



Measuring the progress of societies: A key issue for a democratic society in the information age

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Some “megatrends”

- Around the world, societies are increasingly concerned with their quality of life and a consensus is growing around the need to develop a more comprehensive view of progress rather than focussing on the economic one (GDP)
- Mistrust in national governments (and therefore in national statistical offices)
- Growing number of “agents” in the society (NGOs, etc.)
- Individuals are asked to take decisions that in the past were taken by the government (pensions, school, etc.)
- In an age of unprecedented, and overwhelming, information flows, the common understanding necessary for informed public discourse is often inadequate

Beyond GDP (1)

“We have used GDP to determine wrongfully what is in fact the state of well-being of a country ... GDP is necessary but inadequate, and we need to develop additional indices that would tell a more comprehensive, a more holistic story about how human society is progressing ... The human being has two needs, the needs of the body and the needs of the mind, and what we have focused on so far is mostly the body, perhaps only the body ... So, it’s a paradigm shift that we need to make”.

Lyonpyo Jigmi y Thinley, PM of Bhutan



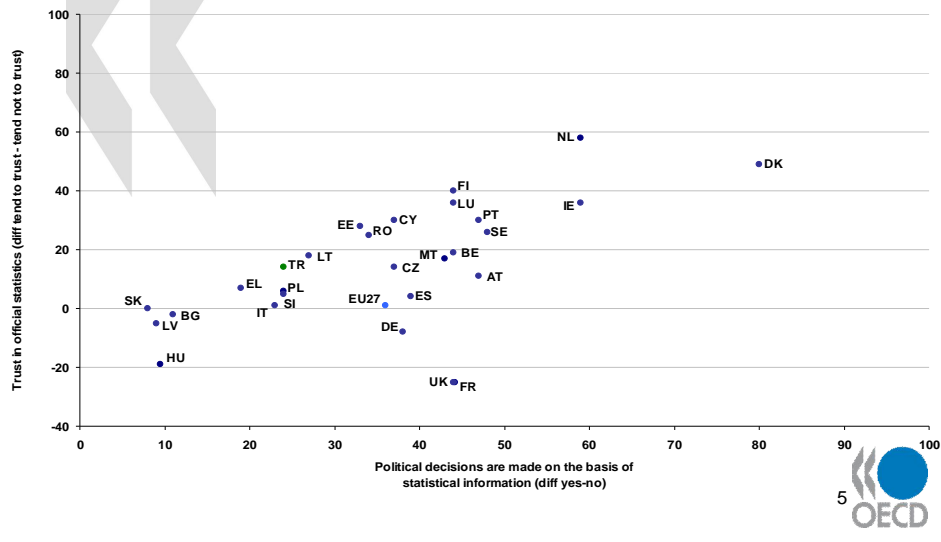
Beyond GDP (2)

“We have a very different measure of what constitutes progress in this country. We measure progress by how many people can find a job that pays the mortgage; whether you can put a little extra money away at the end of each month so you can someday watch your child receive her college diploma ... not by the number of billionaires we have or the profits of the Fortune 500, but by whether someone with a good idea can take a risk and start a new business, or whether the waitress who lives on tips can take a day off to look after a sick kid without losing her job an economy that honours the dignity of work”.

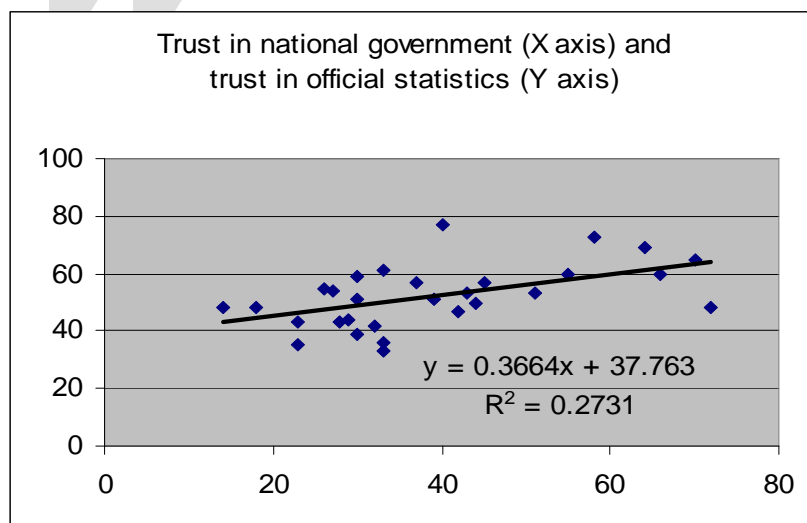
Barak Obama, President Elected of the USA



Statistics, knowledge and policy: a broken chain (1)



Statistics, knowledge and policy: a broken chain (2)



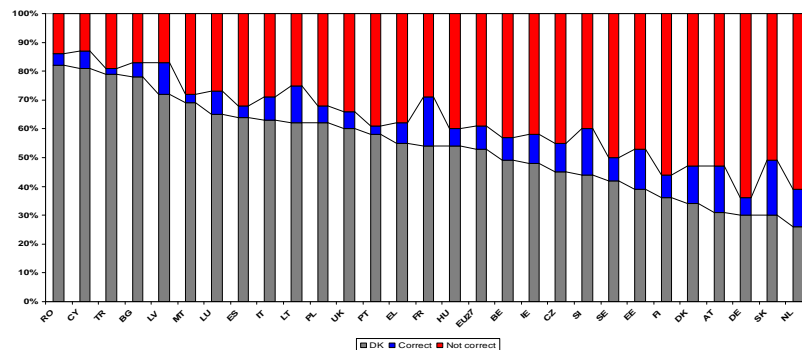
International Survey on What People Know

- In democratic countries, policy decisions are taken by political authorities, although their decisions are influenced by public opinion.
- Increasing attention is given to public opinion, even when it is poorly informed
- Recent literature argues that there are big differences in the way that the general public and specialists think about key issues. For US citizens, ideology seems to be the most important determinant in shaping the public's opinion
- First co-ordinated international survey will be carried out (April 2007) in 30 countries, including US, on what citizens know about key economic indicators (GDP, inflation, unemployment, public debt)

European citizens

- Eurobarometer's survey for OECD

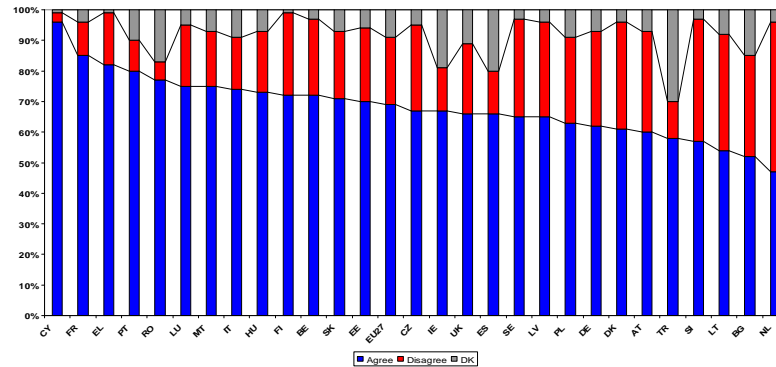
GDP growth



European citizens

- Eurobarometer's survey for OECD

Is it necessary to know these data?



The value added of statistics (1)

A formula :

$$VAS = N * [(QSA * MF) * RS * TS * NL]$$

- VAS = value added of official statistics
- N = size of the audience
- QSA = statistical information produced
- MF = role of media
- RS = relevance of the statistical information
- TS = trust in official statistics
- NL = users' "numeracy"

The value added of statistics (2)

- 69% of Europeans think that it is necessary to know economic data
- 53% of Europeans are not able even to guess the GDP growth rate in their country. 8% know the right figure
- 45% of Europeans do not trust official statistics
- In the US the five main TV channels report GDP figures only in the 46% of cases, the 27 main newspapers in the 39% of cases
- 40% of Americans never heard of official GDP data or the source agency

Statistics, citizenry and democracy (1)

- Economic literature:
 - Role of information in “Games Theory” (Nash, Akerlof, Rothschild and Stiglitz, etc.)
 - Role of information in rational expectations models (Muth, Lucas, etc.)
- Political sciences literature:
 - Role of information in models for democratic choices (Downs, Wittman, Alesina, etc.)
 - Role of information in political process and elections (Swank, Visser, etc.)

Clear conclusion: “shared information” is fundamental to improve markets functioning and minimise social welfare losses

Statistics, citizenry and democracy (2)

- But rather than simultaneously, information updating occurs in a staggered pattern across individuals and over time. People make decisions about whether to update information depending on the costs of acquiring, processing, and interpreting new information compared with the potential benefits of the new information.
- The same information can be relevant for some people and not for another group. Therefore, rather than economy-wide information, it is more likely that local information is more appropriate.
- *The implication of the primacy of these more specific information needs increases the importance of what economists call ‘private’ compared with ‘public’ information”* (Curtin, 2007).



Statistics, citizenry and democracy (3)

- Looking at the way in which the brain of a sample of American citizens reacts to images and speeches given by various politicians during electoral campaigns, Westen concluded that the proportion of people who make their voting decisions based on facts and evidence is not only a minority.
- Westen argues that these results confirm the view expressed by D. Hume, who said that *“reason is, and ought only to be, the slave of the passions”*.

Some consequences for Official Statistics

- More investments in new measurement frameworks **(RS)**
 - More synergies with research centres and with NGOs
 - Invest in international organisations
- More investments on communication **(MF)**
 - New ways to feed media with information/stories
 - Develop and apply innovative visualisation tools
 - Bring data where people discuss
 - Address stereotypes
 - Change the structure of press releases to make relevant for people
- More investments in statistical literacy **(NL)**
 - Engage media and foundations
 - Engage schools
 - Engage new generations and use their “collective intelligence”¹⁵



The second OECD World Forum on “Measuring and Fostering the Progress of Societies”

- In co-operation with EC, OIC, UN, World Bank
- 1200 participants from 130+ countries:
 - From multiple sectors and professions
 - From multiple countries at various level of development
- 200+ speakers from 50 countries and 15 IOs
- Webcasting of main sessions (available on the web site www.oecd.org/oecdworldforum)
- Exhibition on new tools to communicate statistics



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.

What is “progress”?

The “western” concept of progress can be traced back to the late XVII and XVIII centuries (“Enlightenment”).

- **Plato:** a continuous process, which improves the human condition from a state of nature to higher and higher levels of culture, economic organization and political structure.
- **Bacon:** progress in knowledge should lead to progress in well-being, and inventions should be useful for mankind’s fulfilment.
- **Comte:** the famous Positivist movement maxim “*Love as a principle and order as the basis; Progress as the goal*” was the base for the dawn of the Brazilian Republic).
- **Catholic Church:** *Encyclical Populorum Progressio*
- **Islamic scholars:** “sincere work towards progress and development is, therefore, an act of religious worship”.¹⁹



How to measure “progress”?

- Three main approaches:
 - Extension of national accounts
 - Composite indicator
 - Key indicators
- Objective vs. subjective (happiness?)
- The OECD supports the development of key indicators, but measuring progress is not enough if:
 - The measures are not shared
 - They are not communicated to the whole society
 - Citizens do not understand them
- From “statistique” to “sociestique”?



An OECD Strategic Activity

The OECD must develop new methods to measure the progress of societies, integrating the usual economic indicators with other social and environmental measures, working with key non-Member economies and other international organisations to develop a global repository for reliable statistics and data. We have to move towards measuring welfare not just output. It will constitute a major contribution to stability and democracy

Angel Gurría, Secretary General of the OECD (Speech at the 2007 Ministerial meeting)

A growing movement

- National initiatives: Australia, US, Ireland, South Africa, Finland, Hungary, Italy, Canada, Netherlands, Morocco, Niger, etc.
- International Association of Supreme Auditors
- Local initiatives:
 - US: Community Indicators Consortium
 - EU: Council of Europe
 - UK: Young Foundation
 - France: FAIR
 - Italy: Sbilanciamoci
 - Latin America: Como Vamos
- Oxford Poverty and Human Development Initiative
- International Society for Quality of Life Studies
- World Women Forum

Commission on 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

3 working groups

Report in April 2009

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

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

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, COE
- Associates: national and international organisations, NGOs, universities, etc.

Activities and outputs (2009)

- ***What to measure?***
 - Regional working groups and conferences (awareness)
 - Guidelines on how to build progress initiatives (institutional building)
- ***How to measure?***
 - Handbook on “Measuring Progress” and taxonomy of dimensions
 - Guidelines on how to measure particular dimensions of progress
 - Knowledge Base
 - Training material and courses
- ***Ensuring that the measures are used***
 - Report on what makes a set of key indicators successful
 - Survey on what citizens know about the progress of their society
 - Knowledge base on ICT tools
 - Release and promotion of ICT tools
 - “Wiki-Progress”

Events 2008

- **May:** Conference on Turning Statistics into Knowledge
- **September** Summer School in Siena
- **September:** Conference on Measuring progress of Russia
- **October:** World Women Forum on Progress of Societies
- **October:** Conference on “Building together local indicators for societal progress”
- **September** Training courses in Bratislava and Jordan
- **November:** Sessions on measuring progress in various meetings (London, Tunis, Melbourne)
- **December:** Conference on local communities indicators

Events 2009

- **March:** Conference on “The use of evidence for policy processes” (Paris)
- **June:** Conference on “Measuring the Progress of Italian Society” (Rome)
- **June:** Conference of the International Institute for Design on visualisation of statistics (Paris)
- **July:** Conference on The Physics of Social Change (Boston)
- **July:** Conference of the International Society for Quality of Life Studies (Florence)
- **August:** Session at the ISI conference
- **April-September:** regional conferences and summer schools (Mexico, Italy, Australia, South Africa, etc.)
- **27-30 October:** Third World Forum (27-30 October, Busan)

A national roundtable to measure progress

- Fundamental contribution to the political economy of reforms
- Multi-stakeholder body (government, opposition, trade unions, business associations, NGOs, academy of science, etc.) to:
 - Identify a taxonomy of progress
 - Ask statisticians to provide the most reliable figures for each dimension
 - Select a set of key indicators that everybody can agree on
 - Set up a communication policy and implement it to inform citizens
- Concrete steps:
 - Call a brainstorming meeting to test the idea
 - Identify the participants and establish the body
 - Run a wide consultation in the society

Wiki-progress (1)

- A global platform to serve all people in the world to understand and debate, using statistical indicators, whether the world itself, or a particular country or region, is making progress.
- The main attribute of a Wiki is that authors contribute their knowledge to a single repository, designed to represent the synthesis of what the “collective intelligence” is able to build about that particular subject.
- Wiki-progress will:
 - bring data and metadata in the same environment to build a single, integrated database;
 - allow a simple use of statistical data to create charts and tables to be posted on various platforms (Wikipedia, etc.)

Wiki-progress (2)

- Wiki-progress will represent the catalyst of initiatives existing around the world on the measurement of progress, contributing to answer the following questions:
 - Who is developing initiatives on measuring progress (well-being, quality of life, etc.);
 - What type of taxonomy do these initiatives use?
 - Which indicators are being used to measure the different dimensions of progress?
 - How is my country/region/community achieving over time and in comparison to other similar territories?

Wiki-progress: two components

- A “Classical Wiki” where users can find:
 - materials developed by the Project;
 - information about existing or new initiatives around the world.
- A “Statistical Wiki”, where data and metadata can be shared, assessed and eventually uploaded at the end of a “quality-assurance” process. In particular, the user will be able to:
 - upload data and metadata and submit them for quality evaluation;
 - navigate the database by country (map and list) or by topic (taxonomy and list), exploring data and metadata;
 - create tables and charts and export them in various formats to populate texts, blogs, wikis, etc.

The screenshot shows the Wikigender website's main page. At the top left is the Wikigender logo, which includes a globe and the text 'WIKI GENDER'. Below it is a navigation menu with links like 'Main Page', 'About Wikigender', 'Random page', 'Contact', 'Disclaimer', and 'Help'. A search bar is located below the navigation menu. The main content area is titled 'Main Page' and includes a 'Welcome to Wikigender' section with a brief description of the platform. Below this is a 'Getting started' section with sub-sections for 'See which topics are covered', 'Edit an article', 'Write a new article', and 'For questions or suggestion to Wikigender'. To the right of the main content are two sidebars: 'Upcoming Events' listing dates like '8 Mar 2008' and '31 Mai 2008', and 'Article of the Week' featuring 'Affirmative action'. At the bottom right, there is a 'Picture of the Week' section with a small image. The OECD logo and 'CENTRE DE DEVELOPPEMENT DEVELOPMENT CENTRE' are visible on the right side of the page.

In conclusion, the Project aims to:

- **Change culture**, helping citizens and policy makers to pay attention to all dimensions of progress
- **Develop new statistics** in emerging domains
- **Improve citizens' numeracy**, strengthening people's capacity of understanding the reality in which they live
- **Improve citizens' knowledge**, becoming more aware of risks and challenges of today world
- **Improve national and international policy making**, through a better measurement of policy and societal outcomes
- **Reinforce the role of NSOs**, increasing their value added
- **Strengthen democracy** respecting historical and cultural differences
- **Foster a global and open conversation** about the state and the progress of the world

IMPROVE WELL-BEING

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 ...

Franklin Delano Roosevelt, President of the USA, 1933