

OECD WORK ON MEASURING THE PROGRESS OF SOCIETIES

For more than 40 years, experts have been searching for ways to reduce the focus on GDP as the key measure of national progress. Researchers and statisticians from all over the globe have been studying new and existing measures that could provide a more comprehensive picture of how society is doing than that portrayed by the GDP. There is a long history of attempts to measure economic, social and environmental progress. The following is a list of the various initiatives that the OECD has promoted since 2003 in the effort to raise awareness on measuring and fostering the progress of societies, and on the need to develop new measures and improve the use of existing ones.

2003

1) Workshop on Accounting Frameworks for Sustainable Development

In May 2003, the OECD held a workshop on “Accounting Frameworks for Sustainable Development” organised by the Statistics Directorate in co-operation with other Directorates. More than 70 experts, representing 19 OECD Member countries, 4 International Organisations and several OECD Directorates attended the meeting. The workshop was organised in order to compare concrete experiences available in member countries and other international organisations.

- Outputs: The proceedings were published in 2004, and a 2005 OECD Statistics Brief on “Measuring Sustainable Development” presents an update on indicators of sustainable development and describes some of the challenges that lie ahead. (See <http://oecd.org/dataoecd/60/41/35407580.pdf> for the proceedings, and <http://www.oecd.org/dataoecd/60/41/35407580.pdf> for the Statistics Brief).

2004

2) Workshop on Composite Indicators and Handbook

In February 2004, the OECD along with the Joint Research Centre of the European Commission (JRC) organised a “Workshop on Composite Indicators” in Paris, France. The main objective of the workshop was to get input for the planned handbook on composite indicators, which was published in 2005, by the OECD and the JRC. The Handbook aims to provide a guide for constructing and using composite indicators for policy makers, academics, the media and other interested parties. It contains a set of technical guidelines that can help constructors of composite indicators to improve the quality of their outputs.

- Outputs: OECD-JRC (2005) “Handbook on Constructing Composite Indicators: Methodology and User Guide”, *OECD Statistics Working Papers*, n° 3. (See [http://www.oecd.org/olis/2005doc.nsf/LinkTo/std-doc\(2005\)3](http://www.oecd.org/olis/2005doc.nsf/LinkTo/std-doc(2005)3))

3) First OECD World Forum on “Statistics, Knowledge and Policy”

In November 2004, the OECD organised the first World Forum on “Statistics, Knowledge and Policy,” recognising that initiatives to measure progress (e.g., quality of life, wellbeing, sustainable

development) at the international, national and local levels were proliferating all over the world. The Forum allowed statisticians, policy makers, journalists, academics and representatives from business and civil society to discuss the development of institutional frameworks and research projects to identify key indicators to assess the economic, social and environmental progress or state of a political entity. The forum, held in Palermo, Italy, was sponsored by the Italian Government and other primary public and private institutions. Some 540 experts from 43 countries participated. This conference was the first co-ordinated world wide effort to study the development and implications of large-scale systems of public information for developed countries.

- **Outputs:** Highlights of the conference were published, as well as the proceedings, including keynote speeches, national case studies, etc.
(See <http://oecd.org/dataoecd/45/27/36422528.pdf> for the conference's highlights, and http://oecd.org/document/29/0,3343,en_21571361_31834434_35647837_1_1_1_1,00.html for the proceedings).

2006

4) **Research on on “Alternative Measure of Well-being”**

In 2005 and 2006, the OECD paid a special attention to alternative measures of well-being. The objective of the work was to assess whether GDP per capita is an adequate proxy as a measure of well-being, or whether other indicators – used as substitutes or complements to GDP per capita – are more suitable for that purpose. The work focused on comparative evidence based on four approaches to the measurement of well-being: 1. Measures of economic resources based on national accounts, both for the economy as a whole and for the household sector; 2. Measures that extend national accounts aggregates to other dimensions that contribute to well-being (i.e. leisure time, household size and income inequality); 3. Measures of social outcomes and how they relate to GDP per capita; 4. Subjective measures of happiness and life satisfaction. The results of this research were discussed in several working groups and incorporated in several publications (*Going for Growth, Society at a Glance*).

- **Outputs:** A Working Paper on “Alternative Measure of Well-being” (<http://www.oecd.org/dataoecd/13/38/36165332.pdf>) and a Statistics Brief (<http://www.oecd.org/dataoecd/26/61/36967254.pdf>) were published.

5) **Bellagio Meeting to Design a Long-term Project on the Measurement of Societal Progress**

As follow up of the first World Forum, in March 2006, the OECD organised a retreat at the Bellagio Rockefeller Centre, inviting a group of 26 selected experts from international and supranational organisations (UN, World Bank, European Central Bank and OECD), national administrations, universities, etc. The meeting encouraged the OECD to launch a Global Project on “Measuring the Progress of Societies” and therefore the OECD established a project team.

- **Outputs:** Mission and statement of the Project on “Measuring the Progress of Societies” (http://oecd.org/document/44/0,3343,en_21571361_31938349_36043308_1_1_1_1,00.html).

6) **2006 Workshop on "Measuring Well-Being and Societal Progress"**

In June 2006, the OECD, the Centre for Research on Lifelong Learning (CRELL) and the Joint Research Center of the European Commission (JRC) hosted a workshop on “Measuring Well-Being and Societal Progress” at the Cattolica University in Milan, Italy. The meeting was instrumental in setting the direction for OECD and JRC research in this area over the coming years. Sir Tony Atkinson (Nuffield College, Oxford University) chaired the workshop.

- Outputs: A paper on “Measuring Well-Being and Societal Progress: A Brief History and the Latest News” was published by the OECD in preparation for the conference. (See http://crell.jrc.ec.europa.eu/Well-being/papers/Matthews_Well-Being%20Measures_Milan_final.pdf).

7) **Global Project on Measuring Progress: Regional Conference for Latin America**

In October 2006, the OECD in collaboration with the Colombian Authorities, RIMPE and PARIS21, organised a Regional Conference for Latin America in Colombia. Several ministers expressed strong interest in using the theme “measuring progress” as a unifying framework to evaluate the outcome of public policies. Those present, made up of primarily chief statisticians and representatives from civil society, held parallel sessions to examine how such a framework could improve society’s understanding of economic and social developments and how to make statistics more relevant for decision makers. The main themes discussed at the conference were statistics, knowledge and policy; the measurement of societal progress; how to build statistics and indicators for development; the development of a strategic information system for the heads of government; communicating statistics and indicators to citizens and policy makers; how to involve the society in defining and monitoring progress; the Millennium Development Goals and national progress; measuring democracy and human rights; how to make official statistics relevant in Latin America. (See http://oecd.org/document/54/0,3343,en_21571361_31938349_37359734_1_1_1_1,00.html).

2007

8) **Global Project on Measuring Progress: Regional Conference for Africa in Rwanda**

In January 2007, the OECD and PARIS21, with assistance from Statistics South Africa and the Rwandan Statistics Office arranged a Regional Conference for Africa in Rwanda. Representatives from 37 African Countries attended this meeting, along with delegates from the African Development Bank, UNECA, the World Bank, the World Health Organisation, Afristat, SESTRIC etc. the conference discussed “What is Progress and How to Measure It”. It was noted that, while indicator sets, such as the MDGs, were valuable, there was also value in countries designing their own sets of progress measures. Such measures could engage a wide group of stakeholders in their construction, reflect national views of progress, and be culturally appropriate. (See http://oecd.org/document/47/0,3343,en_21571361_31938349_37945071_1_1_1_1,00.html).

9) **Global Project on Measuring Progress: Regional Conference for Asia in Korea**

In February 2007, the OECD and the Korean National Statistical Office (KNSO), with assistance from PARIS21 and SESRTCIC organised a Regional Conference for Asia in Korea. Representatives from 20 countries attended this meeting, along with delegates from the co-

organisers and the United Nations Economics and Social Commission for the Asia-Pacific (UNESCAP), the Asian Development Bank and the Asia Foundation. There seemed to be strong support among those present for the development of national sets of progress measures. Many delegates noted that given the growing dominance of Asia in determining global progress it is vitally important that Asian progress and concerns are fully reflected in the OECD's global project (See http://oecd.org/document/46/0,3343,en_21571361_31938349_37414254_1_1_1_1,00.html).

10) Global Project on Measuring Progress: Regional Conference for the Arab Region in Yemen

In April 2007, the OECD organised a Regional Conference for the Arab Region in Yemen. The meeting was organised back to back with the Third Arab Statistical Forum led by PARIS 21. The conference gathered 80 participants representing 15 countries from the Arab Region and 8 international and regional organisations. Participants looked at ways to improve the match between the supply of information and the demands of policy-makers; discussed progress and its measurement; looked at ways in which the links between statisticians, policy makers and society could be strengthened; discussed the importance of statistical capacity building for the region vis-à-vis efforts to measure progress.

(See http://oecd.org/document/25/0,3343,en_21571361_31938349_38120793_1_1_1_1,00.html).

11) Conference on “Is happiness Measurable and What do Those Measures Mean for Policy?”

In April 2007, the OECD, the Bank of Italy, the Centre for Economic and International Studies (CEIS) of the University of Rome “Tor Vergata” and the Joint Research Centre (JRC) of the European Commission hosted a conference to address the question “Is happiness measurable and what do those measures mean for policy?” The event took place at the University of Rome “Tor Vergata,” and it focused on three broad topics: methodological issues in the measurement of happiness and life satisfaction; the determinants of happiness; measures of happiness and policy (See http://oecd.org/document/12/0,3343,en_21571361_31938349_37720396_1_1_1_1,00.html).

12) Second OECD World Forum in Istanbul on “Measuring and Fostering the Progress of Societies”

In June 2007, three years after its first World Forum on “Statistics, Knowledge and Policy” held in Italy, the OECD, in collaboration with other international organizations, ran the second World Forum in Istanbul on “Measuring and Fostering the Progress of Societies”. Some 1200 people, from over 130 countries attended. Presidents and ministers rubbed shoulders with the leaders of civil society. Captains of industry met the heads of charitable foundations and leading academics. They shared a common interest in wanting to develop better measures of how the world is progressing. The World Forum participants shared the view that the world needs leadership in this area and the Global Project on “Measuring the Progress of Societies” can provide it.

(See http://oecd.org/document/51/0,3343,en_21571361_31938349_37115187_1_1_1_1,00.html).

- **Outputs:** The conference led to the *Istanbul Declaration*, signed by the European Commission, the Organisation of the Islamic Countries, the OECD, the United Nations, the United Nations Development Programme, UNICEF, UNESCO, the United Nations Fund for Partnership, the World Bank, and several other organizations, which calls for action to go “beyond GDP”, to identify what “progress” means in the 21st century and to stimulate

international debate, based on solid statistical data and indicators, on both global issues of societal progress and how societies compare .
(http://oecd.org/document/23/0,3343,en_21571361_31938349_39161687_1_1_1_1,00.html).
Highlights of the Forum are available at <http://oecd.org/dataoecd/24/58/39637799.pdf>, while proceedings will be released later this year. A 12 minute video is available at http://oecd.org/document/51/0,3343,en_21571361_31938349_39070515_1_1_1_1,00.html.

13) Conference on “Beyond GDP”

In November 2007 OECD, European Commission, European Parliament, Club of Rome, and WWF hosted the *Beyond GDP* Conference to discuss which indices are most appropriate to measure progress and how these can be best integrated into decision-making and public debate. The conference took place at the European Parliament in Brussels and was attended by some 500 people, including the President of the European Commission, the President of the European Parliament and two European Commissioners. Several indicators whose relevance for measuring progress of societies was considered important and was discussed at the conference include: Adjusted GDP, Environmental accounts, Quality of life measures, Human Development Index, Ecological Footprint, Genuine Savings.
(See <http://www.beyond-gdp.eu>).