

# Is the Grass Always Greener on the Other Side? Composite Index of Well-Being Taking into Account the Local Relative Appreciations in OECD

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Better Life Index (BLI), as many multidimensional measures of well-being, while on the one hand includes a detailed view of the social, economic, and sustainable performances, on the other hand it also increases the difficulty in evaluating the big picture. In order to overcome this limit, many Composites BLI procedures have been recently proposed, but none of them takes into account the effective societal relative appreciations of the different dimensions and, very often assign an equal weights to all of them. However, the importance assigned to the different dimensions have a fundamental role in the perceived multidimensional well-being, so that it is apparent the necessity to design Composite BLI based on the social relative appreciations more targeted to the priorities of people involved in. In this paper we estimate a Composite Index taking into account both the country-level performance and local relative appreciation for each of the eleven topics of BLI. Methodologically, we adopt and modify the Stochastic Multi-Objective Acceptability Analysis. The analysis shows that both the general and the country-level relative appreciations make the difference in the Composite BLI. By comparing the rank acceptability indices obtained with the random, the global, and the local relative appreciations, we produce unprecedented evidences about the relations between people's expectation and policy makers' activity in the BLI framework.

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