

Measuring and Achieving Societal Progress: A Paradigm Shift

Enrico Giovannini

President of the Italian Statistical Institute

The Istanbul Declaration (1)

- **A culture of evidence-based decision making has to be promoted at all levels of government, to increase the welfare of societies.**
- **We affirm our commitment to measuring and fostering the progress of societies in all their dimensions and to supporting initiatives at the country level.**
- **We urge statistical offices, public and private organisations, and academic experts to work alongside representatives of their communities to produce high-quality, facts-based information that can be used by all of society to form a shared view of societal well-being and its evolution over time.**

The Istanbul Declaration (2)

➤ **To take this work forward we need to:**

- encourage communities to consider for themselves what “progress” means;
- share best practices and increase the awareness of the need to do so using sound and reliable methodologies;
- stimulate international debate, based on solid statistical data and indicators, on both global issues of societal progress and comparisons of such progress;
- produce a broader, shared, public understanding of changing conditions, while highlighting areas of significant change or inadequate knowledge;
- advocate appropriate investment in building statistical capacity, especially in developing countries, to improve the availability of data and indicators needed to guide development programs and report on progress toward international goals, such as the MDGs.

The Global Project on “Measuring the Progress of Societies”

- **Three main streams of work:**
 - What to measure?
 - How to measure?
 - Ensure that measures are used
- **Build a partnership with international national and local organisations, foundations, etc.**
- **Partners: WB, UNDP, UNICEF, IADB, AfDB, EC, INTOSAI, ESCWA, ESCAP**
- **Associates: national and international organisations, NGOs, universities, etc.**

WEF Global Council “Benchmarking the progress in societies”

➤ **Main dimensions:**

- Identify the metrics and indicators most widely used
- Identify variables that could complement measures of income to build a more accurate understanding of progress and well-being,
- Improve statistical capability, comparability and reliability of data across countries
- Make data available to the general public to promote openness and government accountability
- Engage foundations and other organisations to promote statistics literacy and dissemination to the civil society

2009: A good year for measuring progress

- **European Commission's Communication on "GDP and Beyond: Measuring Progress in a Changing World"**
- **OECD Framework to measure progress**
- **CMESP's Report**
- **G20 Communique**
- **III OECD World Forum**
- **OECD Roadmap**

European Commission's Communication

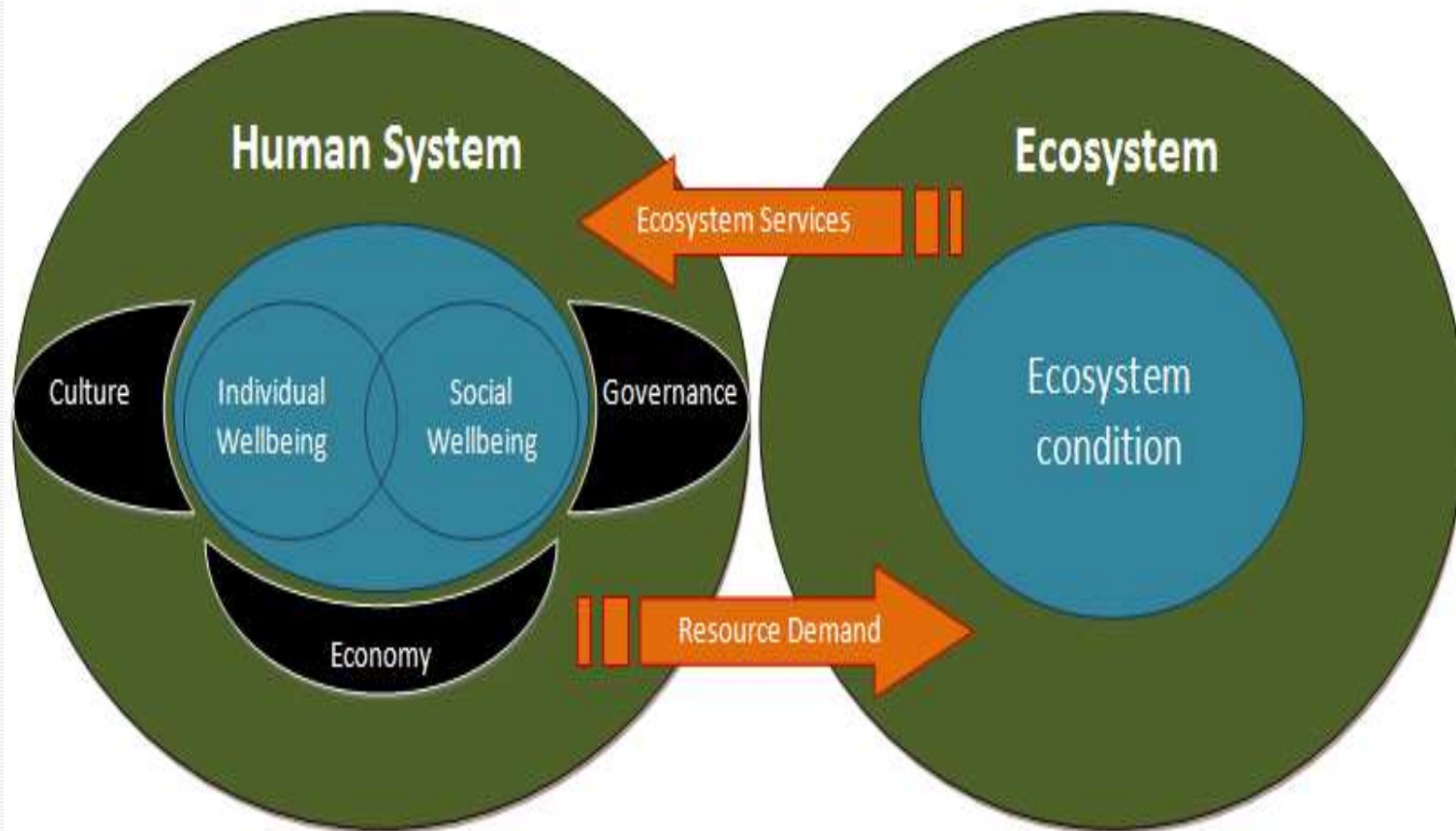
FIVE ACTIONS TO BETTER MEASURE PROGRESS IN A CHANGING WORLD

- **Complementing GDP with environmental and social indicators**
- **Near real-time information for decision-making**
- **More accurate reporting on distribution and inequalities**
- **Developing a European Sustainable Development Scoreboard**
- **Extending National Accounts to environmental and social issues**

European Commission's Communication

- **The Commission intends to step up its efforts and communication in this field to provide indicators that do what people really want them to do, namely measure progress**
- **Ultimately, national and EU policies will be judged on whether they are successful in improving the well-being of Europeans**
- **For this reason, future policies should be based on data that is rigorous, timely, publicly accepted and covers all the essential issues**
- **The Commission intends to report on the implementation and outcomes of the actions put forward by this Communication by 2012 at the latest**

OECD Framework to measure progress



OECD Framework to measure progress

➤ ***Ecosystem Condition: outcomes for the environment***

- land (geosphere)
- freshwater, oceans and seas (hydrosphere)
- biodiversity (biosphere)
- air (atmosphere)

➤ ***Human well-being: outcomes for people***

- physical and mental health
- knowledge and understanding
- work and leisure
- material well-being
- freedom and self-determination
- interpersonal relationships

➤ ***Human well-being: cross-cutting goals***

- intra-generational aspects: equity/inequality
- inter-generational aspects:
sustainability/vulnerability/resilience

OECD Framework to measure progress

INTERMEDIATE GOALS

Economy

- national income
- national wealth

Governance

- human rights
- civic and political engagement
- security
- trust
- access to services

Culture

- cultural heritage
- arts and leisure

Resource management, use, development and protection

- resource extraction and consumption
- pollution
- protection and conservation of economic and environmental assets

Commission on the measurement of economic performance and social progress

J. Stiglitz

A. Sen

JP Fitoussi

B. Agarwal

A. Atkinson

JP Cotis

A. Deaton

K. Arrow

P. Weil

K. Dervis

H. Flassbeck

M. Fleurbay

N. Folbre

J. Gadrey

E. Giovannini

R. Guesnerie

G. Heal

C. Henry

D. Kahnemann

A. Krueger

J. Lin

R. Putnam

N. Stern

C. Sunstein

J. Heckman

3 working groups

Report available at www.stiglitz-sen-fitoussi.fr

Commission on the measurement of economic performance and social progress

Key messages

- From production to well-being
- Focus on people (households)
- No single metric, no composite indicator
- Taxonomy of dimensions
- Look at distributions
- Objective and subjective measures
- Measure difficult things
- Sustainability: data and models are needed
- Establish national round-tables

Frameworks to measure progress

MDG GP

CMEPSP

Income/Poverty	Material well-being	Economic well-being
Employment and work	Work	Personal activities
Health	Health	Health
Education	Knowl. and underst.	Education
	Freedom /self-deter.	Pol. voice and govern.
	Interp. relationships	Social connections
Environm. Sust.	Ecosystem condition	Environment
Partnership for dev.		

--- Cross cutting

Vulnerability	Insecurity
Inequality/poverty	Inequality/poverty
Gender equality	Special populations

G20 Communique

- **Today we are launching a Framework for Strong, Sustainable, and Balanced Growth**
- **To put in place this framework, we commit to develop a process whereby we set out our objectives, put forward policies to achieve these objectives, and together assess our progress**
- **As we commit to implement a new, sustainable growth model, we should encourage work on measurement methods so as to better take into account the social and environmental dimensions of economic development**

The III OECD World Forum

- **1924 participants**
- **201 speakers from 50+ countries**
- **57 exhibitors**
- **9 plenary sessions and 37 parallel sessions**

- **Media attention and growing political awareness**
- **Strong network of committed people**
- **Launch of Wikiprogress**

OECD Roadmap

- **The OECD will put in place a process to prioritise the recommendations of CMEPSP:**
 - OECD Committees will be asked to consider how they can contribute to implementing the recommendations
- **Developing measures, methods and tools**
 - to advance methodologies to produce new indicators of well-being and to present existing measures under a well-being perspective (statistical compendiums, working papers, etc.)
- **Improving and enhancing policy making**
 - use measures of well-being to enhance policy-making, creating a series of monographs to discuss the outcomes and the various policies that bear on these drivers and outcomes

And what about the crisis?

- ... Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy and moral stimulation of work no longer must be forgotten in the mad chase of evanescent profits ...**
- ... Without regard to party, the overwhelming majority of our people seek a greater opportunity for humanity to prosper and find happiness. They recognize that human welfare has not increased and does not increase through mere materialism and luxury, but that it does progress through integrity, unselfishness, responsibility and justice ...**

F.D. Roosevelt, President of the USA, 1933