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Society at a Glance 2009
OECD Social Indicators
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Chapter 3

Interpreting OECD Social Indicators

The purpose of social indicators

Society at a Glance 2009 contributes to addressing two questions:

- Compared with their own past and with other OECD countries, what progress have countries made in their social development?
- How effective have been the actions of society in furthering social development?

Addressing the first societal progress question requires indicators covering a broad range of social outcomes across countries and time. As social development requires improvements in health, education, and economic resources, as well as a stable basis for social interactions, indicators have to be found for all these dimensions.

The second societal effectiveness question is even more challenging to answer. Societies try to influence social outcomes, often through government policy. A critical issue is whether policies are effective in achieving their aims. Indicators help in making that assessment. A first step is to compare the resources intended to change outcomes across countries and contrast these resources with social outcomes. While this comparison is far from a comprehensive evaluation of policy effectiveness, indicators can contribute to highlighting areas where more evaluative work may be needed.

The framework of OECD social indicators

The structure applied here is not a full-scale social indicators framework. But it is more than a simple indicator list. This framework has been informed by experiences in other parts of the OECD on policy and outcome assessment in a variety of fields. It draws, in particular, on the OECD experience with environmental indicators. These indicators are organised in a framework known as "Pressure-State-Response" (PSR).* In this framework human activities exert *pressures* on the environment, which affect natural resources and environmental conditions (*state*), and which prompt society to respond to these changes through various policies (*societal response*). The PSR framework highlights these sequential links which in turn helps decision-makers and the public see often over-looked interconnections.

A similar approach for social indicators is followed in this report. Indicators are grouped along two dimensions. The first dimension considers the *nature* of these indicators, grouping them in three areas:

- ***Social context*** refers to variables that, while not usually direct policy targets, are crucial for understanding the social policy context. For example, the proportion of elderly people in the total population is not a policy target. However, it is relevant information on the social landscape in which, for example, health, taxation or pension policy

* The PSR framework is itself a variant of an approach which has also given rise to the "Driving force-State-Response" (DSR) model used by the United Nations Committee for Sustainable Development; and the "Driving force-Pressure-State-Impact-Response" (DPSIR) model used by the European Environment Agency.

responses are made. Unlike other indicators, trends in social context indicators cannot be unambiguously interpreted as "good" or "bad".

- ***Social status*** indicators describe the social outcomes that policies try to influence. These indicators describe the general conditions of the population. Ideally, the indicators chosen are ones that can be easily and unambiguously interpreted – all countries would rather have low poverty rates than high ones, for example.
- ***Societal response*** indicators provide information about what society is doing to affect social status indicators. Societal responses include indicators of government policy settings. Additionally activities of non-governmental organisations, families and broader civil society are also societal responses. By comparing societal response indicators with social status indicators, one can get an initial indication of policy effectiveness.

While social indicators are allocated to one of the three groups above, the allocation between context and status categories is not always straightforward. For example, fertility rates may be an objective of pro-natalist policies in countries such as France. In other countries, like the United Kingdom, they are part of the context of social policy. Similarly, family breakdown can be regarded as a failure of public policies in some countries, whereas it may not be an explicit policy concern in others.

An important limitation of social context, social status and social response indicators used here is that in this report these are presented at a national level. For member countries with a significant degree of federalism, such as the United States, Canada and Australia, indicators may not be reflective of the regions within the federation, who may have different contexts, outcomes and social responses. This limitation should be borne in mind in considering the indicators presented below.

The second dimension of the OECD framework groups indicators according to the broad policy fields that they cover. Four broad *objectives* of social policy are used to classify indicators of *social status* and *social response*:

- ***Self-sufficiency*** is an underlying objective of social policy. It features prominently in, for example, the communiqués of O ECD Social and Health Policy Ministers (*www.oecd.org/socmin2005*). Self-sufficiency is promoted by ensuring active social and economic participation by people, and their autonomy in activities of daily life.
- ***Equity*** is another longstanding objective of social policy. Equitable outcomes are measured mainly in terms of access by people and families to resources.
- ***Health status*** is a fundamental objective of health care systems, but improving health status also requires a wider focus on its social determinants, making health a central objective of social policy.
- ***Social cohesion*** is often identified as an over-arching objective of countries' social policies. While little agreement exists on what it means, a range of symptoms are informative about *lack* of social cohesion. Social cohesion is more positively evident in the extent to which people participate in their communities.

The framework behind the OECD social indicators can be represented as a summary "matrix" (Table 3.1). Table 3.1 additionally provides information of the range of social indicators covered by previous editions of *Society at a Glance*, as well as coverage of the current publication.

Table 3.1. **Social indicators included in the five editions of *Society at a Glance* (2001, 2003, 2005, 2006, 2009)**

		Content			
		Self-sufficiency (SS)	**Equity (EQ)**	**Health (HE)**	**Social cohesion (CO)**
Nature	**Social context**	• *National income* • *Migration* • Fertility rates (2001, 2005, 2006, 2009) • Marriage and divorce (2001, 2005, 2006, 2009) • Age-dependency ratio (2001, 2003, 2005, 2006) • Refugees and asylum-seekers (2001) • Sole parents (2001)			
	Social status	• *Employment* • *Unemployment* • Mothers in paid employment (2001, 2003, 2005, 2006) • Jobless households (2001, 2003, 2005, 2006) • Student performance (2001, 2003, 2005, 2009) • Not in employment, education or training (2001, 2005, 2009) • Age of labour force exit (2001, 2005, 2009) • Childcare costs (2006) • Childcare (2001, 2009)	• Income inequality (2001, 2005, 2009) • Poverty (2001, 2005, 2009) • Poverty among children (2005, 2009) • Income of older people (2003, 2005) • Low paid employment(2001) • Gender wage gaps (2001, 2006) • Material deprivation (2006) • Poverty persistence (2006) • Intergenerational mobility (2006) • Housing costs (2006)	• Life expectancy (2001, 2005, 2006, 2009) • Health adjusted life expectancy (2003, 2005) • Perceived health status (2009) • Infant mortality (2001, 2005, 2009) • Low birth weight (2003, 2006, 2009) • Obesity (2003, 2009) • Height (2009) • Mental health (2009) • Potential years of life lost (2001, 2003) • Disability-free life expectancy (2001) • Accidents (2001) • Sick related absences from work (2006) • Health inequalities (2006)	• *Suicides* • Life satisfaction (2005, 2006, 2009) • Crime victimisation (2001, 2003, 2009) • Work satisfaction (2009) • School bullying (2009) • Risky behaviour (2009) • Social isolation (2001, 2005) • Group membership (2001, 2005) • Teenage births (2003, 2005) • Drug use and related deaths (2001, 2005) • Strikes and lockouts (2001, 2003, 2006) • Voting (2001, 2006) • Juvenile crime (2003) • Trust in civil service (2006) • Work accidents (2001, 2006)
	Societal responses	• *Adequacy of benefits of last resort* • Activation policies (2001) • Spending on education (2001, 2009) • Early childhood education and care (2001) • Literacy among adults (2001) • Tax wedge on labour (2001, 2006) • Students with impairments (2003) • Resources of disabled adults (2002) • Working disabled persons (2003) • Benefits of last resort (2005)	• *Public social spending* • *Total social spending* • Private social spending (2001, 2005) • Benefit recipiency (2001, 2005) • Earnings inequality (2006) • Minimum wages (2001) • Pension replacement rate (2006, 2005) • Pension promise (2005)	• *Health care expenditure* • Responsibility for financing health care (2003, 2001) • Long-term care recipients (2001, 2005, 2006, 2009) • Health care infrastructure (2001)	• Prisoners (2001, 2003)

Data refer to the domains covered in *Society at a Glance*. Indicators in italics have been included in all five editions. Names shown for each domain of indicators are those used in 2009 edition; some of the indicators may also have been moved from one category to another.

The selection and description of indicators

OECD countries differ substantially in their collection and publication of social indicators. In selecting indicators for this report, the following questions were considered.

- What is the minimum degree of indicator comparability across countries? This report strives to present the best comparative information for each of the areas covered. However the indicators presented are not confined to those for which there is "absolute" comparability. Readers are, however, alerted as to the nature of the data used and the limits to comparability.
- What is the minimum number of countries for which the data must be available? As a general rule, this volume includes only indicators that are available for a majority of OECD countries.
- What breakdowns should be used at a country level? Social indicators can often be decomposed at a national level into outcomes by social sub-categories, such as people's age, gender and family type. Pragmatism governs here: the breakdowns presented here vary according to the indicator considered.

Chapters 4 to 8 of this report describes the key evidence, together with information on definitions and measurement for each of the selected indicators. Most indicators already exist in one form or another. Some are published in other OECD publications on a regular basis (*e.g. Labour Force Statistics, Social Expenditure database, and OECD Health Data*). Others have been collected on an *ad hoc* basis.

Individual indicators can be relevant for multiple areas of social policy. That is to say they could plausibly be included under more than one category. For example, the ability to undertake activities of daily living without assistance is potentially an indicator of social cohesion, self-sufficiency and health. Indicators are presented here under the category for which they are considered primarily most relevant.

Throughout this volume, the code associated with each indicator (*e.g.* GE1) is used to relate it to a policy field (as listed in the tables below), while a numbering of the indicators is used to simplify cross-references. While the name and coding of indicators used in this volume may differ from those in previous issues of *Society at a Glance,* an effort is made to assure continuity in the areas covered.

General social context indicators (GE)

When comparing *social status* and *societal response* indicators, it is easy to suggest that one country is doing badly relative to others, or that another is spending a lot of money in a particular area compared with others. It is important to put such statements into a broader context. For example, national income levels vary across OECD countries. If there is any link between income and health, richer countries may have better health conditions than poor ones, irrespectively of societal responses. If the demand for health care services increases with income (as appears to be the case), rich countries may spend more on health care (as a percentage of national income) than poorer countries. These observations do not mean that the indicators of health status and health spending are misleading. They do mean, however, that the general context behind the data should be borne in mind when considering policy implications.

Social context indicators are of relevance in interpreting many indicators included in this publication. This is true of Net National Income per capita (GE1), which has

implications for the quality, quantity and nature of the social protection and education that society can afford to provide, but also of fertility rates (GE2), migration (GE3), and marriage and divorce (GE4).

List of general context indicators (GE)

GE1. Net National Income per capita
GE2. Fertility rates
GE3. Migration
GE4. Marriage and divorce

Self-sufficiency (SS)

For many people in the working-age population, paid employment (SS1) is an important means of obtaining money, identity, social interactions and social status. In addition, all social security systems are funded by contributions by paid working people. Hence promoting higher paid employment is a priority for all OECD countries. Being unemployed (SS2) means, despite being available for work, that supporting oneself and one's dependants through work is not always possible. Early foundations matter for children's cognitive and social development which in turn play an important role in future self-sufficiency. The childcare enrolment rate (SS3) indicates something of the extent to which children are covered by centred-based systems of early learning. Student performance (SS4) signals an important dimension of human capital accumulation at the other end of the child life cycle. Good student performance enables longer term self-sufficiency over the future, including in paid employment. Because long term labour market disadvantage is often signalled by early adult disadvantage, a youth inactivity measure can provide information on chances of a successful transition to a self-sufficient working life (SS5).

The societal response to student performance and youth inactivity has often involved design of the structure and incentives in schooling system (hard to summarise by a social indicator), but has also involved heavy public and private expenditure in education (SS7).

The table below lists the indicators of social status and societal response that are most relevant for assessing whether OECD countries have been successful in meeting goals for assuring the self-sufficiency of people and their families.

List of self-sufficiency indicators (SS)

Social status	Societal responses
SS1. Employment	SS7. Spending on education
SS2. Unemployment	
SS3. Childcare	
SS4. Student performance	
SS5. Not in employment, education or training	
SS6. Age at labour force exit	
EQ1. Income inequality	*EQ4. Adequacy of benefits of last resort*
EQ2. Poverty	*EQ5. Public social spending*
EQ3. Poverty among children	*EQ6. Total net social spending*

Note: Indicators in italics are those that, while presented in another sub-section, are also relevant for an assessment of self-sufficiency.

Equity (EQ)

Equity has many dimensions. It includes the ability to access social services and economic opportunities, as well as equity in actual outcomes. Opinions vary widely as to what exactly entails a fair distribution of outcomes or what establishes a just distribution of opportunities. Additionally, as it is hard to obtain information on all dimensions of equity, the *social status* equity indicators are limited to inequality in financial resources.

Income inequality (EQ1) is a natural starting point for considering equity across the whole of society. Often however, policy concerns are more strongly on those at the bottom end of the income distribution. Hence the use of poverty measures (EQ2). Children are often a particular cause for concern, both because of their lack of choice regarding their material circumstances and because of the longer term developmental consequences of being poor. Thus it is of considerable value to include a poverty measure focussing exclusively on children (EQ3).

Social protection systems are a major tool through which policy-makers respond to these equity concerns. All OECD countries have developed (or are developing) social protection systems that, to a varying extent, redistribute resources within societies and insure people against various contingencies. Adequacy of benefits of last resort (EQ4) picks up the policy response to some of the most disadvantaged citizens. These interventions are summarised by public social spending (EQ5). Total net social spending (EQ6) takes into additional consideration tax breaks and income claw backs.

Equity indicators are clearly related to self-sufficiency indicators. Taken together, they reveal how national social protection systems grapple with a recurrent policy dilemma: how to balance adequacy of provisions with sustainability of the system and promotion of citizens' self-sufficiency.

List of equity indicators (EQ)

Social status	Societal responses
EQ1. Income inequality	EQ4. Adequacy of benefits of last resort
EQ2. Poverty	EQ5. Public social spending
EQ3. Poverty among children	EQ6. Total social spending
SS1. Employment	*HE4. Health care expenditure*
SS2. Student performance	
SS3. Unemployment	
HE8. Height	

Note: Indicators in italics are those that, while presented in another sub-section, are also relevant for an assessment of equity outcomes.

Health (HE)

The links between social and health conditions are strong. Indeed, growth in living standards and education, accompanied by better access to health care and continuing progress in medical technology, has contributed to significant improvements in health status, as measured by life expectancy (HE1). Equally important and supplementary to measures of life expectancy are people's self-assessed perceptions of their state of health (HE2). To a significant extent, life expectancy improvements reflect lower infant mortality and improvements in low birth weight as indicators of better infant health (HE3). Obesity (HE4) reduces social and economic functioning and is a forward-looking indicator of health

problems and costs. A further indicator of cumulative physical health during childhood which is achieving increasing attention is attained adult height (HE5). Often the focus in the health area is on physical health, with mental health (HE6) often overlooked. This is partly because of measurement and data problems. Yet mental health problems have high personal and societal costs and poor, mental and physical health are often associated.

List of health indicators (HE)

Social status	Societal responses
HE1. Life expectancy	HE7. Long-term care recipients
HE2. Perceived health status	HE8. Health care expenditure
HE3. Infant health	
HE4. Obesity	
HE5. Height	
HE6. Mental health	
CO4. Suicides	*EQ4. Adequacy of benefits of last resort*
	EQ5. Public social spending
	EQ6. Total social spending

Note: Indicators in italics are those that, while presented in another sub-section, are also relevant for an assessment of health outcomes.

A response to health issues is the provision of different forms of long-term care to the elderly, either in institutions or at home (HE7). Health care expenditure (HE8) is a more general and key part of the policy response of health care systems to concerns about health conditions. Nevertheless, health problems have sometimes their root in interrelated social conditions – such as unemployment, poverty, and inadequate housing – that are outside the reach of health policies. Moreover, more than spending levels *per se,* the effectiveness of health interventions often depends on other characteristics of the health care system, such as low coverage of medical insurance or co-payments, which may act as barriers to seeking medical help. A broader range of indicators on health conditions and interventions is provided in *OECD Heath Data* and in *Health at a Glance,* a biennial companion volume.

Social cohesion (CO)

Promoting social cohesion is an important social policy goal in many OECD countries. However, because there is no commonly-accepted definition, identifying suitable indicators is especially difficult. The approach taken in *Society at a Glance* is to assess social cohesion through indicators that describe the extent to which citizens participate in societal life and derive satisfaction from their daily activities, indicators that inform about various pathologies and conditions that put affected people at risk of social exclusion, or indicators that reveal the extent of social strife.

Survey data on subjective life satisfaction (CO1) provide both important direct measures of people's well-being and of the cohesion in society as a whole. The workplace is an environment where most people spend important parts of their lives. Satisfaction with work (CO2) is thus an important sub-dimension of well-being, an indicator of cohesion in a key environment. Criminal activity is a measure of social breakdown and crime victimisation (CO3) is also likely to erode levels of trust in society, important for social cohesion. Suicide (CO4) can be seen as the ultimate abandonment of society by the individual person, where social bonds are not sufficient to prevent a person taking their

own life. For younger members of society, the school is perhaps the most important environment outside the family. Bullying in schools (CO5) is an important negative indicator of social cohesion in the school environment. Another indicator of social cohesion for youth is risky behaviour (CO6). Some risky behaviour is of course normal and, in some directions, a part of growing up. However, societies which lack cohesion across generations may generate undesirably high rates of risky behaviours and in undesirable directions.

Beyond these indicators of social status, context indicators may also help to highlight the existence of different groups and families within society that are exposed to special risk of social exclusion. Finally, it should be noted that it is much more difficult to identify relevant response indicators to social cohesion issues. All of the policies that are relevant to other dimensions of social policy (self-sufficiency, equity and health) may also influence social cohesion.

List of social cohesion indicators (CO)

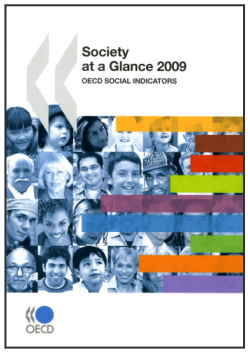
Social status	Societal responses
CO1. Life satisfaction	
CO2. Work satisfaction	
CO3. Crime victimisation	
CO4. Suicides	
CO5. School bullying	
CO6. Risky behaviour	
SS2. Unemployment	*EQ5. Public social spending*
EQ1. Income inequality	*EQ6. Total social spending*
EQ2. Poverty	*HE2. Heath care spending*
EQ3. Poverty amongst children	
HE7. Mental health	

Note: Indicators in italics are those that, while presented in another sub-section, are also relevant for an assessment of social cohesion outcomes.

What can be found in this publication

For each of the areas covered in Chapters 4 to 8 of this report, an opening boxed section on "Definition and measurement" provides the definition of the relevant indicator(s) and a discussion of measurement issues. In particular, it focuses on inter-country comparability issues. Some of the indicators are not precisely comparable. Where comparability is a potential issue, the box provides this qualitative information. The main discussion follows the Definition and measurement box. Typically this begins with a discussion of cross-country differences, followed by consideration of time trends, for the OECD on average and a selection of interesting country-cases. Demographic and socio-economic breakdowns are explored where possible. Evidence is presented in the form of figures and tables, with selected references for "further reading" and titles of publications from which indicators are derived.

In order to present the key data concisely, this publication does not include all dimensions for all the indicators collected. The data underlying each indicator are available on the OECD website (*www.oecd.org/els/social/indicators/SAG*), or can be accessed via the *StatLinks* for each indicator (where data for additional countries are also available).



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