

Indicators for Policy making

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Simple measures does not mean simple to measure or calculate. Simple mean understandable and useful.

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Good measures is a prerequisite but not a guarantee for good Policy making.

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Welfare measures are often used in comparisons between nations as the total result of human activities, including policies. Often used examples are found in the UN HDR-report.

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The development of these welfare measures during the last 50 years and some Swedish and Chinese examples.

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The main link between welfare and means to promote human prosperity is today to promote sustainable economic growth.

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There is a lack of theories and especially empirical based studies on the relative importance of all factors behind growth.

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In the European Lisbon process politicians have emphasized six main areas, which are broken down in a couple of hundred different indicators.

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Some politicians use these indicators as guidelines especially if they already have identified sectors having problems and not performing as good as in comparable countries. The indicators are then used as a sort of early warning signals.

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**The Global Competitive Index is another well known indicator.
Comment or its use includes:**

- how changes in underlying assumptions will affect the index
- its use in political debate between government and opposition
- how countries like Sweden change position without any changes among policy measures
- problems with indexes on a high abstraction level

The Doing Business measure ranking 175 countries have better access to the political debate through its measures on e.g.:

- how much it costs to start a business
- how well investors are protected
- how easy it is to enforce contracts

As a final example I will use a simple welfare measure (life length for people before the age of 80) that once was used to support a political discussion on money allocation between research areas.

Life length for the age group 0 – 80 years old, both men ($80 - 10,5 = 69,5$) and women ($80 - 7,3 = 72,7$) is compared with potential gains depending on future development.

Lost years for ages 0 - 80

	Men	Women
Empirical figures	10,5	7,3
If there were no		
Heart conditions	7,4	5,3
Malignant tumours	8,9	5,5
Accidents/violence	8,8	6,7

Swedish data for death causes (in 1964)

Source: Preston 1972 and Carlsson et al 1979