

**An Index of Social and  
Economic Well-being (ISEW)  
across 32 OECD countries -  
2006 to 2018**

(including England, Scotland, Wales and  
Northern Ireland)

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## Index of Social and Economic Well-being

### Main Points

- The Index of Social and Economic Well-being (ISEW) incorporates four of the most essential elements of well being: income; education; longevity; and inclusivity.
- The Index allows for a comparison of the relative progress of 32 OECD countries (including the four constituent countries of the UK) to be made between 2006 and 2018, i.e. how they have coped post the economic crisis and during a period of public sector funding restraint.
- Results show that over this period 3 of the top 5 performing countries stayed the same (**Switzerland, Norway, Iceland**) while Canada and the Netherlands were replaced by **Japan and Sweden**.
- Similarly, 4 of the bottom 5 performing countries stayed the same (**Greece, Hungary, the Slovak Republic and Poland**) while Estonia was replaced by **Italy**.
- **Estonia** experienced the biggest rise in its Index ranking, moving up nine places from 29th to 20th. **Scotland** experienced the joint biggest fall (along with **Wales**) in its Index ranking, moving down five places from 16th to joint 21st.
- The biggest rises in overall Index scores were seen in Eastern European countries (**Poland and Estonia**), although in most cases starting from a low base and so having little impact on their overall ranking. Other countries doing well include **Germany, the Czech Republic and Japan**.
- 3 countries experienced falls in their overall Index scores: **Greece, Scotland and Finland**.
- Within the UK, the ranking of:
  - **England** did not change, remaining a little above mid-table (i.e second quartile);
  - **Scotland** fell into the third quartile of countries, due to a decline in its education and income performances, the latter associated with the decline in North Sea related activity. Despite this, Scotland's very poor life expectancy performance remains its weakest area of performance;
  - **Wales and Northern Ireland** both fell into the bottom quartile of countries, principally due to poor GDP performances.
- The relatively poor Scottish performance, in terms of education and health, suggests that changes may be needed to the, still young, devolved political system. Such changes should involve strengthening the challenge and scrutiny roles both within and out-with the Parliament.
- Looking across the UK as a whole, the results highlight the fact that greater political devolution alone does not easily lead to an improving performance in key areas of well-being. In fact, unless proper supporting bodies are also cultivated, it can lead to a weakening in some important aspects of policy development.

## **Introduction**

The Index of Social and Economic Well-being (ISEW) allows a comparison to be made across countries, and over time, in relation to a quartet of key measures of economic and social success:

- financial prosperity, as measured by GDP per capita;
- educational ability, as measured by OECD PISA scores;
- general health, as measured by life expectancy;
- economic participation, as measured by the employment rate.

Clearly this list excludes a number of areas which might be considered important, for example in relation to the environment and a more explicit link to inequality. However, they do capture four of the most essential elements of well being: income, education, longevity and inclusivity. Furthermore they are a step forward in comparison to the more confined and basic measure of success that is GDP alone.

The time period covered by the Index stretches between 2006 and 2018, a period of great economic and political upheaval. The Index allows for a judgement to be made on how countries have dealt with this tumultuous time, not just in terms of economic impacts but also on wider, often more government influenced, areas of social well-being.

Have the countries worst affected by the financial crisis (e.g. Iceland, Ireland, Spain and Greece) seen the greatest (relative) falls in overall well-being or have other countries, less in the headlines, fared worse?

Within the UK, how has over a decade of mature political devolution impacted on the performance of the constituent countries?

Of course it is not just governments that will have impacted on a countries performance, but also the private sector, in terms of the economy in particular, and individual tastes and decisions, in terms of longevity. As such these results should be interpreted as a wider judgement on each countries performance rather than as simply a reflection of the government's performance.

The first ISEW analysis, based on data up to 2016, was published in 2017. This edition updates each of the four categories looked at, in particular incorporating the latest PISA data, which is published every three years.

The remainder of this report looks at (i) how the Index has been compiled, (ii) the results, both disaggregated across the four measures and aggregated into an overall score, and (iii) some potential policy implications for Scotland.

## How the Index is compiled

### **Components**

The ISEW comprises of four components:

- GDP per capita (standard of living), using the PPP adjusted, current price, measure.
- School age attainment levels (standard of education), using OECD PISA scores;
- Life expectancy at birth (standard of health);
- Employment rate (degree of economic participation).

In each case (with the exception of the UK constituent countries) the data source is the OECD database and the period covered is 2006 to 2018, for GDP p.c., PISA scores and the employment rate, and to 2017 for life expectancy.

For UK constituent countries data sources are:

- ONS for data on GVA (*Note: in the cases of the UK and Scotland the data is inclusive of North Sea GVA, with the Scottish estimate taken from the latest Scottish Government QNAS publication*);
- PISA for school education scores;
- ONS for life expectancy and employment rates data.

PISA apart, the constituent country data is derived from (ONS based) differences to the UK average, with this country difference then being applied to the UK (OECD) baseline figure used in ISEW.

### **Methodology**

The ISEW methodology is akin to that used for compiling the UN Human Development Index. It involves:

- Indexing each of the four components using Maximum and Minimum values from across the 32 countries, based on both 2006 and 2018;
- Having normalised the four different measures, the individual scores are then added together;
- This leads to a possible range of outcomes stretching from 4 (where a country records the highest value for each of the four measures) to 0 (where a country records the lowest value for each of the four measures).

This methodological technique concentrates on changes in the differences in performance seen across countries, which allows for differentiation between countries which would otherwise appear to have quite similar outcomes.

For example, if life expectancy varied between 76 and 80 for all countries (i.e. by only around 5% overall) then this technique, by taking the bottom of the range (76) as given, highlights who does best beyond that i.e. the degree to which they excel.

As such, it emphasises that, while all countries may be doing well and improving over time, some countries have managed to find ways of eking out extra income or extra years of life, for example, in comparison to others and despite experiencing similar economic environments.

## Countries

There are 32 countries included in the Index, comprising:

- All OECD countries, except: Chile, Israel, Ireland, Latvia, Luxembourg, Mexico and Turkey (i.e. 28 in all);
- Plus 4 UK constituent countries (England, Scotland, Wales, Northern Ireland).

The rationale for omitting the countries mentioned is:

- In the case of Mexico, Turkey, Chile, Latvia and Israel, their inclusion overly distorts the results for the other countries. In each case this is because the very low scores seen across some measures for these countries results in a narrowing of results for all the other countries, which in turn reduces the impact of that measure in the Index as a whole;
- In the case of Luxembourg, a similar argument applies but this time because its GDP per capita is so elevated. Furthermore, this high score is known to be distorted by the degree of cross border day migration from surrounding countries;
- In the case of Ireland, the behaviour of multinational companies seriously distorts its GDP per capita score and it is not a straightforward exercise to adjust for this.

## Caveats

There are a number of caveats to bear in mind when interpreting this report.

- 1) The movement between 2006 and 2018 will not have been a smooth path. This period covers the Great Recession and ups and downs will have occurred within the period shown.
- 2) Where scores are very similar then performance can be assumed to be very similar and any shift in the rankings are less relevant. Equally where large gaps exist between one ranking and the next then a large rise in a country's Index score may not be met by a similarly large change in its ranking.
- 3) While the OECD make every effort to ensure consistency across the data, there will inevitably be a degree of inconsistency in places.
- 4) While some problems with the data have been identified (e.g. in relation to Irish GDP), without sufficient 'local knowledge' for each country, others may have been missed.
- 5) It is difficult to be precise about what any difference in scores between countries represents. However an indication can be given. For example, the spread across the life expectancy is around 8 years and so a shift of 0.1 in the Index score is equivalent to around 0.8 years. Similarly a shift of 0.1 in GDP per capita is equivalent to around \$4,000.

## Results

### In overall terms

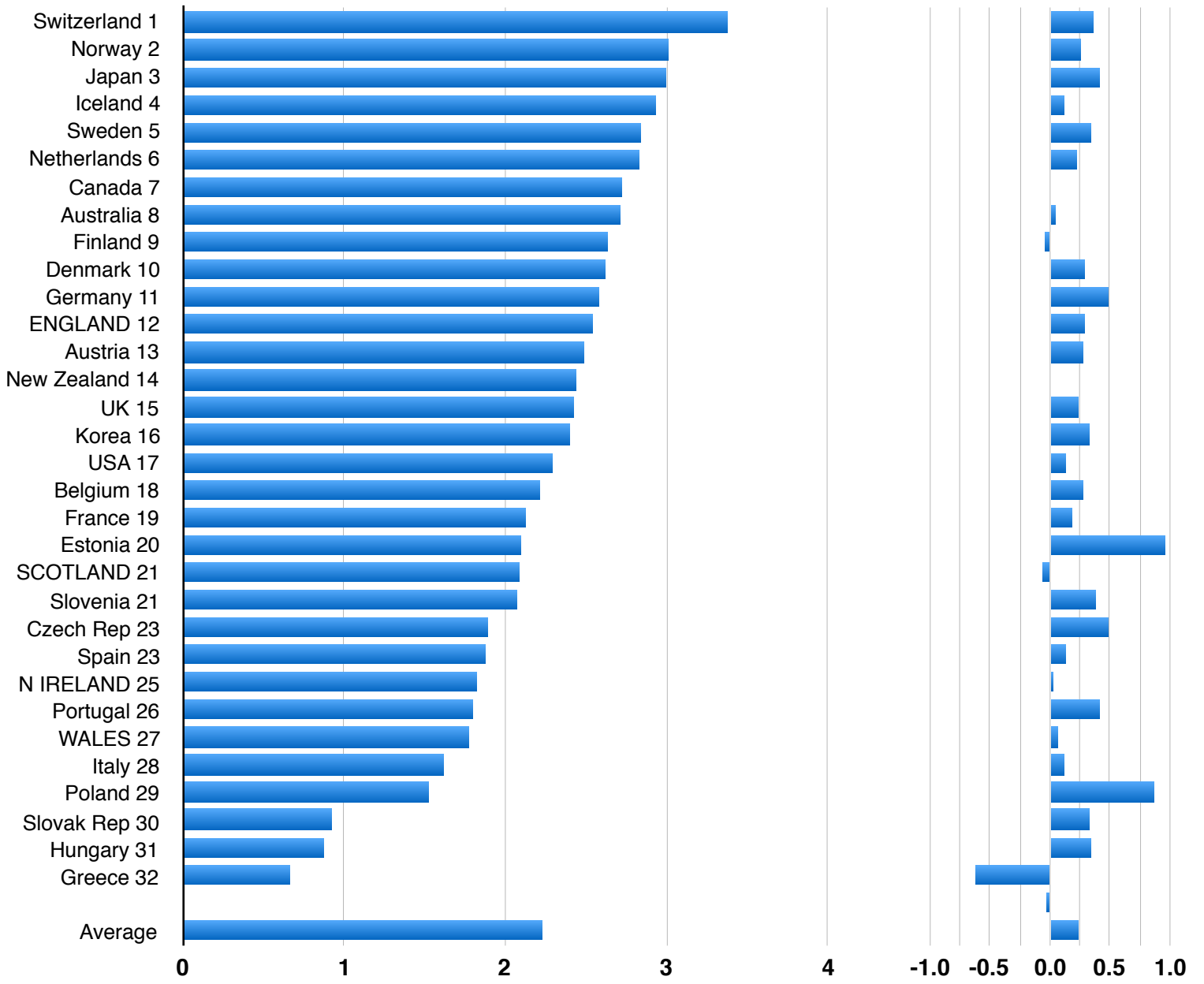
Table 1 and Figure 1 show the main results in terms of aggregated ISEW scores and rankings.

- 3 of the top 5 performing countries stayed the same (**Switzerland, Norway, Iceland**) while Canada and the Netherlands were replaced by **Japan and Sweden**.
- 4 of the bottom 5 performing countries stayed the same (**Greece, Hungary, the Slovak Republic and Poland**) while Estonia was replaced by **Italy**.
- **Estonia** experienced the biggest rise in its Index ranking, moving up nine places from 29th to 20th. **Scotland** experienced the joint biggest fall (along with **Wales**) in its Index ranking, moving down five places from 16th to joint 21st.
- The biggest rises in overall Index scores across the decade were seen in Eastern European countries (**Poland and Estonia**), although in most cases starting from a low base and so having little impact on their overall ranking. Other countries doing well included **Germany, the Czech Republic and Japan**.
- 3 countries experienced falls in their overall Index scores: **Greece, Scotland and Finland**.
- Within the UK, the ranking of:
  - **England** did not change, remaining a little above mid-table (i.e second quartile);
  - **Scotland** fell into the third quartile of countries, due to a worsening education performance, exacerbated by its income performance, associated with the decline in North Sea related activity. Despite these falls, Scotland's very poor life expectancy performance remains its weakest area;
  - **Wales and Northern Ireland** both fell into the bottom quartile of countries, primarily due to relatively poor GDP performances.
- In general terms it might be said that:
  - **Nordic countries** continue to do well;
  - **Eastern European countries** continue to lag behind but are catching up, some quickly;
  - Beyond Eastern Europe, most **Mediterranean countries** also perform poorly, especially Greece.

**Table 1: ISEW scores and rankings 2006 to 2018, ordered by 2018 ranking**

Country	2006 score	2018 score	Change	2006 rank	2018 rank	Change
Switzerland	3.03	<b>3.38</b>	0.36	1	<b>1</b>	0
Norway	2.76	<b>3.01</b>	0.25	3	<b>2</b>	1
Japan	2.58	<b>3.00</b>	0.42	8	<b>3</b>	5
Iceland	2.82	<b>2.93</b>	0.11	2	<b>4</b>	-2
Sweden	2.49	<b>2.84</b>	0.35	9	<b>5</b>	4
Netherlands	2.61	<b>2.82</b>	0.22	5	<b>6</b>	-1
Canada	2.71	<b>2.72</b>	0.02	4	<b>7</b>	-3
Australia	2.66	<b>2.71</b>	0.05	7	<b>8</b>	-1
Finland	2.68	<b>2.63</b>	-0.05	6	<b>9</b>	-3
Denmark	2.32	<b>2.61</b>	0.30	11	<b>10</b>	1
Germany	2.10	<b>2.59</b>	0.48	17	<b>11</b>	6
<b>ENGLAND</b>	<b>2.24</b>	<b>2.54</b>	<b>0.30</b>	<b>12</b>	<b>12</b>	<b>0</b>
Austria	2.22	<b>2.49</b>	0.28	13	<b>13</b>	0
New Zealand	2.43	<b>2.44</b>	0.01	10	<b>14</b>	-4
<b>UK</b>	<b>2.19</b>	<b>2.43</b>	<b>0.25</b>	<b>14</b>	<b>15</b>	<b>-1</b>
Korea	2.08	<b>2.40</b>	0.32	18	<b>16</b>	2
USA	2.15	<b>2.29</b>	0.14	15	<b>17</b>	-2
Belgium	1.94	<b>2.22</b>	0.28	19	<b>18</b>	1
France	1.93	<b>2.12</b>	0.19	20	<b>19</b>	1
Estonia	1.15	<b>2.10</b>	0.95	29	<b>20</b>	9
Slovenia	1.70	<b>2.08</b>	0.38	22	<b>21</b>	1
<b>SCOTLAND</b>	<b>2.13</b>	<b>2.08</b>	-0.05	<b>16</b>	<b>21</b>	<b>-5</b>
Czech Rep	1.39	<b>1.88</b>	0.49	26	<b>23</b>	3
Spain	1.75	<b>1.88</b>	0.13	21	<b>23</b>	-2
<b>N IRELAND</b>	<b>1.79</b>	<b>1.83</b>	<b>0.04</b>	<b>22</b>	<b>25</b>	<b>-3</b>
Portugal	1.39	<b>1.80</b>	0.41	27	<b>26</b>	1
<b>WALES</b>	<b>1.70</b>	<b>1.77</b>	<b>0.07</b>	<b>22</b>	<b>27</b>	<b>-5</b>
Italy	1.51	<b>1.62</b>	0.11	25	<b>28</b>	-3
Poland	0.65	<b>1.47</b>	0.82	30	<b>29</b>	1
Slovak Rep	0.60	<b>0.92</b>	0.32	31	<b>30</b>	1
Hungary	0.54	<b>0.88</b>	0.34	32	<b>31</b>	1
Greece	1.28	<b>0.66</b>	-0.61	28	<b>32</b>	-4
<b>Average</b>	<b>1.98</b>	<b>2.22</b>	<b>0.24</b>			

**Figure 1: Overall ISEW score in 2018 and change since 2006**





## **Measure by Measure**

Income (GDP per capita), see Figure 2

### **Overall Performance**

The highest ranking countries continue to be Switzerland, Norway and the USA.

The lowest ranking countries continue to be dominated by Eastern European countries like Poland, Hungary and the Slovak Republic, along with Greece, Portugal and Wales.

### **Change in performance**

The biggest improvements seen since 2006 were seen in Eastern European countries, notably Poland, Estonia and the Slovak Republic.

Amongst the more developed economies Germany and Switzerland performed the best.

Perhaps unsurprisingly, Greece was by far and away the poorest performer since 2006.

Other poor performers included Norway and Scotland, both affected by the fall in income from oil related activities.

*(Note 1: the GDP p.c. PPP adjusted current price measure is used here rather than the constant price equivalent as the latter adjusts for changes in relative prices and by doing so omits the important impact on countries like Norway and Scotland of a rise or fall in the oil price.)*

*(Note 2: the OECD GDP p.c. PPP adjusted current price measure was accessed in November 2019 and uses 2010 as the reference year.)*

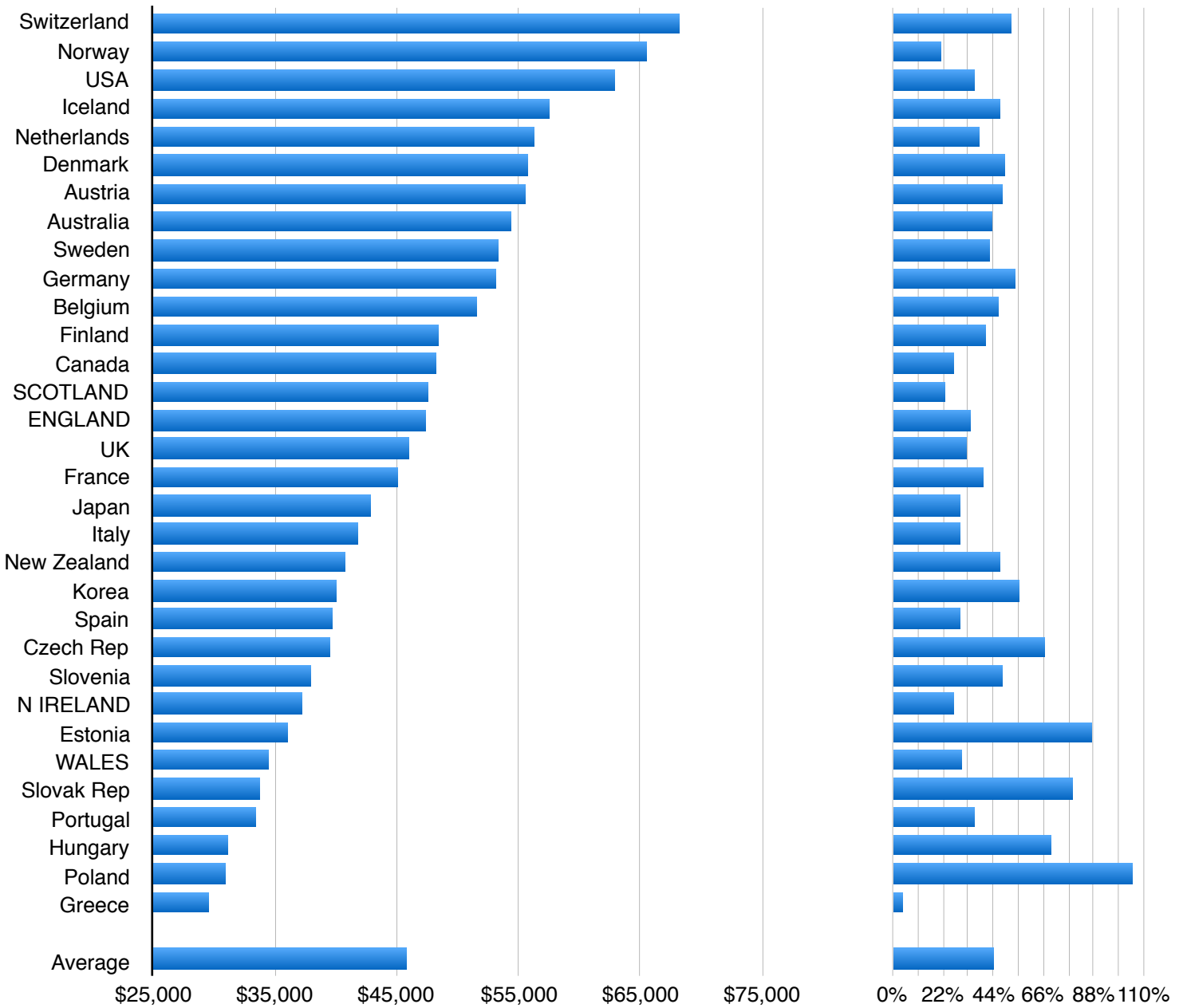
### **Notes on GDP per capita for UK constituent countries**

As in some other countries (e.g. Switzerland), UK constituent country GDP figures can be complicated by cross border, workplace vs residence, issues (i.e. the country where income is earned (workplace based) need not equate to the one where it ends up (residence based).

In the case of Wales and Northern Ireland, where GDP per capita is relatively low, this may in part be due to people living in Wales but working in England, or living in Northern Ireland but working in Ireland, thereby distorting the level of GDP per capita. Equally, living standards are determined by transfer related taxes and benefits, in addition to income, and this can alter the actual standard of living experienced in different areas.

As a result of these factors, the lower living standards recorded for Wales and Northern Ireland are likely to be less pronounced in reality.

**Figure 2: GDP per capita (current prices, PPP), 2018, and change (%) since 2006**



## Education (PISA results), see Figure 3

### Overall Performance

Estonia has replaced Japan (which in turn replaced Finland) as the highest ranking country, followed by Japan, Korea, Canada and Finland.

The lowest ranking country continues to be Greece, followed by the Slovak Republic and Italy.

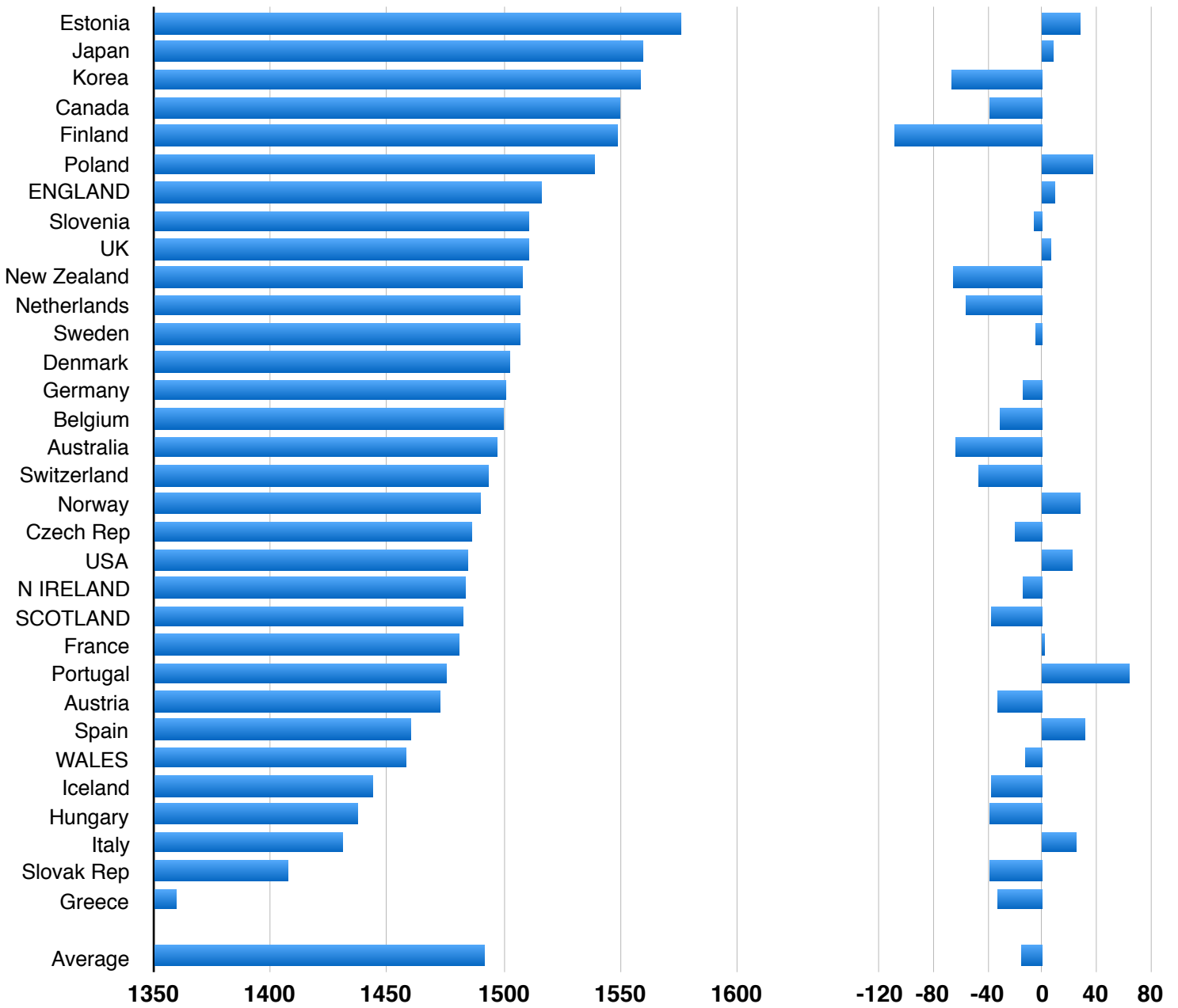
### Change in Performance

The biggest improvement since 2006 has been seen in Portugal, while Spain and Italy have also improved, although from relatively lowly positions. Of those countries who were already performing well in 2006, Poland and Estonia continued to make good progress.

On average there has been a small fall in scores across all countries. *(Note: while actual PISA scores have fallen, on average, between 2006 and 2018, the contributions from PISA scores to the ISEW have, on average, risen. This is because the range of scores has narrowed, with the top score (Finland in 2006) declining by far more than the average score.)*

The biggest fall in its PISA score since 2006 was seen for Finland, although it still retains a relatively high ranking (5th). It is unclear what the cause of such a dramatic fall has been. Other poor performances have also been seen in other high ranking countries, for example Korea and Canada.

**Figure 3: PISA results, 2018, and change since 2006**



Health (Life Expectancy), see Figure 4

### Overall Performance

The highest ranking countries remain Japan and Switzerland, followed by the Mediterranean 'healthy diet' examples of Spain and Italy.

The lowest ranking countries continue to be in Eastern Europe (Hungary, the Czech and Slovak Republics, Poland and Estonia) along with the USA and Scotland.

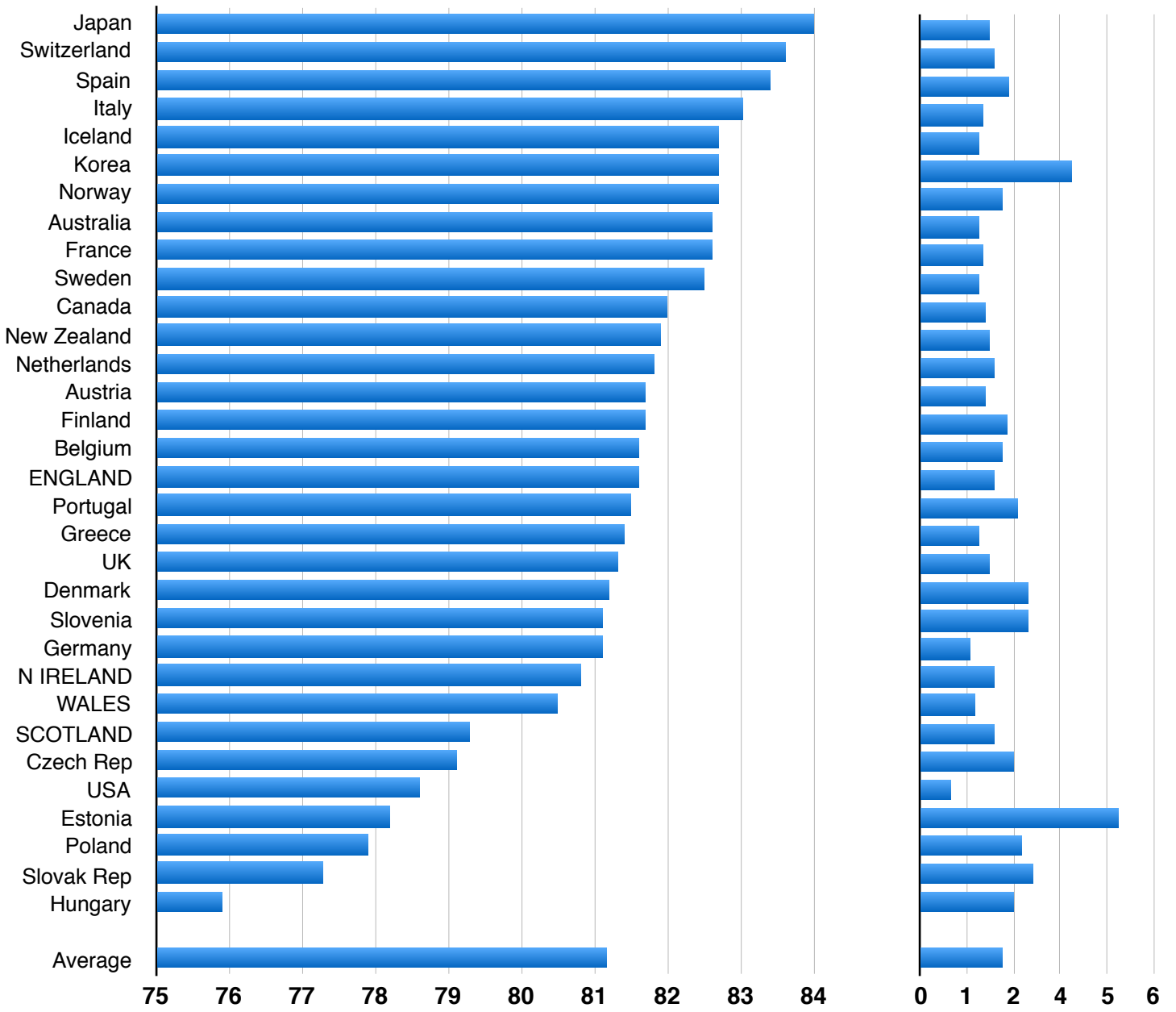
### Change in Performance

The two stand out performances over the decade have been Estonia, up over 5 years, and Korea, up over 4 years, against an average rise of 1.8 years.

There is some evidence of catch up amongst the lower performers post 2006 but this applies mainly to Eastern European countries.

The poorest performance since 2006 has come from the USA, up by less than 1 year, followed by Germany and Wales (both up by around a year).

**Figure 4: Life Expectancy at birth, 2017, and change since 2006**



Participation (employment rate), see Figure 5

### Overall Performance

The highest ranking country remains Iceland, by some distance, followed by Switzerland.

The poorest performers have shifted from being dominated by Eastern European countries (Poland, Hungary and the Slovak Republic) to being dominated by Mediterranean ones (Italy, Spain, Greece).

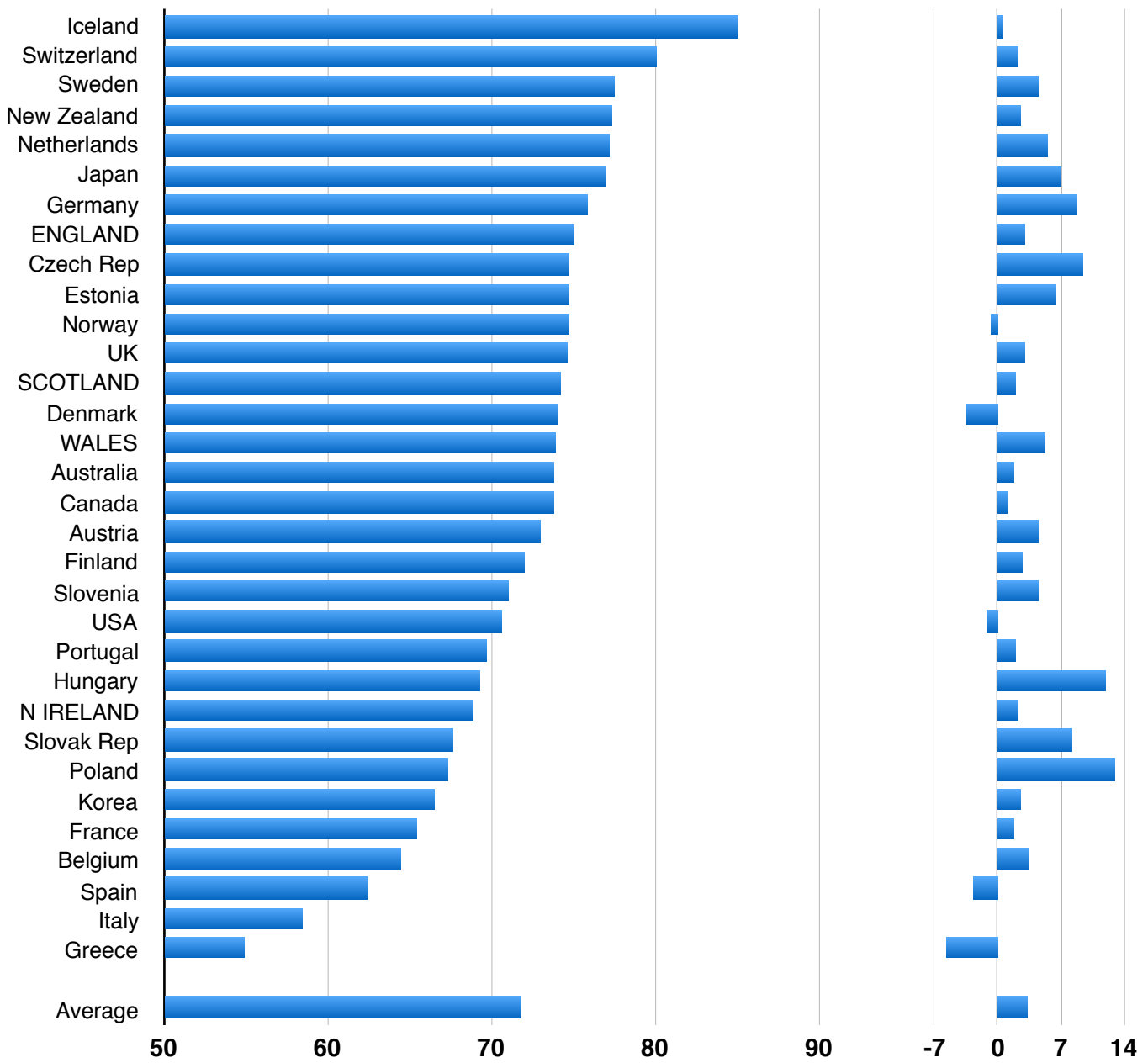
### Change in performance

The biggest rises in the employment rate have been seen in Eastern European countries (Poland, and Hungary in particular), followed by Germany.

On average there has been a small rise in the employment rate across all countries.

While few countries have seen falls in their employment rate, Greece, Spain and Denmark have experienced some decline.

**Figure 5: Employment rate (15-64), 2018 and change since 2006**





## **Across the UK's constituent countries:**

### **Scotland:**

Scotland's relative position has worsened since 2006. This is principally down to falls in its GDP per head and its education (PISA) scores. However, while largely unchanged, Scotland's health (life expectancy) score remains the area where it ranks lowest.

*(Note: if an alternative measure for Scotland was used, which excluded North Sea income from the GDP per head category (i.e. used onshore GDP only), then this would reduce Scotland's overall ISEW score but at the same time ameliorate the decline seen for Scotland since 2006.)*

### **England**

As the dominant country within the UK, it is not surprising that its performance largely mimics that seen for the UK, with no change in its ranking (12th) over the decade.

### **Wales**

Wales ranking fell to 27th and it is now in the bottom quartile of countries. This was largely due to relatively poor GDP and health performances.

### **Northern Ireland**

Northern Ireland's ranking has fallen into the bottom quartile, due largely to a below average GDP performance (but note previously discussed qualifications on this point for both N.I. and Wales).

**Significant performances (outside of the UK countries) include:**

### **Good and improving performers**

**Switzerland** - retains its top ranking position, despite its mediocre education ranking.

**Japan** - ranks 3rd and has moved up the overall rankings by 5 places, despite being viewed by many as having a problem economy and having a fast ageing population. It retains the number one spot in relation to health (life expectancy).

**Germany** - ranks 11th but has moved up the overall rankings by 6 places, largely on the back of its economic performance (GDP per capita and employment rate).

**Estonia** - has seen the biggest rise in its ranking, up 9 places, and experienced the biggest rise in its score of any country. This improvement was based on well above average improvements in all four measures.

**Poland** - while its score rose by the second highest amount, it only moved up one place in the rankings, due to the bigger gaps between scores seen at the bottom of the Index. Its rise was again based on across-the-board, above average, improvements.

### **Poor and declining performers**

**Greece** - as might have been expected given its post 2008 traumas, Greece's score has fallen the most, leaving it in last place in the Index. This is largely due to its weak economic performance (GDP per capita and employment rate) while its PISA score remains the lowest of the countries covered.

**Hungary** - retains its low ranking position despite its relative improvement in terms of both life expectancy and the employment rate.

**Finland** - has fallen out of the top quartile of countries in the Index. Its decline stems from its falling education (PISA) score, which is down by more than for any other country, even though its ranking remains high.

### **Other countries of interest**

**Iceland** - still ranks highly but has fallen from 2nd to 4th. While initially suffering post the Great Recession, Iceland's economy has since recovered and so it still ranks very highly, helped by its number 1 ranking for employment and good life expectancy.

**Norway** - has improved on its high ranking (from 3rd to 2nd). A (North Sea related) decline in its economic ranking was more than offset by a significant improvement in its education score.

**USA** - despite being one of the richest countries in the OECD, the USA's ranking continues to be hampered by its poor life expectancy and education scores, resulting in an overall mid-table position.

## Challenges for Scotland

Without considerably deeper, and potentially costly, analysis it is difficult to identify the driving force(s) behind the positive and negative shifts in performance highlighted above.

However, in relation to Scotland's performance it is possible to identify some clear challenges and potential policy prescriptions to improve matters.

### **On GDP per capita**

With the decline in North Sea related income having halted for now, concerns turn to the underlying strength of the onshore economy. Private sector services in Scotland have seen poor growth rates in recent years, even after taking into account any impact relating to the decline in North Sea activity. However, the causes of this are little understood as the area is under-researched.

As with the UK, on-going low growth in productivity is a major concern but one where the role and ability of government to improve matters is debatable. Rather, private sector business and investment decisions, many of which are made outside of Scotland itself, will be the driving force for change, good or bad. These decisions in turn will continue to be affected by on-going political and economic uncertainty surrounding Brexit and independence.

In terms of government policy, finding concrete ways to complement private sector activity in areas like tourism and green energy would be welcome, as opposed to the pursuit of poorly designed productivity targets.

### **On education**

Scotland's declining **PISA score** is a worry that has already prompted change but not necessarily for the good. The introduction of the Curriculum for Excellence (CfE) looks increasingly like a failed experiment. However, it is difficult to judge on this matter due to the lack of robust data by which education standards can be properly measured. This poor evidential basis was highlighted by the recently re-convened Commission on School Reform.

The question remains as to whether CfE should be completely abandoned and a new strategy implemented or whether it can be adapted without the need for more disruption and upheaval.

What does seem clear is that simply paying lip service to lessons taken from OECD and others on good education policy will not deliver higher standards. Instead, PISA findings over the importance of the quality and independence of teachers and schools and of preferred teaching practices need to be implemented in a more meaningful way and bearing in mind the specific historical and cultural context existing in Scotland.

Looking south of the border could help Scottish policymakers to identify good practice for improving school performance. There have been so many initiatives in the English school system over the past twenty years that it can be difficult to know what has worked and what has not. Nevertheless the fact that England's PISA performance has not fallen, on average, and that the performance of some areas, in particular London, have improved notably should provide food for thought and for moving forward from the disappointment of CfE.

### **On life expectancy**

Scotland continues to rank lowly and is failing to catch up.

It may be that more emphasis needs to be put on longer term measures for future generations. In particular more money being spent on early years interventions and on preventative health measures. While the Scottish government has boosted funding for both in recent years it has not done so to the degree that is likely to make a decisive difference. On early years in particular the

evidence strongly points to the need for high quality care, as opposed to simply provision of facilities and sufficient staffing.

While successive Scottish Governments have made positive interventions with regards to curtailing bad habits (e.g. over cigarette and alcohol consumption) more needs to be done, as the recent rise in the number of smokers and adolescent drinkers suggests. New forms of incentives and disincentives may need to be introduced, as an alternative to largely financial based ones.

What does seem to be true is that, post Devolution, the wide array of measures put into place to improve health practices and behaviour has had little impact on Scotland's relatively poor international performance on this measure.

Looking across the OECD, the rise in Estonia's life expectancy stands out, and more work might be done to gain an understanding of how it came about.

### **On the employment rate**

The rise in the employment rate since 2006, given the poor economic circumstances post 2008, has been a welcome surprise. The future challenge is over how to keep the employment rate at such a historically high level while at the same time improving the rate of growth of productivity and the quality of jobs created.

Successive rises in the minimum wage do not appear to have had much, or any, negative impact on employment. Another challenge therefore is how to keep improving the conditions of the low paid while retaining them in employment.

Overall, given Scotland's current placing, gains in this area are likely to be more modest than in any of the other three measures.

### **Explanations of underperformance and barriers to future improvement**

Post devolution, Scotland appears to have underperformed policy wise, in particular in relation to health and education. What might have contributed to this underperformance?

Some causes seem clear:

- There is a lack of being held to account over policy decisions, in other words too little scrutiny and proper evaluation of the actions of the Scottish Government. This is down to a variety of shortcomings, including: a weak Committee system in the Parliament; a lack of academic involvement; a dearth of think tanks; poorly funded political parties; and a declining and underfunded media presence.
- The policy development and evaluation landscape is very weak. For example, few think tanks exist and those that do are mostly poorly funded by either the public or private sectors. For example, at the UK level, the health system is analysed and held to account by a mixture of the IFS, the Nuffield Trust, the Kings Fund and a variety of other independent bodies. However, all of these bodies concentrate on the English health system and do little in the way of analysis of any of the devolved health systems. This leads to a lack of new policy development and a lack of existing policy evaluation. At the UK/English level much of this think-tank funding comes from the private sector. However, in Scotland there is next to nil private sector involvement in any activity that impinges on the Scottish Parliament or government policy making.
- Outside of the SNP, Scotland's political parties are either small operations or effectively branch operations of UK parties and in both cases poorly funded. This has inhibited the development of alternative policy ideas and led to a lack of political competition, as their operations are relatively ineffectual in challenging the well funded and civil service supported (in technical terms) SNP led government.

What the above criticism amounts to is the lack of helpful supporting bodies in the Scottish political system that, in normal circumstances, would complement the Scottish Parliament, especially in relation to policy development and evaluation. This may have been understandable initially but, twenty years into devolution, is becoming more of a handicap to progress.

How might things improve?

- Overhaul the current Committee system within the Parliament to ensure greater independence from the government, or introduce some form of bicameralism into the Parliament.
- Encourage greater private sector support for independent think tanks, not just economic but also in relation to health and education. This is more likely to come about if interested private sector companies are confident that their involvement will not have potential negative side effects in terms of their relationship with the Scottish Government.
- Undertake a review of public funding for political parties which seeks to ensure at least base funding in order for political parties to formulate their own, evidence based, policy program for Scotland. This need not preclude some political parties being better funded than others, through private contributions, but would at least allow for more effective opposition, which is generally recognised as a healthy state of affairs in any Parliament.

At present, given the domination of constitutional events, it seems highly unlikely that any such changes are imminent.

## Conclusions

Looking beyond GDP as a measure of success is an increasingly popular way for governments to assess their performance. Indeed the Scottish Government itself is committed to introducing well-being as a key aspect of budget decision making.

The Index of Social and Economic Well-being (ISEW) analysed here is therefore an interesting guide as to how devolved UK governments are performing across a wider range of economic and social goals. In the case of Scotland, the results are worrying, in particular the decline in its education standing and the lack of improvement in life expectancy.

While the overall results shown here should not be interpreted as an argument against devolution, it does highlight that greater political devolution alone does not easily lead to an improvement in key policy areas. More informed, and better evaluated, policy choices are more likely to bring about such improvement. Currently, for the reasons outlined above, this does not appear to be happening.

It will be interesting to see if next months Scottish Budget, with its greater emphasis on well-being, is more radical than past efforts in redirecting money towards preventative rather than treatment based measures, especially in relation to health and education.

The example of New Zealand, probably the world leader in this new type of budget prioritising, may be telling here. Its emphasis on mental health and child well-being has led to both areas receiving very considerable boosts to funding in the first well-being led budget of 2019.

At present, the willingness across the Scottish Parliament to be equally radical seems thin on the ground but, without it, improvements in key aspects of the quality of life may fail to emerge over the next twenty years of devolution.