The Second OECD World Forum on “Statistics, Knowledge and Policy” comprised 10 plenary sessions and 39 parallel sessions with 210 world class speakers from 50 countries. Overall, the Forum was attended by 1200 participants from 130 countries.

Crucial global policy issues were addressed and debated, including health, climate change, poverty, democracy and gender equality. The importance of that statistical knowledge can play in increasing the transparency and accountability of public policies, and building democracies was also discussed, together with the role that different components of our society (government, NGOs, businesses, media, etc.) should play in promoting an evidence-based culture.

At the end of the Forum a joint Declaration was signed by the OECD, the European Commission, the Organisation of the Islamic Conference, the United Nations, the United Nations Development Program and World Bank. The Declaration affirms a “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. We invite both public and private organisations to contribute to this ambitious effort to foster the world’s progress and we welcome initiatives at the local, regional, national and international levels”.

The Forum was a milestone for the OECD’s Global Project on “Measuring the Progress of Societies”. The project’s mission is to foster the development of sets of key economic, social and environmental indicators and their use to inform and promote evidence-based decision-making, within and across the public and private sector and civil society. The project, hosted by the OECD, includes a growing list of partners.

**Table of Contents**

2. Measuring Progress: Does it make a Difference for Policy-Making and Democracy?
3. What is Progress?
4. Measuring Progress: Making Progress
5. Evidence-Based Policy Making: Just a Myth or a Must?
7. Turning Statistics into Knowledge
8. Making it Happen: The Way Forward
9. Istanbul Declaration
Measuring Progress: Does it make a Difference for Policy-Making and Democracy?

Angel Gurría, Secretary-General, OECD

The topic of this particular session, “Does measuring progress make a difference for policy-making and democracy?” touches on two very sensitive areas for our countries: governmental accountability and social participation. Measuring progress with reliable information is a key ingredient of the democratic process. On the one hand, it makes governments more accountable and trustworthy, and on the other, it encourages people to participate more actively.

Progress is a complex concept, because it means different things to different people, depending on their cultural background, history and personal beliefs; but it also depends on the health of society, the environment and the economy. But if we agree that progress encompasses many elements, we therefore also have to agree that its measurement cannot be reduced to “growth in GDP per capita”. As Robert Kennedy once rightly put it: GDP “measures everything, in short, except that which makes life worthwhile”.

It is time to call for a global effort to find better measurements of progress that will consider the multidimensional feature of societal well-being. We are witnessing an explosion of initiatives to measure progress around the world. Statisticians, policy makers and civil society are discussing what progress really means and how it can be measured. The magnitude and implications of this trend have not been fully recognised. And it isn’t just being led by the public sector.

Why are all these people and institutions spending so much time and resources on this? Why has this captured the interest of the world? Have societies seen this as a way to tackle a common challenge? These questions focus on the importance of measuring progress for democracy.

One of the main ingredients of a successful democracy is access to quality information. Reliable facts and figures help governments improve their policies by comparing them and measuring their impact. Globalisation has made our national realities more complex, as well as more sensitive to external actors and factors. The Information Age has made our daily lives more dynamic, more plural and more complicated. The magnitude of available information makes it much more difficult to understand
public affairs and develop a participative democratic culture. We must provide our societies with new, clear and reliable tools to form their opinions, to make their assessment of the effectiveness of their democracies in fostering social progress.

In many countries, there is distrust in public figures, in political parties and electoral campaigns. This scepticism affects the whole democratic process because it undermines accountability. If we want to improve the quality of public debate, the contribution of civil society to public policy, the transparency of governments and therefore the level of trust in democracy, we need to provide credible points of reference and reliable solid data. A set of progress indicators, supported by the joint expertise of international organisations, can provide this new reference.

In the 19th century, our societies established a new institution – the national central bank – to better manage the workings of our economies and help protect citizens from economic risk. In the 20th century, we built antitrust and audit institutions to improve the efficiency of markets and protect citizens. In the 21st century it is time to build new schemes and institutions to empower our citizens to assess the quality of their governments and policies, but also to measure their own progress in a modern society.

What if we could build, in each and every country, an institution for progress? An institution where different parts of society (government, opposition, trade unions, business associations, NGOs, academia, media, statisticians and others) could discuss what progress means to them and the key indicators to measure it. An institution whose progress indicators are seen as having authority and legitimacy. Do we think this would significantly improve the quality of our political and social debates – the quality of our democracy? I believe so.

As I said before, better indicators of progress alone are not enough. They need to be trusted – to be seen as accurate and impartial. They need to be used and understood and become shared knowledge among citizens. It was Socrates who said “The only good is knowledge and the only evil is ignorance”.

We have to ask ourselves what we can do, both as organisations and individuals. Let me begin with what I think the OECD can contribute.

Some of you might be asking why the OECD decided to get involved in this work. Our Organisation is well known worldwide for the quality of its statistics and has, since its inception, worked to provide the figures needed to explain and understand our social economic processes and improve our public policies. We have a wealth of expertise based on the experiences of our 30 members and nearly 70 other countries. We are also a well recognised source of
Based on this statistical supply and know-how, measuring whether and how life is getting better is one of the most important roles this Organisation can take on. This conference, which is part of a broader Global Project on Measuring the Progress of Societies, is a crucial step in that direction.

To succeed we need all of you to be involved. This conference has the power to improve policy-making and breathe fresh life into democratic processes in each and every country.

We need to answer several questions:

• How can we create a global catalyst for this work? Something that brings together the thousands of initiatives and the people working on them, share best practice, and discuss issues of common concern;
• How can we support those countries that lack the resources and know-how to develop their own sets of progress indicators? How can we help strengthen the independence of statistical institutions in those countries where they are subject to political pressure? Can this work help to build a world progress monitoring system?

I hope that by Saturday lunchtime we will have some answers to these questions.

Ladies and gentlemen, measuring progress is instrumental for policy-making and democracy. Countries that benefit from reliable statistics know where they stand, their capabilities and limitations; but most importantly, they know where they are going, and how to get there.

The OECD is ready to work with you to provide our societies with these tools of modernity. Only by measuring and comparing our realities will we be able to improve them. For never has a noble venture of human improvement come out of ignorance and obscurity.

David M. Walker, Comptroller-General, USA

From the industrialised world to the developing world, all nations face a range of challenges, some are long-standing and country-specific, but increasingly nations face common challenges that transcend national borders, economic sectors and institutional divides.

The challenge before us is how we can stretch our resources and get the greatest value for money and achieve the best results for our collective people. Fortunately nations today have several tools at their disposal to achieve these goals, examples include strategic planning, scenario modelling and indicator systems.

I will focus my remarks on key indicator systems because this is what this conference is all about and I believe it is a particularly powerful tool that can help countries to prioritise their resource allocations, improve government performance, promote accountability and enhance public education. With data from indicator systems, policy makers can better assess the core situation, make more informed decisions and measure their national progress over time and that of other nations. Gross domestic product, unemployment levels, infant mortality rates, inequality...
indexes are all examples of frequently used indicators.

As most of you are well-aware, a key indicator system places together these and other outcome-based measures to tell a more complete story about how our city, region, state or nation is doing. Used effectively, information from key national indicator systems can highlight problems and opportunities. Such data can also inform agenda setting, improve planning and promote better decision-making and constructive oversight. It can enhance public understanding and citizens’ engagement as well.

Several nations around the world have some form of indicator system. Clearly indicator systems all help to define what it means to be a leading democracy in the information age.

By educating policymakers and the public, key national indicator systems can also limit abuses of power. As U.S. Supreme Court Justice Louis Brandeis once said: “Sunshine is the best disinfectant”. Indicators can shed much needed light on government, policy programmes and operations. With more honest and transparent reporting, it is not clear how well government, programmes and policies are working and which ones aren’t. Transparency has a remarkable ability to reduce waste, prevent corruption, improve economic efficiency and to shift resources to where they are truly needed. The data provided by indicator systems can help us to ensure that no one is above the law and that everyone is accountable for results.

Comprehensive, objective and reliable information that is eventually available to the public can also put pressure on politicians to make difficult but necessary public policy choices. With greater public awareness a lot of officials are more likely to consider the greater good, the bigger picture and the longer term. With greater public awareness a lot of officials are more likely to show they are responsible to future generations. Finally the appropriate use of key national indicators can build public trust and confidence in government. Policies backed by credible and objective information are also more likely to gain public support.

This is a critically important initiative not just for a developed country like the United States, but also for developing countries around the world. We can help understand where we are, what progress we are making, where we are strong, where we need to improve, and how we stand relative to each other. As I have said many times, we really don’t know how well we are doing unless we have outcome-based measures for today, unless we understand how we are trending over time and unless we understand how we compare to others. If we don’t have all three pieces of information, we don’t really understand where we stand.

“Citizens demand to know much more than just purely economic knowledge. Also policy makers need to know what is the impact of their decisions, what is the state of the society which they purport to be in support of”

Ronnette Engela,
Executive Policy Analyst,
Office of the President,
South Africa
It’s time that we had that information not just in our country but in all countries around the world.
I am a big believer, both domestically and internationally, in partnering for progress in order to make bridges between governments and among various sectors. In my experience, government, private industry and not-for-profit groups can all benefit by working together on projects of mutually interesting concern - such as is clearly the case with regard to the key national indicators.

With key national indicator systems, nations everywhere now have the powerful tool to help improve government today and to help create a better tomorrow. In my view, it is an opportunity that no government, no matter how big or small, no matter wherever they might be, can afford to miss.

What is Progress?

Kemal Derviş, Administrator, UNDP

As most of you probably know, the United Nations developed a programme about seventeen years ago to try to come up with an index that would be somewhat better than the GDP. It combines GDP with measures in the education and the health fields. As you know, Amartya Sen in his many books on the topic defines development as the ability that we have - that we gain - to control our own life, to have choices, to make choices in the direction of what would make us happy.

We have gone beyond GDP at UNDP. The Millennium Development Goals have been a huge step in the right direction.

But I think that three dimensions are not very well measured in Millennium Development Goals (MDGs): first, there is the dimension of sustainability and natural resources; second, income distribution, as relative status matters and bringing income distribution much more centrally into the policy debate in an age of increasing inequality within societies is, I think, a high priority; third, freedom and of course Amartya Sen’s definition of empowerment is freedom from being dominated, freedom from poverty, freedom from being dominated, freedom from arbitrary rules.

Let me say finally that there is also a danger in statistics. You can be inundated by statistics, you can have fifty-sixty-seventy indicators. Some simplicity, some ability to summarize is important because if we present citizens with seventy indicators, they may not really be able to judge. Summaries of progress should still be an objective.

Richard Layard, Director, Well-Being Programme, Center for Economic Performance at the London School of Economics, UK

My answer to this question is a very simple one, I would say: “We’ll progress when fewer of people are in misery and more people are enjoying their life. Only recently has it become at all practical to think about government policy in that way and I think the big change has been in psychology and neurology. In psychology of course you can ask people how they are feeling, and in neurology you
can measure what is going on in their brain.

The remarkable progress in the last fifteen or twenty years has been the high correlation between what people say about how they feel and the electric activity in the relevant part of the brain.

Secondly, while we’ll be looking at all the other indicators too, they should be obviously be weighted in terms of their strength and impact on how people feel.

I would like to put forward some specific proposals today. First, that achieving indicators of progress should be based on asking the population how satisfied they are with their life. I would say we should definitely give more weight to a situation where there are fewer miserable people than one where there is an extra number of very happy people. Then, of course, we should also allow for life expectancy because a longer life is better than a shorter one.

This is the overall index that we should be focusing on, and the next step is look at how satisfied people are in different dimensions of their lives. So that is my second recommendation, we look at that to try to understand why the index is moving the way it is.

My third proposal is that we can’t be happy with just measuring progress: we have got to understand how our policies are actually effective, and the only way really to do that is to evaluate the policies properly either with some sort of scientific experiments, or multivariate analysis of natural data.

I would say that for every evaluation I can think of we should be measuring life satisfaction or domain satisfaction as an automatic thing that we will be including in the evaluation. My forecast is that in twenty-five years time the great part of the cost-benefit analysis in the British Treasury will be done in units of happiness rather than in units of money.

Economic growth will go on because it’s a production of human creativity so it will go on forever. But social structures are very important to the happiness of the individual, to be reasonably embedded in a group of people that you like, whom you trust, who support you in bad times, who you can expect to be on your side is very important.

Ngozi Okonjo-Iweala, Distinguished Fellow, the Brookings Institute

I think this is really important because it establishes the objective existence of the experience of happiness and that we can learn a great deal about it by asking people how they feel. This is the main thing we should be doing if we are interested in measuring progress.

“One of the key things, then, clearly when you are measuring progress or talking about progress at an individual, national, or even global dimension is meeting people’s basic needs”

Ngozi Okonjo-Iweala, Distinguished Fellow, Brookings Institute

When you ask people about their feelings people acknowledge there has been significant progress, but that there was dissatisfaction, they were not satisfied because some of the things that touch their life such as jobs, especially for the younger people, access to clean water, electricity, better education and health, i.e. the basic services, they felt that we did not make as much progresses.
Therefore, you have been to the one side measuring progress in terms of what we have done, in terms of the GDP growth and so on comparing it with the way people were feeling that their life has not yet been touched. I just gave the kind of contrast that people are talking about here about how you really measure progress and how good GDP is.

One of the key things, then, clearly when you are measuring progress or talking about progress at an individual, national, or even global dimension is meeting people’s basic needs. What do you do with this seeming contradiction where people are saying: “Listen, we are not satisfied; we don’t think we are making enough progress as it is with the policies you are doing”. At the same time, when they were asked everybody said they felt happy. There must be other dimensions.

The second point I want to make is that for me progress means it cannot be talked about unless you talk of peace. It must be an essential aspect of the progress index; I don’t see how you can talk about progress unless there is progress in peace.

The third aspect that I’d like to talk about is that global progress also means global justice and the ending of discriminations in all of its forms.

Lyonpo Jigmi y Thinley, Minister of Home and Cultural Affairs, Bhutan

What should progress mean for human society? One, peace, security, freedom and equity. Two, a growing capacity to understand and share and cooperate. Three, acquiring of wisdom, encouraging to acknowledge increasingly - now than even before - that our way of life is not sustainable, and that it is even unconceivable. Four, progress should also mean further refinements of our mind and raising our capacity to find satisfaction sustaining meaning and joy in life as opposed to being in grief by greed for material wealth. I think progress should mean truly furthering human civilization.

There are a few things we should ponder. The dogma of continuous economic growth has to be abandoned. Growth and progress are not synonymous, especially economic growth. Human society must not see itself as a market place. We have lived beyond our means. We need to also accept that we must think in terms of equity between generations. The actual material needs of the human individual are in fact very few and basic.

What should be measured? It should be holistic, it must be comprehensive, multi-sector, it must include both material as well as non material values pertaining to human, social, environment, and economic dimensions.

Happiness, we believe, is a universal value.

Lyonpo Jigmi y Thinley, Minister of Home and Cultural Affairs, Bhutan
equitable social economic development; conservation of our fragile environment; cultural preservation and promotion in a development sense; good governance.

We have used GDP to determine wrongfully what is in fact the state of well-being of a country, it does not give any indication of the well-being of society, it does not measure the health of the environment, it does not measure the psychological well-being of our citizens, it does not measure the vitality of our community, and so on. What I want to say is that GDP is necessary but it is inadequate, and we need to develop additional indices that would tell a more comprehensive, a more holistic story about how human society is progressing. In fact we need to know what are the ways in which we are developing the non-materialist and economic side.

The human being has two needs, the needs of the body and the needs of the mind, and what we have focussed on so far is mostly the body, perhaps only the body. So, it’s a paradigm shift that we need to make.

Steve Killelea, Founder Global Peace Index

If we look at the past two hundred years we can see progress really has been defined by the development of national systems like goods and services. If we move forward into the twenty-first century, many other challenges emerge, for example climate change. Climate change is pretty well-known by everyone and that gives hope for the future: it suggests that the major issues of the planet can get into the popular press and into the main mind of humanity.

If we look at global issues, we need to have a sense of inclusiveness and equity like we’ve never had before. For the world to be able to get to the point to think about this, we really do need to be able to have global peace. And to have global peace, we need to measure how far we are from this target. As assessing peace is something which is poorly understood, we have developed a global peace index as a first step being apt to measure national peace.

Measuring Progress: Making Progress

Francois Bourguignon, Sr. Vice-President of Development Economics & Chief Economist, World Bank

My own perspective on “Measuring Progress: Making Progress” will be essentially a development perspective, that is, the MDGs. The first time I heard about the MDGs I must confess that I had mixed feelings. On the one hand, I was very pleased by the fact that the mainstreaming of the MDGs represented a clear departure from the conventional habit in development economics of measuring development by the sole criterion of GDP or GDP per capita. We know that GDP per capita is not perfectly correlated with all the possible social indicators, so behind the MDGs was recognition of this fact. We also know that it is possible in the field of poverty to observe fast growth of GDP per capita and slow poverty reduction. The frustration that I shared with some of my colleagues was that the main indicators that the MDG's rely on were too simple. In view of the complexity of evaluating development progress. And maybe more fundamentally, we feared that the Millennium Declaration had little probability of full success, there was some ambiguity about how to appraise progress and success at the end.

I must admit that I was wrong in this negative argument against the MDGs, because I underestimated some of their functionalities. In particular, they appeared as the basis of an ambitious contract between developing
countries governments and donors, and possibly a contract between developing countries governments and their own constituency. It is well-known that a contract, based on measurable and verifiable outcomes, is more likely to succeed than if based on undefined results. MDGs could precisely play this role of verifiable outcomes in the overall development contract between rich and developing countries. MDG's are part of this progress.

Things are swiftly changing and there is little doubt that the richness of this OECD Forum on indicators to measure and foster the progress of societies reveals the dramatic progress of accountability and democracy in our societies whether developed, emerging or developing countries.

I would now like to tackle two different set of issues. First, given the particular role of the MDGs to ground the development contract between donors and recipient countries, what should be their properties and do they actually fit the bill? And also how should they be more closely included in the development strategy? Second, as we are approaching the MDGs horizon with unequal results depending on the regions, countries, or particular MDGs, the issue arises on how we should extend or revise the MDGs framework. Of course, the two sets of issues are closely related. But let me expand on the first one.

The basic properties that the terms of the contract should have are that outcomes must be verifiable by the two parties, or the various parties, they must be measurable, non-manipulatable, and they must be made public. In theory, MDG's can play that role. Practically, however, there are difficulties. One of the big difficulties is the statistical database. Even when statistics are satisfactory it is not always possible to identify through them what part of the observed result is due to the policy implementation and what part is due to other factors beyond the control of policy makers. This is the reason why it is necessary to develop indicators that tell us about the action taken by governments. So when we talk about the MDGs indicators we must go beyond the indicators. We must take into account what in the terminology of the MDGs has been called the "targets", and what has been called the "sub-indicators". It is very important to keep that in mind, that instead of referring to "MDG Indicators", we should actually refer to an "MDG Framework" that would provide the basis for a full logical analysis of all of these indicators and sub-indicators. Behind the MDG's Idea, there should be more than simply measuring of a few indicators. There
Paul Cheung, Director, United Nations Statistics Division

I will make four points in my short presentation, and these points are my personal views. The first point that I want to make is the fact that MDGs is really an integrated framework for measuring and making progress. The understanding of global development and progress and the measurement of these concepts have been a central concern of the United Nations ever since the UN was formed in 1946.

Progress in meeting the MDG targets and goals has to be measured and this is the first time that the global community has put forward a set of time-bound targets based on specific development objectives and given us the task to monitor and track their progress. Over the years the MDG indicators which operationalize those targets and goals have become widely accepted and used in national, regional and international programmes for the monitoring and the evaluation of the implementation of the MDGs. For the first time, there is a truly global set of indicators for the monitoring of progress at national, regional and international level.

My second point, today, is about renewing our commitment. The Millennium Declaration established 2015 as the target year for achieving the goals. We are now in the mid-point, 2007. Data are now becoming available; they may not be of satisfaction to serious researchers, but they are coming in, and now they are able to give us a preliminary assessment of the extent of the progress. But what is important at the mid-point is that if we take the MDGs and the Millennium Declaration seriously, then this is a time for us to accelerate our efforts in the implementation of the MDGs program, so that we would not fall short in meeting the goals and targets.

On the monitoring side, how embarrassing would it be for the global statistical community if we find ourselves in 2015 not having the necessary data to inform the global community whether progress has been made or not. The world does not need any new promises, instead the world should renew its commitment to the MDGs and the attainment of the targets.

My third point is what would happen to the MDGs in 2015. Will MDG indicators stay, or will there be a new basket of development indicators?

At this point in time of course we cannot say how many countries will have achieved that target. We know that the goals are not overly ambitious and can be met if countries commit themselves to sound governance, accountability and receive adequate international support. But whatever the results, the international community would have to decide the priority development agenda for the next 15 years. Some suggestions have been mentioned in this Forum such as climate change, income distribution. I am hopeful that by 2015 there will be another set of targets and indicators that are reflective of the consensus of the day and be able to harness the support of the development community.

Finally, I would like to conclude by giving you a sense of the impact of all these international initiatives on the global statistical system.

Because of MDGs, the importance of a sound statistical system to produce better statistics has been recognised and has assumed a critical role in the development agenda. Maybe
this is the first time that the development community has placed so much emphasis on the development of national statistical systems. It is now widely recognised that more needs to be done if adequate data are to be available for national and international evidence-based monitoring and reviews of the progress. At the international agency level, we have seen unprecedented levels of cooperation in the monitoring efforts from data collection to data analysis. Some observers have said that the current coordinating mechanisms among international agencies engaging in statistical activities are not working well. I strongly disagree. I have never seen a higher level of coordination among international agencies on statistical activities around the world. But of course, there is more work to be done, especially at the country level where there is a need for us to coordinate our activities.

More importantly, at the country level, there is now greater sensitivity towards what are nationally produced estimates as compared with those estimated by international agencies. The countries are no longer prepared to passively accept figures estimated routinely by international agencies.

In other words, there is now a greater sense of national ownership on the information of MDG progress. I think this is a very positive development.

The MDG indicators deal with facts and pure simple empirical evidence, not perceptions. Now, this fits very well with the mission and the mandate of a national statistical system. The incorporation of the measurement of the MDGs into the official statistics would no doubt enhance the position of the national statistical office.

Ali Akbar Salehi, Assistant Secretary General, Organisation of the Islamic Conference

Progress is a multidimensional concept, and therefore, deciding on some universal criteria for measuring progress may be difficult. For example, measuring happiness which may not be related to financial well-being could be considered as a component of measuring progress of a certain society, while on the other hand for another society happiness could be equal to financial well-being. We may state that criteria fit for measuring progress in the western world probably does not necessarily be fit for the eastern world.

There is no way of denying that progress is the logical consequence of the generalized human activities, therefore until and unless we recognise the central role of human individual in making progress in a society we cannot talk to understand the process of social progress. The rational and reasonable rise of an individual should therefore superimposed on the rights of the collective. The most powerful and essential factor for measuring and making progress is the emergence of the individual from the social collective.

We believe therefore that the new age of development is governed by combining the moral and material factors. The MDGs has set as deadline to 2015 and so the OIC ten years programme of action. What we really need is to look beyond the deadline 2015, for that our progress measuring mechanisms should take into consideration to what further stages of progress the individual can rise through further advances in social organization, education and human moral values. Measuring progress should also be able to predict the impact of this development of human beings on this speed and extent of collecting social development. Last but not least, considerations should also be given to the fact that there really is not an inherent limit to the potential
Evidence-Based Policy Making: Just a Myth or a Must?

Geoff Mulgan, Director, The Young Foundation, UK

As my interest is in how societies mobilize their collective intelligence in all of its forms, I have a few comments on evidence-based policy making. I don’t imagine there are many people who have come to this event who are against the maximum use of evidence and knowledge. And in many of our governments, there is growing experience of how to use knowledge. Some governments, but not all, by any means, now have systematic processes to scan the available evidence from around the world, and to benchmark results to find out who they should be learning from.

In many governments’ attempts are being made to get policy-making teams skilled up to use the full range of disciplines needed to understand change. There is always a risk of being dominated by particular disciplines, and in many of the topics discussed here psychology and social psychology have become the critical disciplines, yet they tend to be underrepresented in governments. In the UK we have tried to work on much more explicit systems’ methods to map out what we know and don’t know about causation in fields as varied as improving savings rates or reducing crime or increasing recycling, in each case drawing on all relevant disciplines rather than privileging ones which happen to be powerful for historical reasons.

Now, there are still relatively few fields where policy can be literally evidence-based; the state of social science means that you can be informed by evidence, but there are still relatively few fields where you can directly deduce policy from existing evidence.

But I want to also mention a few more basic caveats about evidence-based policy making and how we take it forward. In most fields, the available evidence is quite uneven and often ambiguous. I strongly favour randomized control trials as the gold standard of evidence but even they are not quite the solid gold standard that is sometimes claimed – and some hugely influential RCTs, for example around welfare to work, turned out to deliver opposite results a few years later. So the main point is we need smart sophisticated judgements about evidence, not a mechanistic view that we can simply read policy conclusions from experimental results.

At the Young Foundation we are developing new ways of speeding up policy learning. One example is a collaboration between us, universities, local government and national departments to test out the effectiveness of various policies to improve public well-being – from teaching resilience to 11 year olds to new services for the vulnerable and isolated elderly. Despite all the talk about well-being and happiness and the evidence on the patterns knowledge about what works remains in its infancy. In other fields we are aiming to speed up what we call social innovation – the more systematic experimentation in more effective ways of organising health, schooling and welfare. We argue that this requires much more than pilots – it requires more risk money for NGOs and others to innovate – and much more systematic assessment to determine what deserves to be scaled up. This matters in many fields – but perhaps none more than the field of behaviour change which is now the key territory not just for environmental policy but also for policy in areas like health and learning.
People’s Perceptions vs. Reality: What Impacts on Policies and Democracy?

Joaquin Almunia, Commissioner for Economic and Monetary Affairs, European Commission

Ensuring that quality statistics feed into European policy making is, for me, a principal concern. Indeed, for a politician, the fundamental value of good statistics is clear. Sound statistics form the core of democracy. They justify our actions and document the results of these actions. They provide the transparency and accountability crucial for any democratic system.

Statistics are also vital decision making tools. We cannot consider what to do, how to act or take decisions without access to information that is as objective as possible. In light of these considerations, it is clear that ensuring the quality of our statistical data is paramount. Accurate, reliable and timely statistics, produced by credible and independent institutions, underpin policy making. They support the legitimacy conferred by citizens upon their representatives.

In this way, high quality data is a public service. And as a public service, official statistics should be accessible and comprehensible. Good communication is crucial. And yet, I realise that the message statistical offices convey is sometimes differently perceived and interpreted by citizens. The question of public perception is very relevant when we consider how to measure the progress of societies. Official statistics play a central role here and yet they are by no means perfect. Thus we are constantly developing the statistics we use to improve our understanding of this issue.

For instance, GDP was never intended to provide an all-encompassing analysis of the progress of societies, rather to measure the economic wealth created by a market economy. It is a very important statistical indicator that is under permanent review, seeking always to more accurately capture economic reality. But whether the statistical information we use is adequate to comprehend concepts such as economic and societal development, or social welfare, remains in question. Combating climate change and striving for minimum standards of welfare for all are crucial objectives. And I stress that the use of indicators, such as those agreed as Millennium Development Goals, have proved to be very powerful tools. They raise awareness and fuel public debate on how to address these global challenges.

However, GDP fails to cover more complex concepts, such as individual welfare. It brushes over important considerations like environmental damage and social inequality, and overlooks the long-term financial sustainability of

“Only very few musicians can read the notes and say: ‘Oh, this is beautiful music!’ And I think this is often how we are, we that love and work with statistics, often we show the notes, we don’t play the music”

Hans Rosling, Co-founder, Gapminder Foundation, Sweden

Hans Rosling, Co-founder, Gapminder Foundation, Sweden
pensions and liabilities. Thus I share the objectives set down in the Istanbul Declaration and can agree on the need to build a more nuanced and therefore accurate understanding of economic and societal progress. This could involve enlarging the coverage of statistics to include indicators of social and environmental - as well as economic - outcomes.

But policy makers have to take important decisions on a daily basis. Therefore, we need to strike a balance between improving measurements of societal progress in the long term, while continuing to make sure that we have appropriate, reliable and accurate statistical tools in the short term. This can be a challenging task when, as in the EU, decisions apply to a number of different countries.

Thus our use of statistics has evolved from an information tool that facilitates decision making, to become a key to the decision making process itself. Naturally, this places increased scrutiny on their reliability and quality and brings the issue of public trust to the fore. One visible example of public trust in official statistics being put into question can be taken from the euro area. Here the mismatch between consumer perceptions of inflation compared to the actual rate of inflation have become a concern.

After the changeover to euro notes and coins in January 2002, inflation perceptions rose sharply in all euro area countries. This increase was not in line with actual consumer price developments. It is true that some unjustified increases in the price of certain frequently-purchased goods and services did take place around the changeover. But the largest part of the increases can be explained by normal inflation patterns and some special non-euro factors such as energy price developments.

The statistical data clearly indicate that the changeover effect on prices was rather limited. However, since 2002, the notion that the euro causes prices to increase has taken hold in many countries. From a macroeconomic viewpoint, any overestimation of inflation by consumers can have a negative impact -- for instance on consumption decisions and on inflation expectations -- and may trigger unwarranted wage demands.

From a political viewpoint, high inflation perceptions can affect the support for the single currency among euro area citizens. But it can also affect public trust in our capacity to accurately measure consumer price developments and hence the credibility of monetary policy for the euro area. More generally, misperceptions such as these can lend weight to unfair criticisms that aim to attack the political legitimacy of public authorities and their ability to meet the expectations of citizens.

Euro area inflation is just one example that shows how important it is for people to understand the key economic facts that underpin their societies. This does not only help them take well informed decisions. But more generally, it is essential because in the absence of reliable statistics, genuine public debate cannot take place, and may instead fall victim to misinformation and ideology. Such an

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“We can help understand where we are, what progress we are making, where we are strong, where we need to improve, and how we stand relative to each other”

David Walker, Controller-General, USA
outcome can ultimately distort democracy and policy making. This is why it is important to monitor public perceptions of statistics and to improve our communication of data.

Let me conclude by stressing again that statistics are a fundamental instrument of policy making. But if statistics are to fulfil their democratic function, objective and high quality communication to the general public is needed. More than ever statistical information is accessible for all types of users. The growth of the internet is opening up the world of statistics to a broader public and is increasing mutual understanding. However, in this environment of greater transparency, agreed rules and standards on quality of data are crucial.

Turning Statistics Into Knowledge

Hans Rosling, Co-founder, Gapminder Foundation, Sweden

I am going to talk about how we can unveil the beauty of statistics. But first I am going to show you something very beautiful, “Nocturne” from Chopin. Isn’t it beautiful music? But very few people would appreciate it if I show only the notes. Most of us need to listen to the music to understand how beautiful it is. Only very few musicians can read the notes and say: “Oh, this is beautiful music”. And I think this is often how we are - we that love and work with statistics - often we show the notes, we don’t play the music.

To play the music we need instruments, not only the notes. And we need someone who can play. Then the beauty of the music will come out and reach the population. Are we organized in the right way to get the beauty of the statistical database into the right instrument and let it be played by the right player? In my simplistic head I regard the statistics agencies as the much appreciated composers.

I would summarize like this: dissemination has to be enlarged to concepts of access, communication is one point of that, but we have to go beyond that. We will have to have visualization to go to animation and then we can do what the music industry does and we hope that large part of the population will play the beautiful music of statistics.

Making It Happen: The Way Forward

Closing remarks by Enrico Giovannini, Chief Statistician of the OECD

Thank you very much and thank you for these inspiring words that show that dreams can come true. “How to make it happen?” is the title of this final session. And after the big vision that the Secretary-General highlighted, and after the concrete experience that shows that this can happen, let’s try to discuss how to make this project work.

Before doing this, I would provide you with some figures about the Forum. We had almost 1200 participants over the last four days from more than 130 countries, we had 211 speakers from 51 countries, we had journalists from 14 countries and we had 35 exhibitors. This is what we hoped to achieve. We were not sure at the beginning but thanks to you, we made it. We had 10 plenary sessions, 39 parallel sessions. An
incredible amount of discussion took place.

Let’s now look first at the chain “Statistics, Knowledge and Policy”, the overarching theme of these two first OECD World Forums. I think that we are facing a broken chain that we have to fix and to show how all these elements are linked to each other I would like to make reference to one of the interesting charts that were disseminated on Wednesday: this is the relationship between trust in official statistics and the belief among people that political decisions are based on solid evidence.

As you can see, there is a very strong correlation. This means that to re-establish a strong chain we need to involve statisticians, policy makers and citizens. This is one of the main messages contained in the Istanbul Declaration.

During the session on “what is progress?”, Minister Thinley made me very proud because he said: “you statisticians together with economists, with the creation of GDP, have influenced our lives over the last 50 years”. Of course he was criticizing the emphasis on GDP, but his message is that we can make a difference. So the question is how we can rebalance this paradigm? The Declaration clearly states that to take this work forward we need to encourage communities to consider for themselves what progress means, share best practices, increase the awareness of the need to use sound reliable technologies, stimulate international debate based on solid statistical evidence on both global issues and comparisons, foster public understanding of changing conditions, and advocate appropriate investment in building statistical capacity especially in developing countries.

What is going to happen to the Istanbul Declaration? Of course, press releases are being issued and will be posted on the World Forum website and will be disseminated to the six organizations’ networks. But the Declaration is also open to additional signatures from you, from other people, from those who follow the conference via web cast all over the world. And we would like your and their help in disseminating this message to other networks.

The Secretary-General already highlighted the direction of the Global Project proposed by the OECD for measuring the progress of societies. In our view, the Project has 4 key goals:

- Foster a global conversation about what progress actually means,
- Galvanize people and institutions to actions,
- Improve the effectiveness of indicator work and their use for policy making,
- Make a key contribution to the international discussion in the run up to 2015, when the current set of MDGs and indicators will be re discussed (and yesterday afternoon we discussed this issue).

How can we achieve it? First of all, we need to meet the demand coming from our societies, measure what matters, help citizens to focus on key shared facts, reduce information asymmetries, make politicians accountable, show where the world’s

“Every time a country introduces a reform, that’s an experiment for the rest of the countries to learn from. So I always like to say that if we are to reform, we must inform, or else we risk to deform”

Julio Frenk, Senior Fellow, Bill and Melinda Gates Foundation, Former Health Minister, Mexico
countries, regions, communities are going, and build a global partnership at all levels.

Secondly, we need new “keywords”: from output to welfare, from information brokers to knowledge builders, from top-down to bottom-up, and from – if I may quote what I said in an interview with the newspaper Le Monde a couple of months ago – “The word statistics comes from science of the State. Perhaps we need to move to a new word, sociestics” … this works in French (from statistique to sociestique) it doesn’t work very much in other languages. But it gives you an idea of the direction that we have to go.

What is the time frame? If making a contribution to the discussions in 2015 is one important goal we have to work toward that date on four different, but interrelated directions: statistical research, development of ICT tools to help citizens transforming statistics into knowledge, advocacy and institution building, and the development of a global infrastructure about progress.

Statistical research: we need to work with national and international organizations, academic experts, etc. on how to measure progress as a whole, but especially on how to measure specific phenomena like those just mentioned by Mr. Romanow. We will establish a knowledge base that can be used by everybody who wishes to work on these issues. We will publish comparative analysis using different indicators (the degree of similarity is much higher
than what people perhaps think when you compare different projects) and in this way we will foster the convergence towards a shared view. And we will advocate the launch of an international survey on what citizens know, because if they don’t know it is very difficult to engage them and to make policy makers accountable.

- ICT tools: we need to foster the development of innovative software to present statistics. We saw impressive software today and we have new ways to continue. We have to be able to provide these tools to those who need them, also in developing countries where technology is less developed and costs are a barrier to use these technologies. We need to develop partnerships with national and global media to improve the dissemination of statistical information to citizens. We need to promote the exchange of use.

- Advocacy: we have seen since Palermo that hundreds – thousands if we count also local communities’ initiatives – of initiatives were launched. We need to help people to establish these initiatives according to the best practices. We need to organize working groups in different region of the world to support this dialogue, to foster this dialogue, and we need to support countries and regions who want to support initiatives to measure progress.

- A global platform (working name “wikiprogress”), i.e. a 2.0 Web-based technical infrastructure, where people can start uploading their data and metadata, compare them in order to better understand the world in which the live and where experts can challenge methodologies and distil the best ones. We need to allow users to interact with the indicators, develop new tools, new cultures, and new opportunities.

If we can integrate these initiatives, with a collaborative spirit, with a collaborative platform where people can upload data, explore data, compare solutions, discuss the results, build consensus, we can generate, as other sites have done, an incredible amount of traffic, interest, involvement, engagement. We will be able to engage passionate people, local communities, media and this will raise – incredibly – the amount of people who can understand what is going on. And this would have fantastic outcomes: the engagement of people, especially new generations; it would increase knowledge, unlock statistics, improve transparency and accountability of public policies, change culture, increase numeracy, and in the end, improve democracy and welfare.

How can we go from here? First of all, we have to strengthen the existing network. We have built an incredible network here and we are already planning follow-up events in various parts of the world over the next months. We will start preparing the Third World Forum that we hope will be held in 2009. And we need to build a global partnership on this project, involving international, regional, national and local partners. We have to decide governance. Of course, we have some ideas to make this Project open to those who want to contribute: ideas, funds, resources. We need to secure funds for this Global Project and we need your help in making this a globally shared project. And we need to create a global infrastructure to do what we promised, what we discussed.

Thank you very much for your help in making this World Forum a success and for the future support you will be able to provide to this ambitious but feasible, challenging but necessary, project.
We, the representatives of the European Commission, the Organisation for Economic Cooperation and Development, the Organisation of the Islamic Conference, the United Nations, the United Nations Development Programme and the World Bank,

Recognise that while our societies have become more complex, they are more closely linked than ever. Yet they retain differences in history, culture, and in economic and social development.

We are encouraged that initiatives to measure societal progress through statistical indicators have been launched in several countries and on all continents. Although these initiatives are based on different methodologies, cultural and intellectual paradigms, and degrees of involvement of key stakeholders, they reveal an emerging consensus on the need to undertake the measurement of societal progress in every country, going beyond conventional economic measures such as GDP per capita. Indeed, the United Nation’s system of indicators to measure progress towards the Millennium Development Goals (MDGs) is a step in that direction.

A culture of evidence-based decision making has to be promoted at all levels, to increase the welfare of societies. And in the “information age,” welfare depends in part on transparent and accountable public policy making. The availability of statistical indicators of economic, social, and environmental outcomes and their dissemination to citizens can contribute to promoting good governance and the improvement of democratic processes. It can strengthen citizens’ capacity to influence the goals of the societies they live in through debate and consensus building, and increase the accountability of public policies.

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.

Official statistics are a key “public good” that foster the progress of societies. The development of indicators of societal progress offers an opportunity to reinforce the role of national statistical authorities as key providers of relevant, reliable, timely and comparable data and the indicators required for national and international reporting. We encourage governments to invest resources to develop reliable data and indicators according to the “Fundamental Principles of Official Statistics” adopted by the United Nations in 1994.

To take this work forward we need to:

- encourage communities to consider for themselves what “progress” means in the 21st century;
- share best practices on the measurement of societal progress 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 Millennium Development Goals.

Much work remains to be done, and the commitment of all partners is essential if we are to meet the demand that is emerging from our societies. We recognise that efforts will be commensurate with the capacity of countries at different levels of development. We invite both public and private organisations to contribute to this ambitious effort to foster the world’s progress and we welcome initiatives at the local, regional, national and international levels.

We would like to thank the Government of Turkey for hosting this second OECD World Forum on “Statistics, Knowledge and Policy”. We also wish to thank all those from around the world who have contributed to, or attended, this World Forum, or followed the discussions over the Internet.