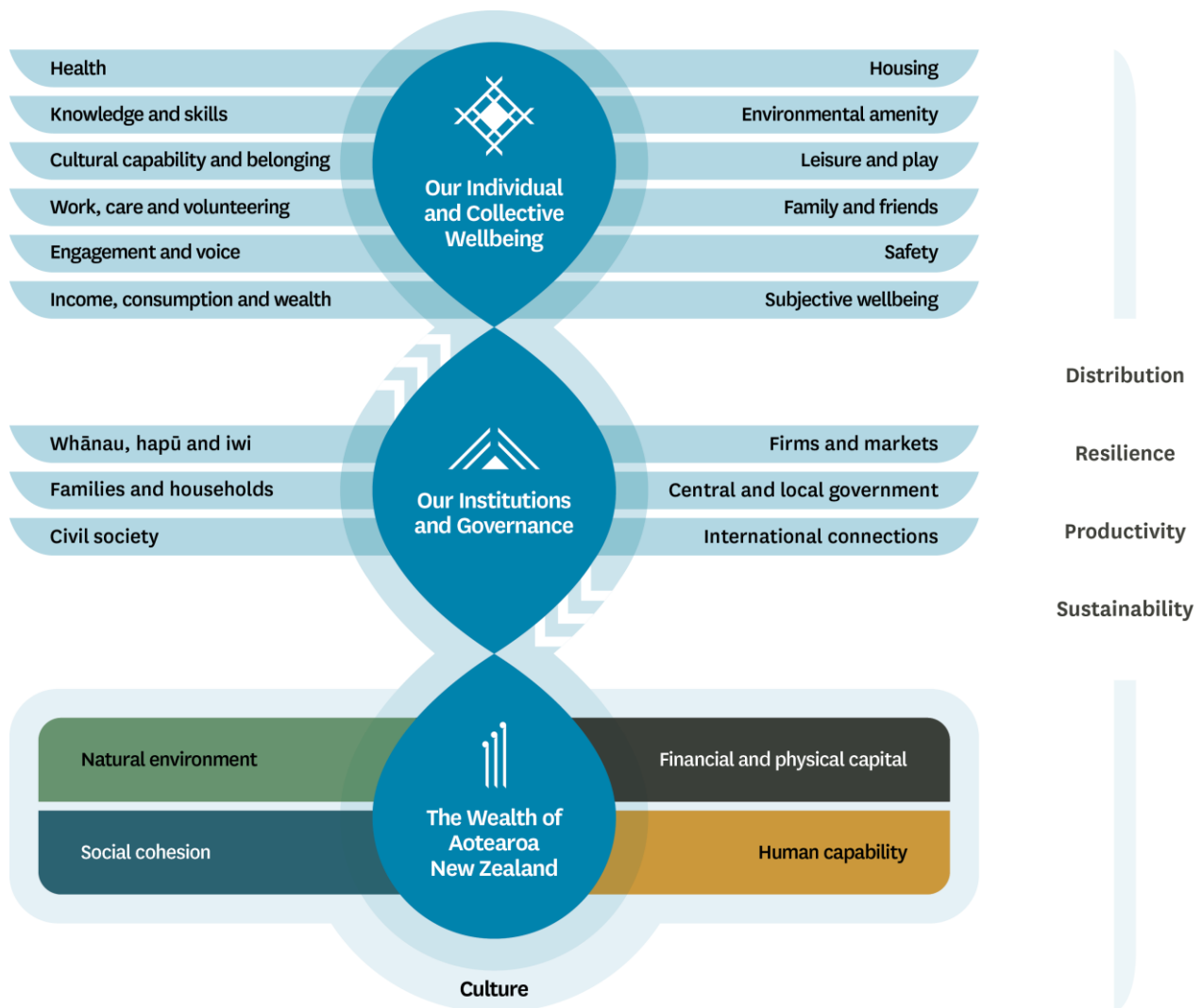
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9   Figure 2: New Zealand's Living Standards Framework (New Zealand Treasury, 2022b).

10

11   Another point of progress was the introduction of the Well-being Budget in 2019. As the

12   signals of a national mental health crisis became apparent, Prime Minister Jacinda Ardern

1   announced the first Well-being Budget in 2019 (McClure, 2021). The difference between the

2   previous national budget and the Well-being Budget was the existence of five new strategic

3   directions to improve the well-being of New Zealanders. In 2019, those were: 1) mental health,

4   2) child well-being, 3) supporting the aspirations of the Māori and Pasifika populations, 4)

5   building a productive nation, and 5) transforming the economy (Jaquiery, 2022). Since then,

6   each consecutive Well-being Budget has identified strategic directions relevant to national well-

7   being, using insights from the LSF Dashboard.

8   The strength of the New Zealand approach is that it is holistic. On a framework level, the

9   LSF is a comprehensive policy tool that incorporates *all* aspects of well-being that are significant

10   to citizens. It keeps being updated based on public feedback. On an indicator level, the LSF

11   Dashboard creates a necessary complement that enables the government to use well-being

12   insights. On a policy level, incorporating the LSF and LSF data in the Well-being Budget ensures

13   that these insights become actionable and impact New Zealanders' lives.

14   Many elements of the New Zealand approach can be found in other countries as well.

15   Scotland set out its well-being framework (Appendix, 7.2), which was put into law in 2015. The

16   Framework is accompanied by a set of eleven National Outcomes linked to the SDGs and 81

17   National Indicators to monitor progress on social, economic, and environmental aspects

18   (Scottish Government, 2019). France introduced its Green Budget in 2021, which now includes

19   the proposed budget's projected environmental impact (Alméras, 2020). The German

20   government published its own report on "Well-being in Germany" in 2017, based on 46

21   indicators that emerged after a six-month-long national dialogue with citizens (German

22   Government, 2017). The UK has also had a national program for measuring broad well-being

23   since 2010 (Bache & Reardon, 2016). Recently, the Minister of Iceland proposed a framework of

24   39 broad well-being indicators linked to the SDGs to monitor national well-being in the country

25   (Wellbeing Economy Alliance, 2019).

26

27   **Wales: The world's first Future Generations Commissioner**

28   The most innovative element of the broad well-being policy of Wales has been the explicit

29   attention to the well-being of future generations. According to The Well-being of Future

1 Generations (Wales) Act of 2015, all public bodies must carry out sustainable development by
2 setting well-being objectives designed to maximize contribution towards predetermined well-
3 being goals. Local bodies are also required to set local well-being objectives in a Local Well-
4 being Plan to maximize their own contribution toward the goals (Future Generations
5 Commissioner for Wales, 2022b).

6   In 2016, the first Future Generations Commissioner took up the position in Wales, the
7 first such position worldwide. The purpose of the Commissioner is to promote sustainable
8 development principles and be the guardian of future generations. In practice, this means that
9 the Commissioner helps (national and local) public bodies in Wales consider the long-term
10 impact of their policies and decision-making (Future Generations Commissioner for Wales,
11 2022a). She can further review how (un)successfully public bodies are performing in this task
12 and make recommendations.

13 **2.4   In the Netherlands: The Monitor of Well-being**

14 In 2018, Statistics Netherlands launched the MoW, which records broad well-being trends in the
15 Netherlands on different social, economic, and environmental aspects (Van Sandijk, 2018). The
16 MoW report is an annual publication presented to the cabinet on Accountability Day[3]. Perhaps
17 the most exciting element of the monitor is its conceptual split across three different
18 dimensions: the *here-and-now*, the *later*, and the *elsewhere*, each of which is represented
19 through different themes (Statistics Netherlands, 2021b). In line with the Brundtland report
20 (Brundtland, 1987), the MoW indicator set addresses the well-being of the present, the future,
21 and those elsewhere affected by Dutch activities (Horlings & Smits, 2019).

22   The *here-and-now* dimension concerns the broad well-being of the Dutch population
23 today. It includes 32 indicators in nine thematic areas: 1) GDP, 2) subjective well-being, 3)
24 material well-being, 4) health, 5) labor and leisure time, 6) housing, 7) society, 8) safety, and 9)
25 environment. The *later* dimension focuses on the sufficiency of resources to ensure the broad
26 well-being of the future Dutch population, and it has 23 indicators across five themes: 1) GDP, 2)

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[3] Accountability Day ("Verantwoordingsdag" in Dutch) is an event each May when the central government, the ministries, and the Court of Audit present their annual reports to the House of Representatives. This is followed by a debate on whether the cabinet has achieved its desired policy goals for the past year based on the reports presented.

1   economic capital, 3) natural capital, 4) human capital, and 5) social capital. Finally, the

2   *elsewhere* dimension concerns the influence of Dutch society on the well-being of people in the

3   rest of the world, with particular attention to the flow of income and resources between the

4   Netherlands and other countries. Here the themes are 1) GDP, 2) trade and aid, and 3)

5   environment and resources. For each indicator, the monitor allows for performance

6   comparisons between the Netherlands and other EU Member States.

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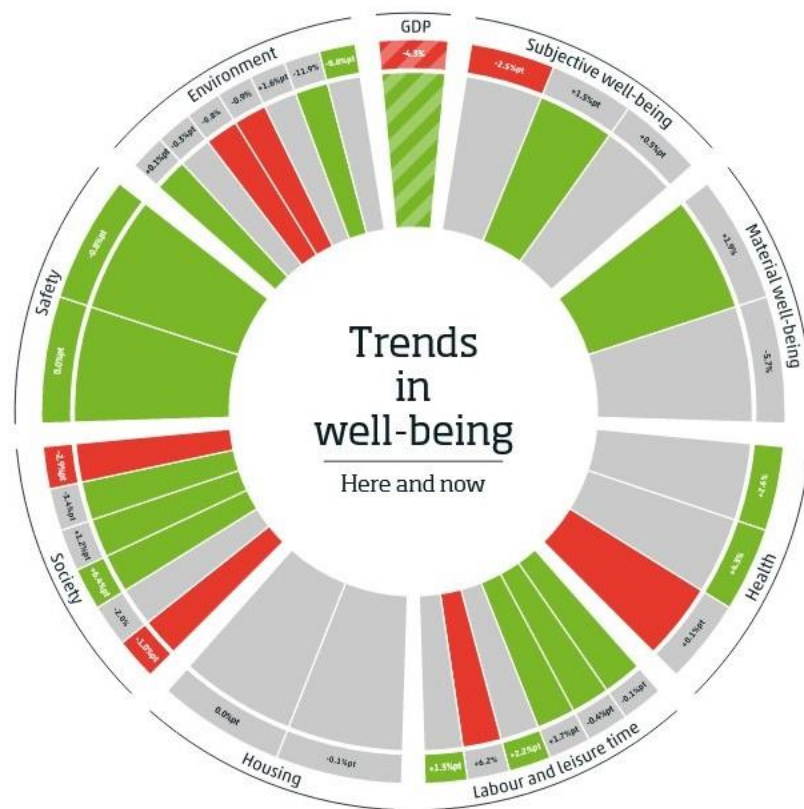
10   Figure 3: Broad Well-being Monitor – Here-and-now trends for 2021 (Statistics Netherlands, 2021b).

11

12   Where does the Netherlands stand in relation to the examples discussed previously? The

13   publication of the Monitor is not explicitly linked to any policymaking process as seen with New

14   Zealand and its Well-being Budget or with France and its Green Budget. The concept of broad

15   well-being is not codified into law as it is, for example, in Scotland or Wales, and the

16   Netherlands has no broad well-being strategy as seen in Germany, among others. Currently, the

17   Monitor records well-being trends but does not assess national performance on any

1   predetermined national targets. However, through the Monitor, Statistics Netherlands aims to

2   provide a wealth of information to policymakers that can be useful in policy setting and

3   decision-making (Statistics Netherlands, 2021b).

4   **2.5   Barriers to change**

5   More and more economists agree that GDP is an inadequate measure of well-being or social

6   progress (Aitken, 2019; Costanza et al., 2009; Daly, 2005). As a response, several governments

7   have incorporated broad well-being indicators into their national statistics to complement GDP.

8   As seen in the previous section, some have even managed to embed these indicators inside a

9   comprehensive framework of well-being policy and decision-making. Still, this is a difficult step

10   to take: there are many reasons why GDP maintains its stronghold in our societies.

11   There have been very few empirical studies on the subject. Most recently, researchers

12   studied the barriers to developing and implementing a Green GDP in Denmark (Hoff et al.,

13   2021). Currently, there is also a study being conducted by Demos Helsinki in Finland as part of

14   its role in developing the country's new well-being governance framework (Demos Helsinki,

15   2022). In most cases, barriers identified fall into three broad categories: a) barriers stemming

16   from actors in society and their thoughts and opinions; b) barriers stemming from the

17   (in)adequacy of the necessary statistics and infrastructure; and c) barriers stemming from the

18   overall policymaking process in the country.

19   The most comprehensive study conducted on this subject was the BRAINPOoL ("Bringing

20   Alternative Indicators into Policy") study of 2014. This cross-European partnership (funded by

21   the European Union) examined seven cases of Beyond GDP initiatives: the National Welfare

22   Index (Germany); the indicators developed for the British Business Bank (UK); the Sustainable

23   Indicator Set (Wales); sustainable development in the Midi-Pyrenees (France); the Rotterdam

24   Sustainability Profile (Netherlands); the Healthy City Indicators (Czech Republic); and alternative

25   indicators developed within the OECD. This seminal study (Whitby et al., 2014) identified twelve

26   types of barriers impeding the adoption of Beyond GDP indicators, classified as political,

27   indicator, or process barriers. The following analysis examines each of these barriers as a

28   comprehensive theoretical basis for the current study.

2.5.1 Political barriers

Lack of political legitimacy

What is political legitimacy? According to Gilley (2006), "a state is more legitimate the more that it is treated by its citizens as rightfully holding and exercising political power". Political legitimacy is critical for the success of government policy, and it can be broken down into three types (Schmidt, 2013). *Input legitimacy* concerns public participation, such as through elections; *output legitimacy* concerns the overall quality of policy and whether actual problems are being solved; and *throughput legitimacy* concerns transparency, inclusiveness, and accountability in the political process.

Decades of political-economic discourse have cemented the legitimacy of GDP as a driver of welfare and as its proxy measure. GDP entered its golden era after it was used to substantiate policies that helped Americans exit the Great Depression and survive the cost of WWII (Costanza et al., 2014a; Marcuss & Kane, 2007). Public support for these policies granted the use of GDP input legitimacy, while their success gave it output legitimacy. After these events, public support for GDP-driven policymaking became more widespread. GDP gained throughput legitimacy as GDP-driven accounting, modeling, and forecasting became more detailed, transparent, and understood by the wider public.

Beyond GDP indicators have not had an equally impactful historical trajectory. The effort made to develop these indicators is essentially a response to modern social, economic, and environmental challenges the world is facing. Still, the feeling of threat from these challenges is not shared by everyone (Dunlap & McCright, 2011). More importantly, however, democratic participation is often lacking. Although the public may be open to such initiatives, it is often not included in the process of developing them in a transparent and participatory way. This barrier was often found in the case studies of Whitby et al. (2014), where respondents demanded more public participation in the construction and development of these indicators, as well as greater access to statistical information.

1   **Lack of a strong narrative that engages the public**

2   GDP has a powerful narrative couched in neoclassical theory. According to neoclassical theory,

3   the market can deliver optimal outcomes based on the choices individuals make. This idea finds

4   various iterations in the fundamental economic models of the 20th century, such as the

5   Bergson–Samuelson social welfare function (Samuelson & Roseelde, 1981) and the efficient

6   market hypothesis (Fama, 1970). However, the theory recognizes exceptional cases: market

7   failures such as unemployment or a lack of human capital (Bartik, 1990). According to

8   neoclassical theory, the way to correct such failures is through economic growth: growth works

9   as an adjustment mechanism, absorbing excess labor (in case of unemployment) or attracting

10   foreign talent (in case of a lack of human capital). Therefore, GDP is directly relevant to well-

11   being maximization because it measures our economic growth. Setting aside any potential

12   fallacies of this rationale—for example, that it does not recognize limits to growth (Colombo,

13   2001)—it still holds sway in how policymakers think of the economy.

14   Although the Beyond GDP narrative can be very gripping, it is not equally successful in

15   engaging citizens. According to BRAINPOoL findings, this is partly the case because public

16   outreach does not succeed in engaging the public emotionally (Whitby et al., 2014). With GDP,

17   the necessity of GDP growth is precisely what makes it a compelling political-economic

18   narrative: it has imminent consequences and resonates emotionally with people. With the

19   Beyond GDP narrative, the efforts to make that connection with the public are not as

20   pronounced; the ultimate goal of the narrative is not always clear, and the consequences can

21   appear far away and detached from the individual (Buchanan, 2008).

22

23   **Lack of a clear political imperative**

24   The lack of public legitimacy and compelling narrative can be discouraging for a significant

25   portion of the electoral base. This leads to a lack of public demand for prioritizing Beyond GDP

26   outcomes. As a result, politicians face lower scrutiny and accountability when they do not

27   promote Beyond-GDP outcomes. The BRAINPOoL study found that these factors (in

28   combination with the impact of the financial crisis) caused a lack of demand for the type of

29   broad well-being outcomes that Beyond GDP indicators measure. A similar study conducted for

1   Germany and Belgium found that post-financial crisis, there was a strong revival of the GDP

2   growth narrative, as governments and policymakers clung to the instruments they already knew

3   to tackle the financial crisis (Bleys & Whitby, 2015).

4   **2.5.2   Indicator barriers**

5   **Data problems**

6   In most countries, the necessary data to measure Beyond GDP outcomes is unavailable or

7   extremely difficult to find (Whitby et al., 2014). This can often be indicative of a deeper issue

8   where financial resources are not allocated towards creating frequent and robust datasets on

9   broad well-being. This is especially likely if relevant decision-makers do not consider broad well-

10   being as an important policy area and therefore consider such data to be less vital. In cases

11   where governments have taken a strong policy stance on broad well-being—such as WEGo

12   group members discussed earlier—this commitment is often accompanied by a relevant set of

13   indicators to measure progress on targets. Where there is less express policy focus or

14   commitment, some data might exist, but high-quality, long-term historical data suitable for

15   economic analysis can be persistently unavailable. A related issue is timeliness: if data comes at

16   a significant time lag of more than a year (as was the case with the German National Welfare

17   Index), its usefulness once again becomes limited (Bleys & Whitby, 2015).

18

19   **Conceptual confusion**

20   Beyond GDP indicators are not a monolith. On the contrary, they diverge significantly from one

21   another based on their underlying concepts. There are established measures developed by large

22   organizations (e.g., the HDI developed by the UN), but there are also many new ones appearing.

23   As a result, Beyond GDP alternatives suffer from fragmentation (Hoekstra, 2019). This

24   fragmentation, in turn, creates public confusion as to what "Beyond GDP" is, with concepts

25   meaning different things to different actors. Is well-being a part of sustainable development, or

26   does it stand in contrast to it? Does either of these concepts encompass ecological concerns?

27   This uncertainty causes the public to misunderstand these indicators and support them less.

28   This was found both in the BRAINPOoL study (Whitby et al., 2014) and in the Finnish case study

1 (Demos Helsinki, 2022), which found that the concept of well-being is used in "vague and

2 abstractly positive ways in public discussion".

3

4 **No Beyond GDP indicator with the salience of GDP**

5 GDP is a successful indicator in large part due to its ability to indicate the economy's

6 "temperature" and allow comparisons across countries and time. Beyond GDP indicators have

7 thus far not reached the same level of salience as broad measures of a nation's progress. Typical

8 broad well-being indicators are organized in dashboards, which often fall short due to their

9 built-in complexity. By necessity, measuring broad well-being means examining many different

10 factors. *Subjective* well-being alone is dependent on multiple factors (e.g., income, housing,

11 relationships) but none exclusively.

12   On the other hand, composite indicators (e.g., the Happiness Index) offer a single metric,

13 which increases salience. But the formula of GDP is relatively simple and transparent, whereas

14 the formulas of composite well-being indicators often seem opaque. That is because composite

15 indicators apply weights to the different well-being factors, which implies a judgment of relative

16 importance. Due to this implicit judgment, composite indicators often come under fire when

17 they are not accompanied by transparent and robust methodology. For example, disagreement

18 on the relevance of selected components was found to be a significant barrier to the adoption

19 of the Index of Sustainable Economic Welfare in Belgium (Bleys & Whitby, 2015).

20

21 **The language and politics associated with Beyond GDP**

22 The very language of Beyond GDP indicators can pose a challenge for its uptake, especially when

23 it appears to be linked to a particular political faction. In the US, the word "welfare" has a

24 persistent political link with government dependency and hand-outs (Henry et al., 2004). The

25 same is true in Germany, which has impeded the popularity of the "National Welfare Index".

26 The measure had the appearance of being aligned with the German Green Party, branding it as

27 a political tool rather than an impartial indicator (Whitby et al., 2014). This was also remarked in

28 the Finnish case study, which underlined that "the economy of wellbeing should be politically

29 unaffiliated" (Demos Helsinki, 2022).

1   There is one more underlying issue regarding the language and politics around Beyond

2   GDP indicators. Government statistics are far from impartial numbers; they are handy story-

3   telling tools in the hands of the state, whether that concerns state-building (Alenda-Demoutiez,

4   2021), modernization (Van Heijster, 2020), or economic governance (Van Heijster & DeRock,

5   2022). In that sense, GDP has supported the broader—and highly successful—rhetoric that

6   promotes growth as the ultimate economic goal. In light of this, the relative obscurity of Beyond

7   GDP indicators may also reflect the lack of public persuasion about their underlying message:

8   that we should aim for a steady-state or de-growth economy as the ultimate economic goal.

9   **2.5.3   Process and structural barriers**

10   **No clear process for integrated and innovative economic policymaking**

11   Economic modeling and forecasting approaches focusing on GDP as the target outcome are

12   highly sophisticated, both formally and informally, partly because they have developed through

13   decades of continuous refinement. Naturally, those actors responsible for reliable economic

14   modeling (such as national statistical agencies or the OECD) strongly hesitate to depart from

15   GDP-driven models. According to a staff member at the OECD, "our economics department has

16   been built on the idea that if you cannot measure a phenomenon, it doesn't exist" (Whitby et

17   al., 2014).

18   In order to truly be able to depart from GDP-driven modeling and forecasting

19   techniques—and therefore make a real difference in policymaking—new techniques must take

20   their place. In many cases, these techniques are still in their infancy. Aside from the fact that

21   there is strong path dependence for GDP-driven models, Beyond GDP models also pose a

22   peculiar challenge. Measuring Beyond GDP outcomes is an inherently multidimensional process

23   demanding the combination of different methodologies. This requires innovative approaches to

24   economic modeling that can deal with that level of complexity, both in terms of absolute

25   measurements and in terms of identifying feedback loops between different aspects of well-

26   being. Managing complexity was found to be quite challenging in the BRAINPOoL study

27   especially in the case of the OECD, where analysts found it especially difficult to model the

28   impact of policies on different well-being dimensions (Whitby et al., 2014).

If those innovative methods are not there, policymakers can simply not use Beyond GDP statistics in the policymaking process. According to findings of the Finnish case, "Wellbeing should be discussed and operationalized with the same rigor and clarity as conventional economic concerns in policy discussions, requiring a multidimensional conception and metrics that mirror this" (Demos Helsinki, 2022). This includes the ability to make forecasts based on sophisticated broad well-being models.

Increased cooperation between organizations, departments, and disciplines

The multidimensionality of Beyond GDP indicators has a second practical consequence, aside from the need for new models: increased collaboration among disciplines, departments, and organizations to ensure harmonization. This task can be daunting in settings where each actor or group previously had a separate focus, creating tensions (Demos Helsinki, 2022). In Germany, the components of the National Welfare Index did not fit neatly under any ministry, which was considered a challenge—even though it was inherent to the change. Interviewees thought that only a central body with a broad mandate could champion it, such as the national statistical agency (Whitby et al., 2014). An integrated, government-wide approach seems to be a crucial factor for the success of Beyond GDP targets, as evidenced by the cases of Finland and New Zealand described earlier.

Institutional resistance to change & natural conservatism

The BRAINPOoL study found that actors were often unwilling to abandon traditional theories, models, and processes in favor of embracing Beyond GDP indicators. Their resistance came from multiple sources, such as confidence in the current system to deal with shocks or a conviction that GDP growth is the right policy (Whitby et al., 2014). This sentiment is often joined by conservatism stemming from deeply entrenched habits, norms, or simple risk aversion. In the Danish case study, for example, it was found that there was strong structural pushback in environmental and climate policy setting because the Ministry of Finance (and civil service in general) espoused a very strong budgetary mindset where *"a*ny postponement of expenses is almost per definition a good thing" (Hoff et al., 2021).

1   **The view that Beyond GDP is redundant**

2   Another factor against Beyond GDP indicators is that many are not convinced about their added

3   value. For some, the centrality of GDP as a proxy for well-being is justified because economic

4   growth is what brings well-being (Cole, 2019). According to this more limited, utilitarian

5   perspective, a "*rising tide lifts all boats*": GDP growth increases per capita income, which

6   increases well-being (Bleys & Whitby, 2015). Others believe that we can trust the market to

7   achieve well-being outcomes, except in the case of market failures. But establishing a new

8   measurement infrastructure to assess and correct such failures is unnecessary because the

9   current GDP-oriented infrastructure is sufficiently equipped (Skovgaard, 2017). Finally, some

10   simply focus on short-term outcomes, convinced that long-term outcomes are beyond their

11   scope of influence (Whitby et al., 2014). This view leads to the passive acceptance of GDP; one

12   might not consider it the perfect measure of well-being, but they do consider it good enough for

13   current purposes.

14

15   **A failure to connect**

16   The process of developing Beyond GDP indicators is often detached from the realities of its user

17   base. Statistics facilitate the political agenda and the policymaking process; failure to position

18   them accordingly can lead them to obsolescence. For example, the Wales Sustainable Indicator

19   Set was developed for an earlier government. Once completed, it did not represent the next

20   government's priorities anymore. It thus failed to make an impact due to its lack of connection

21   with the ongoing political process (Whitby et al., 2014). In the case of Belgium, it was found that

22   large parts of the potential user base did not wish for aggregated indicators (Bleys & Whitby,

23   2015). This mismatch can also arise if the data does not satisfy politicians' need for (national)

24   comparisons or if it does not match with macroeconomic modeling for policymaking, as

25   previously discussed.

26

27

1   **2.6   Institutionalizing beyond GDP into the policy process**

2   Beyond GDP indicators can encounter obstacles in various stages of the policy process.

3   Understanding those stages can be extremely beneficial in successfully embedding GDP in

4   policymaking. In his analysis of the uses of subjective well-being indicators, Seaford (2013)

5   distinguishes six stages of the policy cycle in which these indicators can play a role.
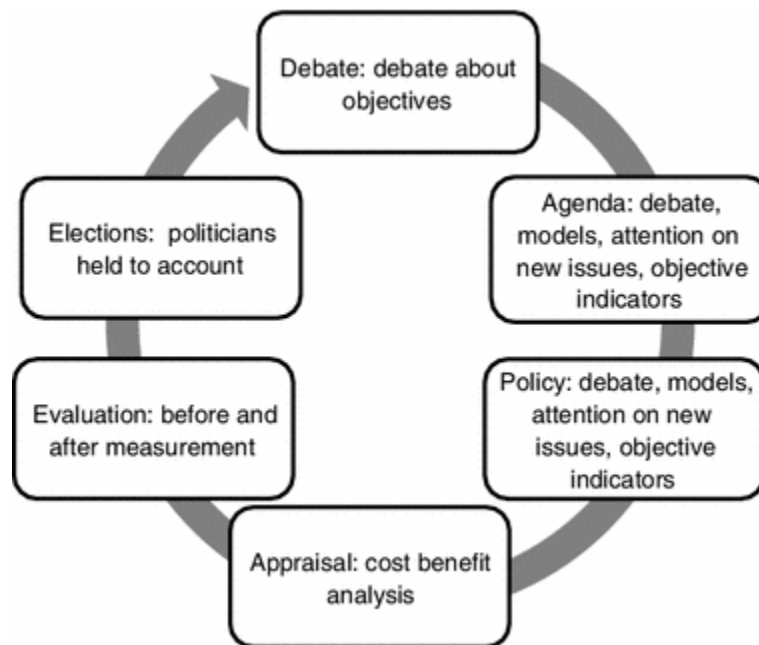
6

7
8
9   Figure 4: The Democratic Policy Cycle: the roles of subjective well-being indicators (Seaford, 2013).

10

11   1. The first is the *debate* stage, where well-being indicators can produce a more informed

12   public debate about different well-being goals and the trade-offs that exist between

13   them.

14   2. Next is the *agenda* stage. Here, well-being indicators can spur the development of

15   formal or informal economic models with a broader well-being scope compared to

16   existing economic models. These models will be used by economists to forecast future

17   consequences of different policies so that policymakers can make more informed

18   decisions.

3. The third is the *policy* stage, where well-being indicators can spur the creation of new objective indicators. For example, GDP per capita could be replaced by Green GDP per capita.

4. Fourth is the *appraisal* stage. Here, the very existence and examination of well-being indicators can reveal important issues that were previously being ignored, such as issues of inequality between groups in society.

5. Fifth is the *evaluation* stage. Broad well-being indicators may, in some cases, allow for evaluations of the relative impact of investments on well-being in the form of cost-benefit analyses.

6. Finally, the *election* stage: the success of the earlier stages can inform the choices of the electorate and allow it to hold politicians accountable.

Institutionalizing Beyond GDP indicators would mean that they can be successfully implemented in all stages of the policy cycle. The discussion section will touch on these stages and how they relate to the findings of this study.

3   Methodology

Inspired by recent studies (e.g., Hoff et al. (2021), Bleys and Whitby (2015), Malay (2019)), this study draws on two sources of data. The first is a document analysis of publications on the practice of moving beyond GDP. The second source is a content analysis of five semi-structured interviews with high-level experts and stakeholders in the Netherlands. The content of the interviews has been analyzed to identify both the opportunities presented by the MoW and the barriers of incorporating it into policy. The outcomes of this analysis are contrasted with other cases to reveal valuable insights into the process of moving beyond GDP.

This section begins by presenting the case focus: why is the Netherlands an interesting case study? It then lays out the interview method, presents the interviewees and their credentials, describes the data processing, and finally reflects on the methodological challenges encountered in this study.

1   **3.1   Case focus: Why is the Netherlands an interesting case?**

2   The purpose of this study is to examine why, despite the efforts many governments have made

3   to create Beyond GDP indicators, these indicators have not been institutionalized in policy and

4   decision-making (Seaford, 2013). To deconstruct this problem, it focuses on the Netherlands: a

5   country with a high level of statistical know-how and expertise that has shown clear signs of

6   interest in broad well-being. After a parliamentary committee asked for a better toolset to

7   evaluate broad well-being, Statistics Netherlands launched the MoW in 2018, an extensive

8   dashboard of indicators covering many broad well-being themes across three dimensions. The

9   agency has stated that the goal of the MoW is to provide practical guidance for policymakers

10   (Statistics Netherlands, 2021b).

11   Unlike most WEGo member governments, however, the Netherlands has not made a

12   commitment toward broad well-being as a policy orientation. It *has* committed to the SDGs

13   (Statistics Netherlands, 2021a), which is a highly relevant overarching framework. But even in

14   that domain, there seem to be persistent issues of policy coherence (Yunita et al., 2022). Most

15   notably, there exists no national SDG strategy for the long-term implementation of the goals,

16   and the preferred approach of ministries is to work independently from one another.

17   As such, the Netherlands poses a valuable case study for the advancement of broad well-

18   being policymaking. A recent Danish case study (Hoff et al., 2021) noted that Denmark is less

19   "professionally solid and stable" than the Netherlands, which appears to have "a relatively

20   larger external (i.e., outside government administration) analytical capacity in the field of

21   environment and climate that enables it to produce more sophisticated analyses which are

22   more qualified, nuanced and pluralistic." For developed nations such as Denmark, who may

23   wish to shift more towards an *economy of well-being* mindset as it is practiced in Finland or New

24   Zealand, the Dutch case study can provide valuable insight into the inherent complexity of that

25   shift. But even for countries that have not started such a transition yet, this unique study can

26   provide an indispensable guide on the priorities of setting a broad well-being agenda and the

27   pitfalls to be anticipated.

28

1   **3.2   Interview method**

2   Primary data for this study was collected through semi-structured interviews. Different

3   interviewees had different areas of expertise where they could share most insight, and some

4   had limited time. For these reasons, the interview format allowed considerable flexibility to

5   accommodate each interviewee and to allow for an open conversation. In general, however, all

6   interviews addressed specific pre-determined themes, and these can be broadly distinguished

7   into two categories.

8   The first category focuses on the interviewee and includes: a) their background, expertise,

9   and relation to broad well-being in the Netherlands; b) the extent of their professional

10   collaboration with other societal actors in this domain; and c) their views about the key

11   advantages presented by the MoW. The second category focuses on their perception of barriers

12   to the adoption of Beyond GDP indicators in the Netherlands. These include a) political barriers

13   (e.g., democratic legitimacy); b) indicator barriers (e.g., data problems); and c) process &

14   structural barriers (e.g., institutional resistance to change).

15   **3.3   Interviewees**

16   Policymaking is an inherently multi-stakeholder process where progress entails cooperation

17   between societal actors with diverging goals and incentives (Miller, 2008; Whitman, 2008).

18   Therefore, this set of interviews was designed to reflect the stakeholders involved in, and

19   affected by, the process of moving beyond GDP in the Netherlands. Moreover, it was vital that

20   each interviewee has a relatively high level of expertise evidenced by their professional

21   experience, centrality in their field, or close proximity to the subject matter. Interviewees with

22   these characteristics were more likely to have both an in-depth understanding and a bird's-eye

23   view of their field, allowing them to identify policymaking challenges or frictions in broad well-

24   being.

25   **Dr. Rutger Hoekstra** is an Associate Professor at the University of Leiden. He focuses on

26   environmental input-output modeling and Beyond GDP issues (well-being and sustainability

27   measurement/policy). During his 13-year tenure as Senior Statistical Researcher at Statistics

28   Netherlands, Dr. Hoekstra led the MoW project team alongside Prof. Dr. Jan-Pieter Smits

1   (Statistics Netherlands, TU Eindhoven). He is the author of the book "Replacing GDP by 2030:

2   Towards a Common Language for the Well-being and Sustainability Community". He is also the

3   founder of *Metrics For The Future*, a consultancy working with governments and businesses to

4   shift away from GDP/short-term profit and towards well-being/long-term value creation.

5   **Mr. Maarten van Veen** is a Strategic Policy Advisor for the Municipality of Eindhoven in

6   Innovation and Ethics. The Municipality of Eindhoven was the first to collaborate with Statistics

7   Netherlands to create a regional version of the MoW. The two entities also collaborated on the

8   creation of the Urban Data Center (UDC) Eindhoven, which aims to promote the data-driven

9   development of the city. Mr. van Veen was also directly involved in the *Blik Op Eindhoven*

10   project, which started a city-wide dialogue on broad well-being. The project culminated in four

11   strategic directions to increase the broad well-being of the inhabitants of Eindhoven

12   (Municipality of Eindhoven, 2022).

13   **Ms. Bo Hoogerwerf** is a statistical researcher at Statistics Netherlands focusing on the

14   MoW. Her work involves understanding how various actors use the data and how it can be

15   improved. Her primary focus is on the regional MoW, for which she collaborates with multiple

16   municipalities and regions, among which is the Municipality of Eindhoven. Part of her work is to

17   ensure that urban data centra such as UDC Eindhoven have the methodological know-how to

18   use the broad well-being data offered by Statistics Netherlands.

19   **Ms. Sandra Pellegrom** is the National Coordinator for Sustainable Development Goals in

20   the Netherlands, a position within the Dutch Ministry of Foreign Affairs. As National

21   Coordinator, Ms. Pellegrom promotes the implementation of SDGs in the Netherlands. One part

22   of her work is to liaise with other ministries and government bodies. Another part involves

23   interacting with the SDG movement in the Netherlands, where she regularly talks to companies,

24   municipalities and provinces, NGOs, youth organizations, and educational institutions, among

25   others. Since 2019, her office has endorsed the yearly report on the MoW and the SDGs

26   alongside Statistics Netherlands. Previously, she worked for the Ministry of Foreign Affairs in

27   various locations (including New York, Pretoria, and Bangkok), focusing on human rights issues.

28   **Dr. Otto Raspe** is the Head of RaboResearch in the area of Regions, Innovation,

29   Sustainability, and Entrepreneurship. RaboResearch is the research division of Rabobank, a

1 Dutch multinational bank. In collaboration with Utrecht University, Rabobank developed and

2 launched its own broad well-being index measure for the Netherlands in 2016. This index

3 measure is used to stimulate policy and inform Rabobank's regional investment agenda. Dr.

4 Raspe has been directly involved in this work. His prior experience includes working for the

5 Netherlands Environmental Assessment Agency.

6 **3.4   Data processing**

7 Interviews were conducted either via Zoom or phone call. In three out of five interviews, the

8 interviewee gave explicit consent to being recorded; transcripts were obtained for those

9 interviews. The other two interviews were reconstructed via notes taken. The initial plan was to

10 transcribe all recorded interviews manually, but this proved to be an extremely laborious task

11 given the time restrictions. Therefore, the online automatic transcription software *Otter.ai* was

12 eventually used to get an initial, rough transcript of all interviews.

13   The transcripts still required extensive processing to translate Dutch terminology into

14 English and edit them for conciseness and clarity. For this step, the online tool *oTranscribe.com*

15 was used to comb through the audio of each interview and adjust each transcript accordingly.

16 The final product, including all five interviews, was subsequently fed into the *Atlas.ti* software.

17 The software was used to analyze and code the data and extract the main findings. An

18 exhaustive list of the codes (accompanied by example text) can be found in the Appendix (7.3).

19 **3.5   Challenges & reflection**

20 **5.4.1. Securing interviews**

21 The first person to be interviewed was Dr. Hoekstra in early April. As an economist with a long

22 track record and vast experience working on broad well-being both in the Netherlands and

23 internationally, he was an excellent first contact. The interview with Dr. Hoekstra gave

24 orientation to the study, helping to identify research gaps and find potential interviewees

25 whose perspectives could offer valuable insights.

26   The proposed study design aimed to recruit at least one high-level representative from

27 each of the following categories: a) academia, b) Statistics Netherlands, c) politics, d) national

1   and regional government, e) planning agencies, f) business, and g) civil society. Despite the

2   fruitful starting point, the data collection process suffered significantly due to the challenge of

3   finding fitting interviewees and securing an interview with them. This happened due to an array

4   of issues, including the available pool of interviewees, non-responsiveness, and the impact of

5   COVID-19.

6   For this study, recruiting relevant interviewees with a high level of expertise in their

7   domain was paramount. This requirement created a natural limitation in the available pool of

8   potential interviewees. Individuals with this set of characteristics needed to be identified

9   individually through background research. If they consented to an interview, interviews had to

10   be arranged to fit their busy schedules. Often this happened sequentially: if the best expert

11   identified could not be interviewed, then another fitting person would have to be contacted.

12   That became an issue when several experts contacted did not answer at all or did not

13   attend the interview. Nearly all relevant planning bureau experts who were contacted never

14   responded. Furthermore, an interview was scheduled with an NGO expert who agreed to

15   interview but requested a date very late in the data collection process. The expert stopped

16   responding close to the interview date, and at that point, it was too late to recruit another NGO

17   expert. Given the busy schedule of potential high-level interviewees, this limitation was partially

18   expected. However, it did stall the data collection process and eventually diminished the

19   diversity of interviews.

20   But perhaps the limitation that proved most significant was COVID-19. Three high-level

21   interviewees—one from the Netherlands Institute for Social Research, one from Statistics

22   Netherlands, and one from the House of Representatives—were eventually unable to attend

23   interviews because they had fallen ill. In the end, the interviews could not happen anymore due

24   to the time limitations of this study.

25   Reflecting on this process, it is evident that this study suffered from setbacks commonly

26   encountered when interviewing elites (Liu, 2018). Zuckerman (1972) defines two broad

27   categories of elites: the ultra-elites (the "most highly placed members of an elite") and general

28   subgroups (individuals who can "exert influence through social networks, social capital, and

1 strategic position within social structures"). The elite status of both categories stems from their

2 knowledge, prestige, or proximity to power (Lilleker, 2003).

3   Individuals participating in this research would qualify for the second category. As a

4 prerequisite, these individuals are either highly knowledgeable, central players, or somehow

5 influential in the domain of broad well-being. The lack of responsiveness shown by some

6 individuals contacted could thus reflect the common finding that, compared to other social

7 groups, elites are tougher to access (Cochrane, 1998; Desmond, 2004).

8   One potential reason for this could simply be time restrictions. Rescheduling an

9 interview with a member of the House of Representatives after he fell ill was tricky, as his next

10 available moment was two months later. Some of the interviewees who did participate also

11 requested rescheduling due to busy agendas. Time availability might have also been an issue for

12 those who did not respond to the request at all.

13   It could also be that the subject matter of the interviews discouraged some of the

14 individuals contacted from participating. As Richards (1996) writes, "Sometimes, it is simply not

15 possible to obtain a representative sample because certain individuals or categories of

16 individuals (possibly those with something to lose from being interviewed) refuse a request for

17 an interview." Most individuals who did not respond to interview requests were employees of

18 the three planning agencies. As noted by some interviewees, there has been criticism towards

19 the planning agencies for their approach toward broad well-being. Therefore, individuals

20 contacted may have preferred to avoid the potential pressure of an interview. Furthermore, at

21 the moment, the planning agencies are working together for the first time on this issue, and this

22 process is currently ongoing. As a result, individuals contacted may also have wished to avoid

23 sharing information that is not yet publicly available.

24   As a result of the limited pool of interviewees, non-responsiveness, and the impact of

25 COVID-19, the data collected was not as representative of stakeholder groups as originally

26 envisaged. This study's ambition was to create a sample representative of all relevant

27 stakeholders, but in the resulting study, the perspective of politics, the planning agencies, and

28 civil society are not reflected in the interviews. The Appendix (7.3) provides a comprehensive

1   overview of the originally envisaged stakeholder categories, as well as which categories were

2   eventually matched by interviewees.

3   All of the missing perspectives would have added value to the study, perhaps most of all

4   that of planning agencies. Not only does the research identify specific barriers directly related to

5   the work of planning agencies, but recently, planning agencies began working together on broad

6   well-being. This marks a significant shift compared to their prior stance, which would have been

7   interesting to examine. Given that the sample was less diverse and representative than

8   originally envisaged, the results of the study may introduce some bias.

9   In retrospect, these issues could have been partially mitigated through more thoughtful

10   planning. Instead of organizing interviews sequentially and focusing on one individual from each

11   category, multiple individuals of the same stakeholder group could have been invited at once.

12   This would likely ensure that, in the end, at least one individual from each category was

13   interviewed. Despite limitations and unforeseen issues, however, the data collected has

14   certainly proven valuable. It provides clear insights that are consistent among interviewees.

15   These insights can be used to understand barriers to the adoption of Beyond GDP measures not

16   only in the Netherlands but in other countries as well.

17

18   **5.4.2. Interviewing**

19   Richards (1996) explains the challenge of interviewing elites: "The problem can arise of

20   interviewers being too deferential in their interviews. This can work on a sliding scale - the

21   more famous (notorious) the individual, the more deferential the interviewer can become.

22   Also, there exists an issue of power relations: an interviewee, concerned with presenting their

23   viewpoint may want to control and dominate the interview. If so, the interviewer may not be

24   able to control the format, or direction of the interview. A corollary of this, is that, by the very

25   nature of elite interviews, it is the interviewee who has the power. They control the

26   information the interviewer is trying to eke out. Therefore, it is of vital importance that the

27   interviewer carefully considers his/ her approach to the interview."

28   The challenge presented by the elite status of interviewees meant that the interviews

29   needed to be carefully considered. For the interests of this study, it was important for

1 interviewees to feel freedom and openness to speak their minds and illustrate the barriers they

2 perceive. Therefore, a standard questionnaire format was not conducive to the study's goal and

3 would have been too structured and uninformative. For this reason, interviews were semi-

4 structured. This format provided a set of points the interviews should target without a pre-

5 determined roadmap. Although this method gives the interviewer more work in combining

6 information and extracting insights, it was much more appropriate and effective for the current

7 study.

8   Aside from the added workload of processing interviews, this method also entails

9 another challenge: it places more weight on the interviewer's skills. Establishing rapport and

10 trust requires preparation in order to understand each interviewee (Conti & O'Neil, 2007). The

11 method also draws on the perception skills of the interviewer *during* the interview, which is

12 necessary in order to maintain a positive relationship with the interviewee (Rice, 2010). This is

13 true for all interviewees, but especially for elites, whose disposition towards the interview is

14 also influenced by the level of power they are accustomed to and their perception of the

15 interviewer's status.

16   Interviewees in this study were largely very positive and open to sharing their

17 information and expertise. Nonetheless, it was still essential to signal respect and friendliness as

18 an interviewer, to understand where the interviewees' boundaries may be during the interview,

19 and to tread carefully when asking difficult questions. Some preparatory measures were taken:

20 interviewees were reassured that recordings are optional, that they do not have to answer

21 questions when they do not feel qualified enough to do so, and that their wishes to talk off-the-

22 record were respected. Overall, these measures seem to have eased interviewees into talking

23 about what they *did* know freely and openly, offering a wealth of valuable information for this

24 study. This type of real-time sensitivity is advantageous for future research targeting elite

25 interviewees.

26

1   ## 4   Barriers to the adoption of Beyond GDP in the Netherlands

2   This case study has identified barriers in all the categories found in the relevant literature:

3   political barriers, indicator barriers, and barriers related to the process & structure of

4   policymaking. The following sections provide an in-depth analysis of barriers in each category,

5   using quoted text from the interviews and supporting resources. At the end of each category

6   section, a summary of insights is provided.

7   ### 4.1.1   Political barriers

8   **Democratic legitimacy**

9   *National level*

10   At the national level, the MoW enjoys strong democratic legitimacy, as Dr. Hoekstra, Ms.

11   Hoogerwerf, and Ms. Pellegrom all noted. What is especially telling is that the Monitor emerged

12   in a highly democratic manner. The House of Representatives put together a temporary

13   parliamentary committee to understand broad well-being in the Netherlands, and the

14   committee produced its report in 2016 (Tweede Kamer, 2016). As a result of its work, in 2017,

15   Parliament requested Statistics Netherlands to develop a monitor of broad well-being that

16   would be presented during Accountability Day[4]. On that day, an Accountability Debate takes

17   place, focusing on whether the government achieved its desired policy goals for the year. This

18   debate is an important part of the budget process (Stoel & Faber, 2019).

19   Since 2018, Statistics Netherlands has published its annual report titled *Monitor of Well-*

20   *being & the Sustainable Development Goals*, which is presented to the House of Representatives

21   during Accountability Day. According to the House of Representatives, "The Monitor shows

22   which aspects of broad well-being are doing well in the Netherlands and which aspects are not

23   doing so well, using time series and international comparisons. The Monitor thus plays an

24   important facilitating role for political debates about broad well-being." [translated] (Tweede

25   Kamer, 2020). Given the initial request from Parliament and its continued endorsement of

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[4] Accountability Day ("Verantwoordingsdag" in Dutch) is an event each May when the central government, the ministries, and the Court of Audit present their annual reports to the House of Representatives.

1 broad well-being reporting, the MoW enjoys strong political legitimacy at the national level. This

2 is echoed by Ms. Hoogerwerf, who notes: "[Within Parliament], the MoW idea is really sound, I

3 think."

4   Before the creation of the MoW, the cabinet already had a strong interest in broad well-

5 being. In 2009, it appointed Statistics Netherlands and the planning agencies to develop the

6 Sustainable Netherlands Monitor (*Monitor Duurzaam Nederland* in Dutch) as part of the

7 Cabinet-wide Approach to Sustainable Development. Just like the MoW, the Sustainable

8 Netherlands Monitor focused on the *here-and-now*, *later*, and *elsewhere* dimensions. Dr.

9 Hoekstra describes this project: "Jan-Pieter Smits and I have been working on it since 2007,

10 which was the real starting point. The parliamentary request of 2018 asked that the MoW be

11 based on that prior monitor." That monitor was published on four occasions between 2009 and

12 2017, at which point it was discontinued. It was replaced by the MoW, which is more extensive

13 and is published annually (Statistics Netherlands, 2017).

14   Though democratic legitimacy at the national level is strong, it should be noted that the

15 political process does influence the meaning ascribed to the Monitor. As Ms. Hoogerwerf

16 acknowledges, "Everybody kind of picks the topics that fit with their own parties. That's the

17 political aspect". Ms. Pellegrom notes that this is possible because the term *broad well-being*

18 does not have a concrete definition in government: "*Broad well-being* is a term with very little

19 content for the moment and is very easy to embrace." Others have criticized the MoW for this

20 same reason, stating that the underlying concept is simply limited to "there's more to well-

21 being aside from GDP" (Kalshoven, 2018).

22

23 *Regional level*

24 On behalf of the Ministry of Agriculture, Nature, and Food Quality, Statistics Netherlands

25 launched the Regional MoW at the level of municipalities, provinces, and COROP regions[5] in

26 2020 (Statistics Netherlands, 2021c). Regional governments are slowly adopting the Monitor, for

27 example, in the region of Friesland (Molema & Janssen, 2021). In part, because the concept is

28 very new, democratic legitimacy is less present. Ms. Hoogerwerf—whose work focuses mostly

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[5] Regional classification system used in the Netherlands.

1   on the Regional MoW—notes: "when we go to regional levels, or maybe even to your civilians

2   who are voting, then probably most people have never heard of it." A lot of Ms. Hoogerwerf's

3   work involves familiarizing the stakeholders with the (national and regional) Monitor.

4   This is significant because, at the regional level, public participation in the construction

5   and development phases of Beyond GDP indicators is critical for democratic legitimacy. Very

6   often, public demands for access to this kind of statistical information are unmet. According to

7   findings from the BRAINPOoL project, "the recurrence of such demands strongly contrasts with

8   the actual context in which Beyond GDP indicators are commonly formulated: very technical

9   debates, with the involvement of high-level actors, in frequently costly processes, at events and

10   conferences without media coverage and with poor civil society participation." (Whitby et al.,

11   2014).

12   The Municipality of Eindhoven is a notable positive example, having taken significant

13   steps to embed the Monitor in public dialogue. Mr. van Veen was directly involved in one such

14   recent project, called "A Look at Eindhoven" (*Blik op Eindhoven* in Dutch). He explains why

15   gauging public opinion about broad well-being was important: "For the council members, it's

16   very important that you know what happens in the population. And for that, the main research

17   instrument is actually talking with people. And Blik op Eindhoven was a large inquiry into how

18   people feel about the city, what they want, and their needs."

19   The people-centric view of the project informed its deliverables: "The starting point was

20   an analysis of the MoW. If you read the report, you can see that the first chapter is about the

21   data. But then the next chapters are about what people feel and how people think about the

22   future". The Look at Eindhoven project was completed in December 2021 after a public

23   consultation involving 2000 Eindhoven inhabitants. For the Municipality, the ultimate goal was

24   to practically improve the broad well-being of Eindhoven inhabitants in areas that were found

25   wanting. The project report outlines four areas of strategic areas for development based on the

26   needs of the people of Eindhoven: a) social cohesion; b) housing; c) e-mentoring; and d)

27   healthy, green outside spaces (Municipality of Eindhoven, 2022). The city has initiated

28   interventions in all these areas to improve living conditions for its inhabitants.

1   One of the most fascinating findings of the project was the types of insights gathered.

2   Mr. van Veen says: "Interestingly, many of the issues people start discussing are not issues

3   addressed in the MoW. We notice a kind of gap between, let's say, the data-driven approach

4   versus what keeps people busy; what people think about when they think of prosperity in their

5   environment, in their city. One of the examples is clean air: that is hardly mentioned, and I think

6   that was quite educational for us."

7   This critical observation underlines that it is pivotal to stimulate discussion around

8   Beyond GDP indicators, especially at the regional level. This boosts their democratic legitimacy

9   in two ways. Firstly, by familiarizing the public with the metrics being used. Secondly—and most

10   importantly—by identifying the level of efficacy of these metrics in broadening well-being and

11   welcoming public input as to what the metrics should be. This finding from the A Look At

12   Eindhoven project aligns with a key recommendation from the BRAINPOoL case studies: that

13   (local) government must facilitate public engagement in defining and measuring Beyond GDP

14   goals (Whitby et al., 2014).

15

16   **Lack of a strong narrative that engages the public**

17   *In society*

18   Ms. Pellegrom, whose work is at the heart of the SDG movement in the Netherlands, describes

19   how powerfully the narrative has landed in Dutch society: "There was a consultation with

20   stakeholders from business and society worldwide in 2013-2014, and several parties in the

21   Netherlands were involved. They were so enthusiastic that before the SDGs were adopted, they

22   set up the SDG Charter, a commitment of organizations in the Netherlands. A number of

23   businesses were involved to sign up for the SDGs even before they were adopted."

24   This coalition of enthusiastic businesses grew to become The SDG Charter, now known

25   as *SDG Nederland*—a multistakeholder platform consisting of more than 1,250 social

26   organizations, youth groups, municipalities, financial institutions, educational and knowledge

27   institutions, and residents' initiatives (SDG Nederland, 2022). *SDG Nederland* provides a place

28   for collaboration to synergy in advancing the SDGs in the Netherlands, with funding from the

29   Ministry of Foreign Affairs. The Office of the National SDG Coordinator is a direct collaborator.

1   Ms. Pellegrom recounts that the movement has garnered umbrella support from a broad

2   spectrum of actors in Dutch society: "What amazes me is that it's really across the board. Last

3   week, I was contacted by the National Order of Tax Advisers. The week before that, I spoke at

4   the University of Applied Sciences in Arnhem, which set up a sustainable finance professorship

5   and has linked it to the SDGs." She identifies value creation as the common motivator for actors

6   engaging in this narrative: "Organizations—and you see this at the central and local levels—are

7   keen on assessing what value they bring to society and how they can expand it. And when they

8   are looking framework to express that value, they run into the SDGs."

9   Dr. Raspe—who is heavily involved in broad well-being discussions through his work—

10 has identified a similar flight of the term *broad well-being*: "It returns over and over in all kinds

11 of debates. It is not linked to one political party as such. It's a conceptual framework that fits

12 more than one party, and it's great to build coalitions on." Signs of that are especially prevalent

13 in regional elections. For example, in the city of Zwolle (the capital of the Overijssel province),

14 parties from opposite sides of the political spectrum have created a well-being coalition "to

15 build a sustainable, social and inclusive city that grows while preserving the human dimension

16 and quality of life" (Municipality of Zwolle, 2022).

17

18 *In national politics & government*

19 The success of the Beyond GDP narrative in society has not transcended to the government

20 level. Ms. Pellegrom believes this is because the narrative clashes with the government's deep-

21 seated, prosperity-focused thinking. The Dutch name of the Monitor (*Monitor Brede Welvaart*)

22 uses the word *welvaart*, which is more akin to "prosperity" than "well-being". Ms. Pellegrom

23 says this was not by accident: "We had to pick our own term and could not just use *well-being*

24 *economy* because there's a very strong part of politics that is really about prosperity. That has a

25 lot of affinity with the traditional economy and how the economy is the motor for any kind of

26 prosperity or well-being. This makes it so difficult to move beyond purely economic thinking."

27   Ms. Pellegrom identifies that this traditional economic perspective holds politics back

28 from real change: "To move beyond prosperity and towards a well-being framework, or even to

29 the SDGs (which is even more ambitious), I think that's where part of our political parties are

1   doubting." She mentions, "We have had many years of political leadership on the right that is

2   more practical and really more about the economy and not so much about the broader

3   perspective." Since 2010, the Netherlands has seen four consecutive cabinets under Prime

4   Minister Mark Rutte of the People's Party for Freedom and Democracy (VVD), a conservative-

5   liberal party.

6   Despite the effects of prosperity thinking in national politics and government, it should

7   be noted that some government organizations have also reached out to Ms. Pellegrom: "Soon, I

8   am going to speak with the administrators of several implementation organizations of the

9   central government. One of them is the RVO [Netherlands Enterprise Agency], which promotes

10   Dutch businesses abroad. Another is the UWV [Benefits Agency], which organizes

11   unemployment benefits, a huge organization. Another is Rijksvastgoedbedrijf [Central

12   Government Real Estate Agency], which owns all the real estate of the central government."

13

14   *In business*

15   Ms. Pellegrom suggests that the prosperity perspective is a mainstay in business, too: "I am a

16   big fan of the new head of VNO-NCW [Dutch Employers Federation], Ingrid Thijssen. She really

17   understands the SDGs and has worked with them when she was the CEO of energy company

18   Alliander, for instance. She's done a great job getting VNO-NCW, which is very influential, to

19   adopt a well-being strategy. Last year they adopted this strategy and said, "We as businesses

20   need to contribute to broad well-being (in the sense of "broad prosperity"). My take is—and I'm

21   sure that if you would interview people at the VNO-NCW they would probably confirm it—that

22   it was not possible to get them to adopt the SDGs."

23   VNO-NCW has been a trailblazer in the Netherlands with its unified strategic direction

24   for broad well-being. Between 2019-2020, it carried out the *Bridge* project: a large-scale public

25   consultation with employees, entrepreneurs, municipalities, experts, and scientists. The project

26   studied why the social embedding of people in the Netherlands is under pressure and what the

27   role of the business community should be. It found that many people experience an increasing

28   distance from companies, governments, and policy. They also have deep concerns about their

1 future and that of future generations, given the inequalities they see, for example, in the labor

2 market and in education (VNO-NCW & MKB-Nederland, 2020).

3   Using the insights emerging from *Bridge*, VNO-NCW has taken a momentous step with

4 the new policy course it adopted in 2021. According to Ms. Thijssen, businesses and

5 entrepreneurs have embraced a new role as co-builders in a broad well-being society. She says:

6 "Think of offering equal opportunities. It simply cannot be the case that there are students who

7 cannot get an internship. The business community simply has to take up that responsibility, and

8 we have now agreed on that. Just as we have agreed that we will arrange more jobs for people

9 with a disadvantage on the labor market. Instead of 100,000 participation jobs, we are now

10 aiming for 200,000 jobs. Sustainability is also not a 'nice to have' or a 'favor', but a

11 responsibility." [translated] (Bojorge, 2021). The new VNO-NCW strategy, albeit with a clear

12 focus on prosperity, is an important step. The organization's sheer size and influence (over

13 115,000 companies) can cause ripple effects for the adoption of broad well-being strategies in

14 the Dutch business world.

15

16 **Lack of a clear political imperative**

17 *A clear public mandate*

18 Do Dutch political parties have a public mandate to work on broad well-being? Evidence from

19 recent elections suggests they do. During the last Dutch general elections in 2021, about half of

20 the Dutch parties included broad well-being in their election programs (Teuns, 2021).

21 Democrats 66—one of the parties with a relatively prominent broad well-being agenda—had a

22 strong positive outcome, gaining five more seats in the House of Representatives and a critical

23 position in the formation of the government. This trend also presents regionally, as discussed in

24 the earlier example of the city of Zwolle (Municipality of Zwolle, 2022). Dr. Raspe notes: "There

25 were actually municipal elections last March with new coalitions forming, and many council

26 members had a platform of broad welfare. Usually, it has been an economic or social platform,

27 but now more and more have a broad welfare platform. I see this also on the provincial level."

28   Interest in broad well-being only seems to be growing. Ms. Hoogerwerf notices an

29 increasing interest in the Monitor each year when it is presented to the cabinet on

1 Accountability Day: "The number of people who come to this technical briefing is increasing
2 every year. We see a lot of commitments on that day and increasing interest from people that
3 are showing up. I think that also indicates that something is happening over the last five years or
4 so. That sentiment is growing."

5

6 *The need for more ambition*
7 Yet, despite these trends, there is a clear pattern of hesitation in the Dutch political scene when
8 it comes to implementing the broad well-being agenda. Ms. Pellegrom underlines the lack of a
9 unified strategy or framework in the Netherlands compared to other similar nations: "If you
10 want to use the Monitor as a policy tool, it would be much more useful—says Statistics
11 Netherlands themselves, which I also agree with—if they would measure long-term goals that
12 policymakers would have set. And that's where you compare with New Zealand, Scotland, and
13 Germany, which have very good long-term SDG strategies. Finland has a society's commitment
14 to the 2030 Agenda. France has the SDG roadmap."

15   As examined earlier, these governments have taken moved towards broad well-being
16 through unified, cross-cutting governments strategies, linking the metrics to the policymaking
17 process and its short-term and long-term outcomes (Finnish Ministry of Social Affairs and
18 Health, 2022a; New Zealand Treasury, 2022b). As Ms. Pellegrom says, this type of bold agenda-
19 setting is vital for the Netherlands, but it is not there: "If you have a number of long-term goals,
20 you could *actually use* the Monitor to measure progress towards them. Then it becomes much
21 more linked to actual policies. This has been a discussion for several years, and Parliament has
22 asked for it, but succeeding governments have found it very difficult to take a step and say,
23 "Okay, we're going to set a number of long-term goals."

24   The Ministry of Foreign Affairs commissioned an evaluation report on SDG
25 implementation in the Netherlands as an opportunity to reflect on the fifth-year anniversary of
26 the SDGs. The report, titled "More Ambition," was conducted independently by Transition
27 International (a Netherland-based consultancy firm) and was published in 2021. Most notably, it
28 found that the excitement and energy generated from civil society for the SDGs has not been
29 leveraged towards a national SDG strategy (Transition International, 2021). It further found that

1   the Netherlands lacks a "figurehead" or "champion" who can defend the interests of future

2   generations[6]. The report's key recommendation is to reinforce national SDG implementation

3   through a national SDG strategy with clear goals, performance indicators, and "owners" of the

4   SDGs who will be responsible for implementation.

5   Given the lack of a long-term, national broad well-being strategy, Statistics Netherlands

6   is not capable of measuring the achievement of any concrete goals using the MoW. In their five-

7   year evaluation report of SDG implementation in the Netherlands, they explicitly state: "In this

8   report, Statistics Netherlands explicitly only looks at the trends for the period 2012-2019. […] It

9   is not up to Statistics Netherlands to determine which policy measures would be needed to

10   enhance potential synergy effects in the future or to overcome trade-offs." [translated]

11   (Statistics Netherlands, 2021d).

12   Where does this pattern of political hesitation stem from? Ms. Pellegrom says, "I think

13   the challenge is because they believe it's, as we say in Dutch, "regeren over je graf heen" [to

14   rule beyond your grave] because you're setting long-term goals that succeeding governments

15   would also then hopefully need to embrace. That's the hesitation. And also, I don't think we've

16   ever really done it, you know? Yes, for specific policy areas, we set long-term goals like the Delta

17   Works[7] or the Gas Roundabout[8], but not a set of long-term goals that are coherent and really

18   provide a vision of your society in 10, 20, or 30 years. Developing countries are used to making

19   national development plans, right? Well, we're not."

20   The absence of political ambition on broad well-being has led to a serious lack of

21   coherence in Dutch policymaking. The Dutch organization *SDG Spotlight Nederland* performed a

22   shadow report on the SDGs in the Netherlands in 2020, focusing on SDG 10 (*Reduce Inequality*

23   *Within & Among Countries*) and SDG 15 (*Sustainable Development*]. The report found that Dutch

24   commitment to both these goals is lagging behind and is structurally subordinated to the goal of

25   economic growth. The country scores poorly on nature and biodiversity conservation, while

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[6] As noted earlier, this innovation emerged in Wales with the Future Generations Commissioner, a position codified into national law as the "guardian of future generations".

[7] The Delta Works is a series of construction projects in the southwest of the Netherlands to protect a large area of land around the Rhine–Meuse–Scheldt delta from the sea.

[8] The Gas Roundabout is a large-scale gas infrastructure project for production, transport, storage, transit, trade and knowledge development in Europe.

1   equality of opportunity, diversity, and social cohesion show negative trends especially for

2   vulnerable groups (SDG Spotlight Nederland, 2020).

3   Ms. Pellegrom discovered similar problems when her office conducted its own research:

4   "One of the eye-openers for me was when we did an inventory of policy along the SDGs. SDG 10

5   (*Reduce Inequality Within & Among Countries*) is crucial, and we always score well on it because

6   the Netherlands is pretty equal in terms of income inequality. But we've recently seen with

7   corona and with the *toeslagenaffaire*[9] [Dutch childcare benefits scandal] that many elements of

8   inequality made life so much harder for many different groups. And we don't have a policy of

9   inequality. All the targets fall under different ministries, but we don't have an overarching vision

10   of where we want to go."

11   Recently, Statistics Netherlands has taken a more proactive approach to this issue by

12   publishing the SDG factsheets. These contain a selection of the indicators from the MoW & the

13   Sustainable Development Goals and create a link between them and the budgets of several

14   ministries (Statistics Netherlands, 2022a). Through the factsheets, Statistics Netherlands

15   attempts to showcase broad well-being trends more explicitly: Will the Netherlands achieve the

16   2030 goals from the SDG agenda? What is its position in relation to other countries? As

17   innovative as this step is, however, this approach cannot substitute long-term goal-setting by

18   the political leadership. As Ms. Hoogerwerf notes, the work of Statistics Netherlands is limited

19   to presenting data in a user-friendly and accessible way, not making policy determinations.

20   **4.1.2   Indicator barriers**

21   **Data problems**

22   The Netherlands has a highly sophisticated statistical infrastructure, as multiple interviewees

23   agree. Despite that, there are still data problems inherent to the measurement of broad well-

24   being, both at the national and the regional level.

25

26

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[9] The Dutch childcare benefits scandal (*toeslagenaffaire* in Dutch) was a political scandal concerning false allegations of fraud made by the Tax and Customs Administration while attempting to regulate the distribution of childcare benefits.

1   *Conceptual data problems*

2   Conceptually, data problems arise when attempting to translate the MoW to the regional or

3   local level. As regional coalitions based on broad well-being become increasingly more common,

4   the need for a good statistical grasp on regional well-being increases. The challenge, as Ms.

5   Hoogerwerf states, is how to accurately transpose the national Monitor to the regional one

6   when they mean somewhat different things: "The basics are the same. You still have the "here-

7   and-now", the "later", and the "elsewhere" dimensions. But on the national level, the "foreign"

8   dimension is abroad, outside of the Netherlands. But when we talk about the region, "foreign" it

9   is not abroad; it's outside your region. That's where it becomes difficult because within the

10   Netherlands—especially because we're such a small country—we move around a lot; we don't

11   stick to one space."

12   Why does high mobility pose a problem for regional broad well-being measurement?

13   Ms. Hoogerwerf says that in those cases, it is difficult to know where to draw the border. "There

14   are cases like this: you live in Eindhoven, but you work in Nijmegen, for example. People don't

15   really stick to the borders we set out. That makes it difficult to say something about broad well-

16   being because you get your broad well-being from your living area, but also where you work or

17   maybe where you go on vacation. We just say something about one specific location, and that

18   does not entail everything outside of the border."

19   The difficulty in determining a natural well-being border puts municipalities and regions

20   in a tough spot, says Mr. van Veen: "It's very difficult to make a border between areas where we

21   are developing broad well-being and areas where it's another city's responsibility. For example,

22   when you have a very good income and a very good job, some people will prefer to live in a city,

23   but most people would prefer to live, let's say, in the outskirts of the city in a green

24   environment. That's outside the responsibility of the local government of the City of Eindhoven

25   but within the responsibility of our neighbor city. Yet, for the experience of broad well-being, it

26   doesn't matter where the city's border is; it's all connected."

27

28   *Practical data problems*

1   Accessing certain types of data is the top challenge, according to Ms. Hoogerwerf: "It's difficult,

2   especially for data that is not normally gathered via registers. So everything people have to fill

3   out with their taxes, we have it, that's easy. But how healthy you are, or your weight, or more

4   social indicators, we don't have that on an annual basis, so we have to get it ourselves. And it

5   doesn't matter on which level; it's always difficult. And, of course, there are data issues

6   regarding nature. How many forests we have, what is the quality of our water, those things are

7   really difficult. Sometimes you have to settle for something that approximates the topic you

8   really want to capture because it is just not available." At the regional level, these issues are

9   exacerbated by the lack of funding: "More money is needed to access high-quality data. And not

10   everybody sees the additional benefit of funding those projects to get that data."

11   Practical data problems arise regionally due to a lack of expertise, as well. Ms.

12   Hoogerwerf notes, "There are regions who have their own surveys, so they get their own data

13   from their residents. But most regions don't have the capacity to do that, so they kind of looked

14   at us to see if we could help them, but also to have a methodology that would be applicable for

15   every region, so that it would be comparable. It's important that if Region X measures

16   something, that region Y can check if it's measuring the same; otherwise, you have nothing to

17   benchmark it with, it's going to be all over the place, and nobody can work together."

18

19   *The benefit of strategic alliances*

20   Strategic alliances, such as the one between Statistics Netherlands and the Municipality of

21   Eindhoven, are instrumental in solving some of these conceptual and practical issues. A growing

22   number of municipalities have started collaborating with Statistics Netherlands to create "Urban

23   Data Centers" (UDCs). Through UDCs, municipalities can link their data with national data, as

24   well as answer specific policy questions of local interest by making use of the knowledge both

25   from the municipality, and from Statistics Netherlands. Currently, Statistics Netherlands is

26   bundling its strength with that of municipalities in fourteen different UDCs across the country

27   (Statistics Netherlands, 2022b).

28   Mr. van Veen describes the strategic importance of Statistics Netherlands as their

29   partner: "It's always very difficult for a city or region to implement the SDGs. It takes a lot of

effort to translate them to measurable terms and even more effort to translate them to executable terms. For us, it's essential that it connects very well to the standards: the international standards, but also the national standards. And therefore, Statistics Netherlands is a very powerful and important player for us because we want to connect to the international discussions about the SDGs and broad well-being."

Conceptual confusion

Aside from the MoW, another institutionally endorsed broad well-being metric is the Better Well-being Index (BWI). This metric was developed by RaboResearch (the research branch of Rabobank) in collaboration with Utrecht University. The BWI is a composite indicator based on the OECD Better Life Index, and it covers eleven broad well-being themes, including income, job security, social cohesion, happiness with housing, and more. The creators of the BWI made a clear choice for an aggregated measure. According to Dr. Raspe—who works directly on this project—this allows for comparisons with GDP, showing developments over time, and decomposing the metric to show how different components impact the total. Rabobank uses these insights to organize public dialogues, stimulate policies, and streamline Rabobank's regional investments based on the particular challenges each region faces.

In response to the diversity of measurement approaches, Mr. van Veen says that it is important to stick to one indicator set if you want to make a local impact: "On the one hand, it's nice that we have different perspectives on broad well-being, but on the other hand, it can be a bit confusing for policymakers like me. Being a policymaker, it's always a struggle to find what is in the public domain (let's say, what the council members want) and fit it with relevant theories. It makes it easier if you focus on one school. And, of course, we are one of the initiators of the regional MoW with Statistics Netherlands. We take that as a starting point in many debates and discussions."

1   **No Beyond GDP indicator with the salience of GDP**

2   *The salience of the MoW*

3   There has been some criticism against the MoW, but not necessarily about its salience

4   compared to GDP. Kalshoven (2022), for example, argues that the Monitor does not include all

5   the relevant indicators for certain themes, which throws the accuracy of trends detected into

6   question. This seems to be a general trend in Dutch society, where actors accept the idea

7   behind the Monitor but have particular ideas about its implementation.

8   However, the question of salience *has* been a motivating factor in the design of other

9   Dutch Beyond GDP initiatives, most notably the BWI. Through the BWI, its creators attempt to

10   bring clarity to the broad well-being debate: "There is confusion when it comes to broad well-

11   being measurement *between* initiatives. In addition, the many indicators in dashboards invite

12   selective shopping in the interpretation of broad well-being *within* initiatives. What is actually

13   meant by 'broad prosperity' is often not discussed. […] For these reasons, we emphatically opt

14   for one integral indicator. This makes the trade-offs between different dimensions explicit and

15   thus disciplines the debate about broad well-being. Working with one indicator also ensures

16   that analyses and comparisons of well-being between regions and over time remain

17   manageable." [translated] (Van Bavel et al., 2019).

18   Although this aggregation methodology can be quite salient, Ms. Hoogerwerf states that

19   Statistics Netherlands is not mandated to use it: "This is something we cannot do at Statistics

20   Netherlands because when you aggregate, you have to weigh. So, even if you give everything

21   the same weight, you still have made a decision about how important each topic is. And that is

22   not our job. That's the job of politicians." The BWI gets around this issue by basing the weights

23   on the importance the Dutch themselves attach to different well-being themes within the Better

24   Life Initiative of the OECD. In this way, the weighting is "not a subjective opinion of the

25   researchers, but empirically derived from the preferences of the Dutch" [translated] (Van Bavel

26   et al., 2019). However, as the MoW is intended as a policy tool for elected officials, such an

27   approach may very well be beyond its scope.

28   However, Ms. Hoogerwerf recognizes the responsibility of Statistics Netherlands to make

29   the Monitor as salient as possible for policymakers and the public: "I think it's also part of our

1   jobs to make sure people can use it and that they pick it up. So, we have to make it as easy and

2   accessible as possible. Even though it is a really broad and complex subject with a lot of

3   different indicators. And that's why we have to communicate a lot with people in government

4   and users."

5

6   *The salience of the broader SDG framework*

7   Ms. Pellegrom observes a challenge for businesses working with the SDG framework: "I think

8   the challenge that many of them then face is that 17 is a lot." She advises businesses to avoid

9   trying to work on all 17 goals simultaneously: "Use the framework to analyze where your

10   biggest impact is (both positive and negative) and use it for inspiration to see in what other

11   areas you might actually have a very good impact. Then, you probably end up with something

12   like seven or eight goals."

13   *MVO Nederland*—the umbrella organization for purpose entrepreneurs in the

14   Netherlands—has taken a step to help businesses with this issue by creating the MVO Risk

15   Check. The check organizes the SDGs into 18 corporate social responsibility (CSR) risk areas:

16   areas where companies can cause damage to people, the environment, and society through

17   direct involvement or through their connection with trading partners. (MVO Nederland, 2022).

18   For example, SDG 1 (*No Poverty*), SDG 5 (*Gender Equality*), SDG 8 (*Decent Work and Economic*

19   *Growth*), and SDG 10 (*Reduced Inequalities*) are all organized under the risk area of *Salary and*

20   *Compensation*. This provides a guide for companies to asses the impact of their activities on the

21   SDGs and determine the steps that need to be taken to mitigate or improve that impact.

22

23   **The language and politics associated with Beyond GDP**

24   *Framing in local politics*

25   As seen in earlier sections, Dutch national politics generally view Beyond GDP as a good thing:

26   the House of Representatives is keen on understanding Dutch well-being, and the topic comes

27   up in debates and in political party programs. At the regional and local level, though, things are

28   messier. Mr. van Veen has observed that locally broad well-being is vulnerable to being framed

29   as a leftist idea: "It's mostly framed in terms of income equality which is, of course, not really

1   the point. The point is to use it to look at the economy differently." Framing is a particularly

2   crucial issue for broad well-being, as it can determine public opinion and the uptake of relevant

3   metrics in policymaking. Drawing from the findings of the Finnish case study, Demos Helsinki

4   (2022) states, "the economy of well-being should be politically unaffiliated".

5   Mr. van Veen stresses that what the regions need is an example of how to drive healthy

6   broad well-being debates locally. He believes this should come from the national level but

7   recognizes that this will not happen until broad well-being policy is professionalized: "At the

8   national level, broad well-being is now very much seen as a separate topic. But the whole idea is

9   that it is an integral topic you should keep in mind in every topic. So, when they talk about

10   windmills, or economic development, or tax cuts, always keep the broad well-being perspective

11   in mind."

12   This type of professionalization exists in some of the WEGo alliance members, most

13   notably in New Zealand. The LSF (discussed previously in section 2.3) is a flexible policy

14   framework that provides guidance not only on *which* well-being themes are relevant for New

15   Zealanders but also on *how to discuss* these themes. It provides four analytical prompts as

16   lenses to analyze well-being: distribution, resilience, productivity, and sustainability. As the

17   leading economic advisor of the government and the developer of this tool, the New Zealand

18   Treasury provides an example of how to discuss broad well-being policy for all government

19   levels.

20   Mr. van Veen emphasizes that any such national example for the Netherlands should

21   stem from a similarly professionalized and systematic approach to well-being. If the example

22   stems from the politics of the day, it risks severe bias: "Politicians can sometimes be

23   opportunists. If you look at the Monitor, you see a wide application of topics. One is about

24   green; the other is about the distance of people from schools (the social context); another is

25   about social power (how resilient you are). So, it's quite a menu you can pick from. And

26   depending on the politician or the perspective you start from, you can pick and choose

27   whatever you find important, just to frame the other party or to frame yourself."

28

29

1   *The dangers of a Monitor that is too political*

2   Regional broad well-being is a nascent issue both in science and in policy—we do not yet fully

3   understand how broad well-being is distributed in, and affected by, the regional context (Raspe

4   & Stam, 2019). Yet the practical impact of regional broad well-being statistics can be

5   tremendous.

6   Take, for example, the Region Deals: these are deals that the Dutch central government

7   enters into with Dutch regions to jointly invest in broad well-being in each region. Between

8   2018-2022, the government invested €950 million in 30 Region Deals, with an upcoming budget

9   of €900 million for the next wave in 2022-2025 (Netherlands Enterprise Agency, 2022). The

10   Environmental Assessment Agency has started its research program called "Broad Well-being in

11   the Region" to develop knowledge for policymaking to increase broad well-being in Dutch

12   regions (Netherlands Environmental Assessment Agency, 2022a).

13   Conceptually, broad well-being should matter for which regions to invest in and how—

14   therefore, these developments are certainly positive. But, as Mr. van Veen cautions, they can

15   easily lead to perversities: "Broad well-being is a very broad concept, one region scores low and

16   another high. And so, what happens is that money goes to regions with low points. Other

17   regions that score high are trying to emphasize their low points on an even *more* regional level.

18   So, you get a very strange kind of politics about who needs to develop broad well-being in the

19   region most. If that happens for too long, you can get all kinds of perverse effects: you might

20   change your Monitor or emphasize certain low scores. You get the politics of measurement."

21   For Mr. van Veen—whose work is at the heart of regional policymaking—broad well-

22   being is best used as a vehicle for dialogue, not as a strict metric: "Broad well-being is not a

23   clear score. For example, in regions with low populations, broad well-being can be quite

24   different from others. Broad well-being is an idea to focus on, but it is not an exact science and

25   should not be a measurement tool." And if broad well-being *is* used as a measurement tool, it

26   should be a highly accurate one; as Dr. Raspe and Dr. Stam (2019) write: "When more money

27   goes to the region to promote broad well-being, a good measuring instrument is indispensable"

28   [translated].

29

1   ### 4.1.3   Process and structural barriers

2   **No clear process for integrated and innovative economic policymaking & a failure to connect**

3   Next to the lack of a cross-cutting, national well-being strategy, the lack of a clear process for

4   integrated and innovative policymaking is perhaps the most prominent barrier to moving

5   beyond GDP in the Netherlands.

6

7   *The need for sophisticated broad well-being modeling and forecasting*

8   Policymakers are looking for practical guidance. For any Beyond GDP indicator (set) to succeed

9   in its goal, it must therefore offer what policymakers are fundamentally looking for: clear and

10   actionable insights for policymaking. As Dr. Hoekstra notes, "Very often when we approach

11   Beyond GDP, we do so from the past, from the perspective of indicators. However, what

12   policymakers want is to know, "What should I do about it?"." For economists to provide such

13   insights, they must use sophisticated economic modeling and forecasting tools. Dr. Hoekstra

14   continues, "In their work, economists are not only backward-looking, but they are also forward-

15   looking; they make projections and policy recommendations. In fact, Beyond GDP often comes

16   down to whether we can create a model for future projections."

17   Dr. Hoekstra states that this type of broad well-being modeling does not exist in the

18   Netherlands, and the reason is the three planning agencies: "Unfortunately, the planning

19   agencies have not managed to create such a system. They have been trying, but not hard

20   enough." He says that Statistics Netherlands could try to aggregate their data to make it even

21   more useful, but if the planning agencies do not model broad well-being outcomes, the impact

22   will be minimal.

23   Dr. Hoekstra notes that the approach of the planning agencies is unambitious, even

24   though they have had plenty of time to advance in this direction. "The planning agencies might

25   tell you that we are far too ambitious given that MoW is a recent effort." However, it is not a

26   recent effort: "The Monitor has existed under a different name since 2009. That was the

27   "Monitor Duurzaam Nederland" [Sustainable Netherlands Monitor]. Jan-Pieter Smits and I have

28   been working on it since 2007, which was the real starting point. After 15 years, it is interesting

29   to know why clever people from the different planning agencies have not managed to model

1   broad well-being yet." In his understanding, the agencies believe it is not possible or feasible to

2   create such models. They have thus opted for a less integrated approach, making projections

3   based on individual well-being indicators.

4   A case study on barriers to the adoption of a Green GDP metric in Denmark found very

5   similar barriers. That study found hesitation among public servants in regards to incorporating

6   climate data into existing economic models. The public servants feared that these changes

7   would make the models too complex and unworkable (Hoff et al., 2021). This only changed

8   recently in Denmark, as the incoming government pledged to introduce green economic

9   modeling with the explicit goal of using the forecasts for macroeconomic policy and evaluation.

10   The basis for this kind of progress already exists in the Netherlands. The planning

11   agencies collaborate on the *Welvaart en Leefomgeving* ("Well-being and Living Environment")

12   model, which is used to conduct regular scenario studies for the Netherlands (Janssen et al.,

13   2006; Manders & Kool, 2015). The model covers the themes of regional development, mobility,

14   climate & energy, and agriculture. There is also the IMAGE ("Integrated Model to Assess the

15   Global Environment") model, which was designed under the authority of the Netherlands

16   Environmental Assessment Agency. This model simulates the environmental consequences of

17   human activities worldwide (Netherlands Environmental Assessment Agency, 2022b).

18

19   *A stubborn focus on indicators*

20   Ms. Pellegrom sees an intense focus on the efficacy of indicators when trying to promote SDG

21   policy implementation in the Netherlands. In her experience, planning agencies often get

22   bogged down in better measuring. She says, "If we tell the planning agencies that [aside from

23   broad well-being indicators] we also want better information on whether our policies *actually*

24   help us reach our policy goals, the response is "measuring the effect of policies is even harder to

25   do than designing indicators!" And yes, all of this is true from a purely scientific standpoint. Still,

26   from a political standpoint, I would say: "Come on, people! First, the world is burning; secondly,

27   the Netherlands is increasingly burning. Everybody in society, business, and politics is looking at

28   you."

1   Research has identified that the Beyond GDP discourse has stagnated in part because of

2   experts focusing too much on producing better indicators (Kovacic & Giampietro, 2015). Ms.

3   Pellegrom finds that the situation stifles progress on the fundamental objective of setting long-

4   term policy goals: "We can't set long-term policy goals because we wouldn't know how to

5   measure them. Yet we *can* measure them, and we *do* measure them, and it's never going to be

6   complete or perfect. But shall we start with the important things, like setting the goals first and

7   then seeing how we can improve measurement?"

8

9   *The need to understand synergies and trade-offs*

10   Some of the most useful, concrete pieces of information currently missing concern synergies

11   and trade-offs between well-being policy goals. This is true at the national *and* regional level,

12   says Mr. van Veen: "In the end, you want to have a debate about which issues you want to

13   prioritize in relation to others. And the broad well-being concept could be quite helpful for

14   having a debate. We have to invest in one and maybe lose from something else, but you always

15   have to make that trade-off. And now, we are not able to have these broader and richer

16   debates."

17   Very recently, the Netherlands Environmental Assessment Agency published a report on

18   climate change synergies and trade-offs (Dagnachew et al., 2021), commissioned by the

19   Ministry of Foreign Affairs. The study selected six of the most promising climate mitigation

20   measures and mapped their synergies and trade-offs with other SDGs across different regions of

21   the world. Ms. Pellegrom praises this step: "The only thing you need to do as a planning agency

22   is what the Environmental Assessment Agency did for us. If we want to take certain measures,

23   tell us what other goals are potentially affected and in what ways. Then a policymaker can take

24   that into account, and we can design ways together to mitigate that." She notes that,

25   unfortunately, not enough government funds flow towards these kinds of studies.

26

27   **Increased cooperation between organizations, departments, and disciplines**

28   The lack of cooperation among planning agencies and other government bodies is tightly linked

29   to the modeling issues discussed above. Dr. Hoekstra, Ms. Pellegrom, and Dr. Raspe recognize

1   the existence of silos in government: planning agencies seem keen on working separately, each

2   in their own domain. In 2021, Dr. Hoekstra criticized this approach in his article for the Dutch

3   Financial Times, titled "Let planning agencies merge into one planning agency for broad well-

4   being" [translated] (Hoekstra & Stegeman, 2021). The existence of silos in government is a

5   commonly identified issue, for example, in the Finnish study: "A practical challenge lies in how

6   different public-sector departments are organized and siloed, without incentives to

7   collaborate—which is precisely what the wellbeing economy demands." (Demos Helsinki, 2022).

8   Recent pressure from the Dutch government has changed the planning agencies'

9   approach. At the request of the House of Representatives, they started a joint multi-year

10   program in 2021 to examine how broad well-being can be more firmly anchored in the budget

11   system of the national government. In their 2022 progress report, they recognized the

12   significance of completing this project jointly: "It is important that we as planning offices have

13   picked up the ball together and have established a common approach from which we will

14   develop an analysis toolkit for broad well-being." [translated] (Hardus et al., 2022).

15   The three planning agencies aim to jointly develop an analysis toolkit that will enable

16   policymakers to look ahead to future policy effects from a broad well-being perspective. They

17   state that this highly complex step turns the Netherlands into a pioneer, as it has not been taken

18   anywhere in the world (Netherlands Institute for Social Research, 2022). The toolkit will include

19   eight themes: 1) subjective well-being; 2) health; 3) consumption & income; 4) education &

20   training; 5) spatial cohesion & quality; 6) economic capital; 7) natural capital; and 8) social

21   capital. The planning agencies state that, where possible and relevant, they will establish a

22   connection between their toolkit themes and the MoW (Netherlands Institute for Social

23   Research, 2021).

24

25   **Resistance to change, natural conservatism, and the view that Beyond GDP is redundant**

26   Interviewees acknowledged deep-seated, conservative mindsets in government that make

27   broad well-being policy difficult. According to Mr. van Veen, the government still considers

28   broad well-being as an issue, like "the economy" or "health". Ms. Pellegrom acknowledges a

29   prominent budgetary perspective: "There's a very strong idea in the political system in the

1   Netherlands, but also with a lot of civil servants (and it's partly true) that you cannot do
2   everything at the same time and that goals are always about trade-offs." Budgetary thinking
3   was prominent in the Danish case study as well: Danish ministries had "a strong focus on budget
4   discipline in the short run, meaning that any postponement of expenses is almost per definition
5   a good thing" (Hoff et al., 2021).

6   This budgetary perspective is not supported by research. The 2019 Global Sustainable
7   Development Report—which focuses on the science of reaching the SDGs—summarized existing
8   research and mapped synergies between the SDGs. The report shows that the synergies
9   between SDGs far outweigh the trade-offs (Messerli et al., 2019). It states that, in any local
10   context, achieving sustainable development will mean capitalizing on the synergies and
11   minimizing trade-offs from each intervention. A graphic mapping of the synergies and trade-offs
12   between goals can be found in the Appendix (7.5).

13   Besides, long-term policy outcomes—such as the ones targeted by the SDGs and
14   measured by the MoW—require a different kind of perspective. The policymaker is not
15   concerned with opportunity costs because the goal is to make long-term investments for the
16   future. This seems to be a key element differentiating the Dutch approach from that of, for
17   example, Wales or New Zealand. Ms. Pellegrom says that the lack of a long-term perspective is
18   harming the future of the Dutch population: "Young people are saying, that "this is our future
19   costs that you're creating now because you're taking this *goedkoop duurkoop* perspective
20   [Dutch expression meaning "something cheap can create costs later"]. It's like buying something
21   cheap five times, but for half the money, you could have bought a high-quality alternative that
22   could last you ten years."

23   Next to budgetary thinking, institutional resistance in the Netherlands also has to do with
24   a simple aversion to change. Ms. Hoogerwerf says, "There is a resistance to being judged by not
25   getting certain targets, or getting a lot of extra workload because you have to implement new
26   things. And there is resistance to adopt broad well-being as the leading thing, instead of GDP."
27   She remarks that moving towards broad well-being takes a tremendous amount of work in the
28   background, which not every public servant is immediately prepared to do.

5   Discussion

Despite the Netherlands' progressiveness in the areas of broad well-being and sustainability, and despite its sophisticated statistical and analytical infrastructure, it has not yet transitioned to a unified broad well-being policymaking approach. Using the policy cycle as defined by Seaford (2013) to understand the process of institutionalizing Beyond GDP indicators and using the framework of the wider BRAINPOoL study to understand obstacles in that process, this study has analyzed the reasons behind this slow change. A series of five interviews were carried out with high-level experts in the Netherlands in the domain of Beyond GDP. A content analysis of the interviews, combined with an extensive document analysis of relevant literature and reporting, has revealed multiple barriers to the policy adoption of Beyond GDP indicators and specifically the MoW. These barriers belong to three categories: political, indicator, and process/structural.

The Netherlands, as a case study, has presented a unique opportunity. In many ways, the Netherlands is a frontrunner in pursuing a well-being agenda for its population. Important steps have been taken to create a stronger well-being policy focus in the country, and there is a clear intention from multiple actors in society to move in that direction, but the effort remains incomplete. A closer evaluation of Dutch performance shows that the Netherlands is underperforming, especially with regard to policy coherence across well-being outcomes. For this reason, the Netherlands has presented a compelling research case. The study stands to offer valuable insights for many countries in various stages of well-being policy development.

This section offers a reflection on the key findings that emerged from this study and how they fit in with other findings in the field. Next, it describes the opportunities presented by the MoW based on opinions expressed during the interview process. Finally, it discusses interesting directions for further research.

5.1   Reflecting on the key findings

The role of commitment as the foundation for broad well-being policy

1   A recurring theme emerging from the analysis was commitment, specifically political
2   commitment to a broad well-being policy framework. When comparing the Netherlands with
3   countries that have made genuine, tangible advances in incorporating broad well-being into
4   their policy cycle, this seems to be the key differentiator.

5   In terms of indicators, the Dutch state of affairs is not so different from that of most
6   WEGo alliance members. The Netherlands has a sophisticated dashboard of indicators, covering
7   not only present well-being but also the well-being of future generations and that of those far
8   away from the Netherlands. One might argue that this dashboard is even more visionary in its
9   approach and true to the goal of well-being and sustainable development than Scotland
10   (Scottish Government, 2019) or Wales, for example. However, commitment seems to determine
11   how this information is being put to use.

12   There is a lot of energy and many high-quality initiatives in the country: statisticians,
13   municipalities and regions, civil servants, businesses, and (civil) society all have a keen interest
14   in broad well-being. These initiatives are scattered instead of being united under one national
15   framework. In countries where such a framework exists, it brings with it many benefits, not least
16   of which is credibility. In the example of New Zealand, the comprehensiveness of the LSF as a
17   policy framework, the fact that it keeps being updated based on public feedback, and the fact
18   that it is being championed by the Treasury all lend it credibility in the eyes of other societal
19   actors (New Zealand Treasury, 2021). Credibility in turn, allows societal actors to unite under
20   one banner, one common definition of well-being policymaking.

21   This credibility and unity do not exist in the Netherlands because even though there is
22   much energy put towards broad well-being, there has not been bold political decision-making to
23   define where the country should go and what it should aim for in the coming decades. In
24   countries where this bold political decision-making is present, such as Finland (Finnish Ministry
25   of Social Affairs and Health, 2022a), one can observe the kind of integrated, strategic focus that
26   allows for systemic change. Systemic change in practice does not mean that GDP-driven
27   policymaking is out of the picture, and that has not been the case in any countries that have
28   embraced a broad well-being focus, but it *does* mean that policymaking is now just as much

1   about GDP as it is about other social and environmental factors which are considered perhaps

2   equally important.

3   It is challenging to determine why other nations have built a strategic vision for long-

4   term well-being and are committed to it, and the Netherlands has not. One part is certainly the

5   admission that a well-being strategy *does* entail change. The analysis showcased that in the

6   Netherlands, there is a general impression that well-being policy can be done within the

7   infrastructure that already exists without any further changes. Though this is partially true, a

8   well-being focus does require two things: a) a recognition of the complexity of modern societal

9   challenges and b) an acceptance of the fact that dealing with these challenges requires more

10   collaboration between organizations and actors in society.

11   The other part is certainly vision and political will. Countries that describe themselves as

12   "well-being economies" are being led by governments that have not shied away from setting

13   bold and progressive national agendas, whereas the political climate in the Netherlands seems

14   to favor a more conservative, step-by-step approach. Unless this element sees some change and

15   some national well-being agenda is set, progress in this domain in the Netherlands will likely

16   continue to be rather slow.

17

18   **Economic modeling as the central barrier to broad well-being policy advancement**

19   Perhaps the most unexpected finding of this study was the centrality of economic models and

20   forecasts in implementing *any* kind of economic policy. It was very telling that even with some

21   of the best statistical infrastructures in the world, new policies are not likely to be implemented

22   unless economists can deliver information on the potential consequences of these policies. In

23   retrospect, the fact that economic models are at the heart of economic policymaking seems

24   self-evident; and for a very long time, economic models and forecasts have been so stable in

25   their focus on GDP that their completeness was never in doubt to begin with.

26   The modeling element was likely surprising because it is not visible from an outsider's

27   perspective, and for that reason, it causes significant hidden delays to the *de facto*

28   advancement of a broad well-being agenda. This barrier, in particular, has been consistent

1 across all case studies and analyses recently performed in this field (Bleys & Whitby, 2015;

2 Demos Helsinki, 2022; Hoff et al., 2021; Seaford, 2013; Whitby et al., 2014).

3   Unfortunately, although this study originally intended to discuss this topic with

4 representatives of the planning agencies—specifically those who are familiar with the well-

5 being and environmental models currently used to perform long-term scenario analyses for the

6 Netherlands—this was eventually not possible. Barring that, more information could be

7 provided about where progress stands in terms of economic modeling of well-being in the

8 Netherlands. What *can* be said is that recently the House of Representatives has called upon the

9 planning agencies to jointly develop policy tools to support the national budget process, and

10 they have accepted, entering into a five-year collaboration (Netherlands Institute for Social

11 Research, 2021). Given this, the emergence of broader economic models can be expected.

12

13 **The true statistical challenge for broad well-being: regions**

14 This study has been enriched by the perspective of professionals who understand the challenges

15 of translating broad well-being to the regional level. It has become apparent that the true

16 challenge is not so much in gathering national-level data and creating either an index measure

17 or a dashboard of indicators; it is in finding a way to translate whatever metric is chosen to the

18 regional level in a meaningful way. At the national level, the metric aids comparison with other

19 nations, long-term projections, and a clear perspective on what factors influence well-being. But

20 on the regional level, these metrics influence the policies that actually touch the lives of citizens

21 most directly: in their municipalities, their neighborhoods, their houses, and their green spaces.

22   There is a startling level of complexity at this level, and this is where the role of a

23 national statistical agency as the champion of broad well-being becomes so significant. Statistics

24 Netherlands has played a pivotal role in helping regions with evidence-based broad well-being

25 policies, not least through their collaboration in Urban Data Centers. This innovation appears

26 quite unique among other countries with broad well-being statistical infrastructures, and it

27 speaks to the level of sophistication and the innovation capability of Statistics Netherlands.

28

5.2   Opportunities brought by the Monitor of Well-being

During the interviews, interviewees shared their thoughts on the advantages brought on by the MoW. These advantages appear across all six phases of the policymaking process.

The first is the expansion of public dialogue. The MoW provides a common language for discussing broad well-being issues, one which is based on an internationally known and accepted framework. This facilitates discussion and makes it easier to determine priorities, build coalitions, and find solutions to problems. The latter is critical given the complexity of the transitions that Dutch society is undergoing. Furthermore, increased public dialogue functions as the precursor for more public engagement, which can eventually lead to a more explicit national commitment toward broad well-being.

The second is long-term goal setting and coherent policymaking. During the four years since its launch, the MoW and SDG report has informed the Accountability Debate four times. Most recently, figures of the MoW have been linked to the budgets of several ministries through the SDG Factsheets. And as the planning agencies develop a broad well-being policy tool for the national budget, this will be linked to the MoW figures where possible, as well. According to interviewees, the MoW and SDGs could be extremely useful as the leading framework to set long-term goals, as well as to broaden economic models and forecasts.

Finally, the last advantage is statistical sophistication, at the national but mostly at the regional level. The Monitor increases comparability between regions and allows for measurements that were not possible before—especially on subjective matters such as happiness and life satisfaction. Thanks to the Monitor, this data is now gathered more frequently. Regions can especially benefit from the refined statistics because it has now become easier to identify the particular challenges each region faces.

5.3   Directions for further research

This study joins a rather limited set of empirical studies on broad well-being policymaking. The main themes identified in this discussion section in particular, point to very interesting areas for future study. In particular, it would be very interesting to understand what factors differentiate regions in their experienced well-being, perhaps incorporating comparisons with other

1   countries. Furthermore, further research is vital in the area of economic modeling and

2   forecasting of well-being outcomes, which is now still in its infancy. Finally, there are not

3   enough studies analyzing the process of how certain nations conceived of and developed their

4   national well-being strategies. This, too, would be a novel and instructional direction of

5   research.

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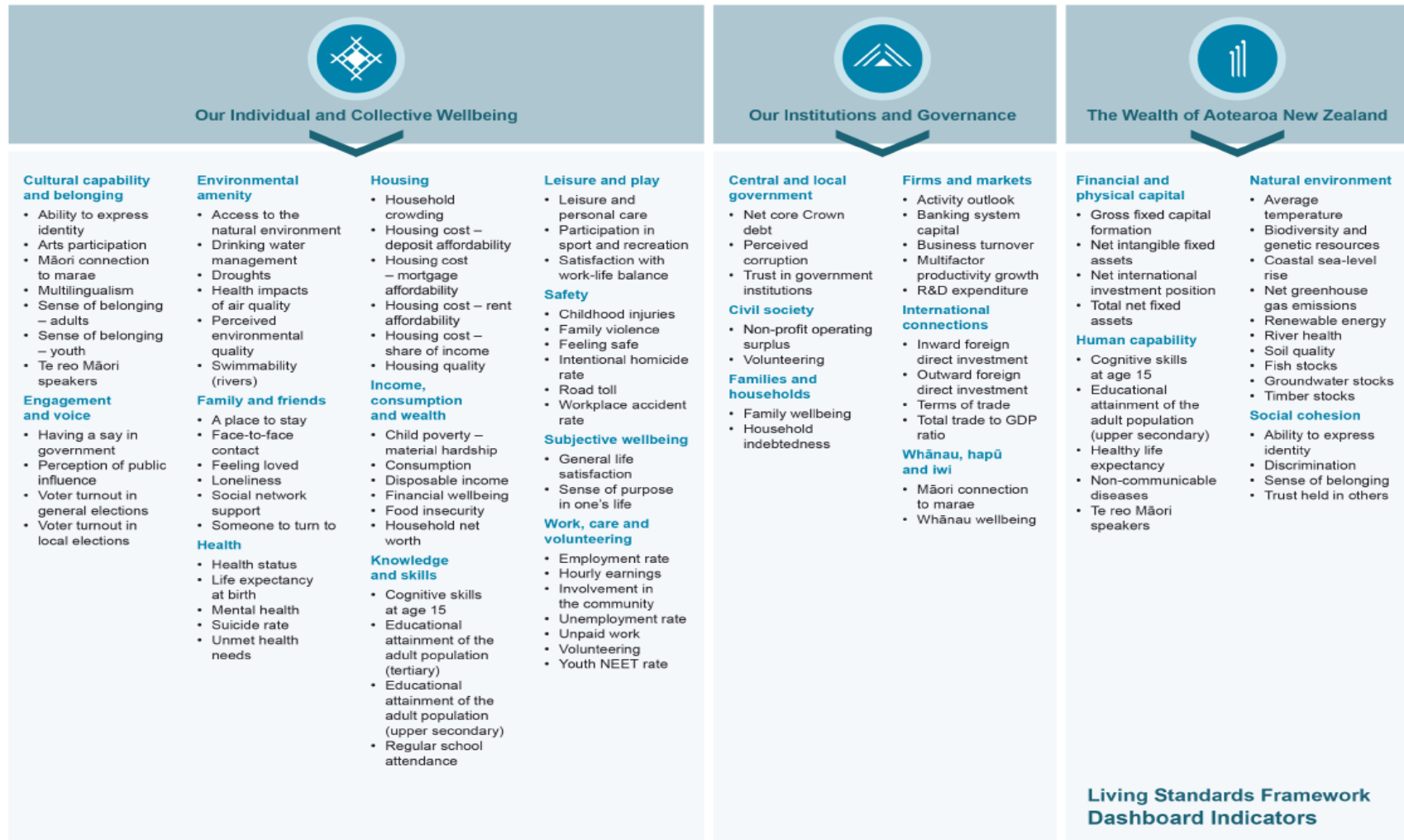
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32

1   # 7   Appendix

2   ## 7.1   LSF Dashboard Indicator Suite – April 2022

3

Living Standards Framework Dashboard Indicators

1 **7.2   Scotland's National Performance Framework (Scottish Government, 2019)**

2

3

1   **7.3   Coding structure**

POLITICAL BARRIERS	P1: Lack of democratic legitimacy	*"I think there is a difference between the national level and the regional levels regarding legitimacy. Within Parliament it is well used; we make a national one because they asked for it."*
	P2: Lack of strong narrative that engages the public	*"At the same time—and then we come to my second task, the encouragement of parties in society—this is where we see that the SDGs have really landed and expanded in Dutch society."*
	P3: Lack of a clear political imperative	*"There were actually municipal elections last March with new coalitions forming, and many council members had a platform of broad welfare."*
INDICATOR BARRIERS	D1: Data problems	*"So when we really go door to door to ask people how they feel or what they think, it's really difficult to get a sound, statistical foundation."*
	D2: Conceptual confusion	*"It makes it difficult to talk about broad well-being if you have different parties who implement it just a bit different from one another."*
	D3: No Beyond GDP indicator with the salience of GDP	*"I think the challenge that many of them then face is that 17 [SDGs] is a lot, and it's complicated."*
	D4: The language and politics associated with Beyond GDP	*"Now, on a local level, broad well-being is very often seen as a kind of leftist idea. It's mostly framed [in terms of] financial income equality which is, of course, not really the point."*
PROCESS & STRUCTURAL BARRIERS	S1: No clear process for integrated and innovative	*"But then again, the perspective of the other planning agencies and many officials involved is that "it's so hard to understand synergies and trade-offs, we can't, and that's why we can never think about the effects of policies"."*

	economic policy making	
	S2: Increased co-operation between organizations, departments and disciplines	*"The planning agencies have not picked it up yet. In the last letter they wrote to the House of Representatives they were still negative, basically stating "[economic modeling based on broad well-being] is not possible and we are not even going to try, we will just approach it from our separate disciplines (economic, social, environmental)"."*
	S3: Institutional resistance to change	*"There's a very strong idea in the political system in the Netherlands, but also with a lot of civil servants (and it's partly true) that you cannot do everything at the same time and that goals are always about trade-offs."*
	S4: Natural conservatism	*"It's just not something you can do overnight. And it's of course the nature of people to not really like change a lot."*
	S5: The view that Beyond GDP is redundant	*"And there is resistance to adopt broad well-being as the leading thing, instead of GDP. They are not saying "Oh, you want to do broad well-being? We are going to make it happen and work overtime for years to create this"."*
	S6: A failure to connect	*"In fact, Beyond-GDP often comes down to whether we can create a model for future projections. The problem for the Netherlands is that SN has all the information available, but policymakers just want to know what they should <u>do</u> about it."*
ADVANTAGES OF THE MoW	B1: Finding a common language	*"I think, in general, regardless of the level that we look at, the additional value is that we speak a common language and everybody knows what we're talking about, and what it entails."*
	B2: Statistical sophistication	*"And I think we can do a great job because we go from the national level to the regional level to see what the regional challenges are and how we can connect that to broad well-being."*

B3: Long-term goal setting and policy coherence	*"If you have these long-term goals that you are testing against, like New Zealand and Scotland are doing, then you can have much more integrated, coherent policies. So, it really drives policy coherence."*

1   **7.4   Overview of stakeholder group representation**

ACADEMIA	STATISTICS NETHERLANDS	NATIONAL & REGIONAL GOVERNMENT	BUSINESS	PLANNING AGENCIES	POLITICS	CIVIL SOCIETY
Dr. Rutger Hoekstra *(University of Leiden)*	**Ms. Bo Hoogerwerf** *(Statistical Researcher)*	**Mr. Maarten van Veen** *(Strategic Policy Advisor for the Municipality of Eindhoven)*	**Dr. Otto Raspe** *(Head of RaboResearch Regions, Innovation, Sustainability, Entrepreneurship at Rabobank)*	**Dr. Jeroen Boelhouwer** *(The Netherlands Institute for Social Research)* ***Interview had to be postponed indefinitely due to COVID-19.***	**Mr. Lammert van Raan** *(Party for the Animals – House of Representatives)* ***Interview had to be postponed indefinitely due to COVID-19.***	**Ms. Elizabeth Dirth** *(ZOE Institute for Future-Fit Economies)* ***Interview was postponed indefinitely due to unknown reasons.***
	Dr. Rutger Hoekstra *(13-year tenure as Senior Statistical Researcher)*	**Ms. Sandra Pellegrom** *(National Coordinator for the SDGs – Ministry of Foreign Affairs)*				

7.5   Figure 1: Synergies and trade-offs between SDGs (Messerli et al., 2019)