



Measuring the progress of societies: A global movement for a global challenge

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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



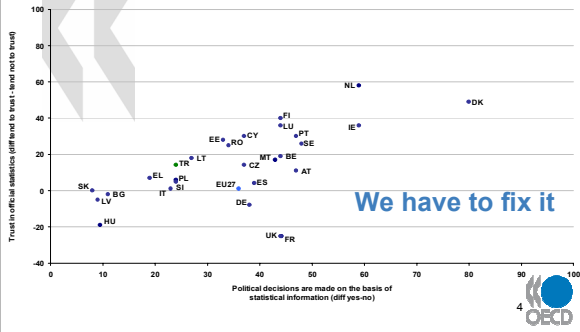
Theoretical background

- 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, knowledge and policy: a broken chain



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”.⁸



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”?



A world movement

- Several national initiatives around the world (Australia, US, Ireland, etc.) and now (Finland, Hungary, Italy, etc.)
- Hundreds initiatives at local level
- Oxford Poverty and Human Development Initiative
- International Society for Quality of Life Studies
- WEF Global Council on “Benchmarking the progress of societies”



Stiglitz Commission on “measurement of economic performance and social progress”

- | | | |
|-------------|---------------|--------------|
| J. Stiglitz | K. Dervis | C. Henry |
| A. Sen | H. Flassbeck | D. Kahnemann |
| JP Fitoussi | M. Fleurbay | A. Krueger |
| B. Agarwal | N. Folbre | J. Lin |
| A. Atkinson | J. Gadrey | R. Putnam |
| JP Cotis | E. Giovannini | N. Stern |
| A. Deaton | R. Guesnerie | C. Sunstein |
| | G. Heal | P. Weil |

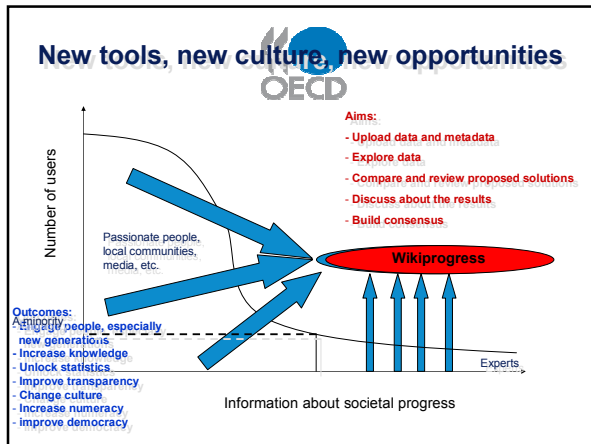
3 working groups
Report in 12 months



Related projects

- OECD/Eurostat/UNECE Group on “Statistics for Sustainable Development”
- OECD report on income distribution
- OECD Manual on material flow accounts
- OECD workshop on measuring human capital
- Social capital?





- 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 policy making**, through a better measurement of policy and societal outcomes
 - **Improve international policy making**, through the a world progress monitoring system, covering all countries
 - **Improve statistical capacity** in each and every country
 - **Strengthen democracy** respecting historical and cultural differences
 - **Foster a global and open conversation** about the state and the progress of the world
- IMPROVE WELFARE
- 17 OECD
