Welcome to our Newsletter

Dear Reader,

I’m very pleased to welcome you to this first issue of our new “Measuring the Progress of Societies” Newsletter.

We have been producing short newsletters every few months for the past two years, and these bulletins will continue. But for the most part we have focused on just providing information about what was happening within the OECD or about the World Forum. As the network of those we are working with grows every day, we are impressed at the enormous amount of interesting work happening around the world on measuring different aspects of societal progress. We think this work needs to be shared as widely as possible. Indeed, the diversity of measuring progress work is reflected here, with articles about initiatives based in four continents.

2008 has got off to a busy start for the team working at the OECD on this theme. For example, we are:

- Working within the OECD and with other organisations to design the Global Project and its deliverables, to establish its governance structure, etc.;
- Beginning to plan the 3rd World Forum which will be held in South Korea in late 2009;
- Developing a stream of research and training material to assist people involved in this field around the globe;
- Working to establish regional groups, they will be the foundations of this “network of networks” that we call the Global Project.

French President Sarkozy’s announcement in January, to establish a commission to investigate alternative measures of economic performance and social progress for France, is particularly important because it demonstrates that interest in this work has now reached the very highest levels of government. Chaired by Joseph Stiglitz, the commission includes several Nobel laureates and is being advised by Amartya Sen. I’m very pleased that the OECD is taking part.

This newsletter will be issued every few months if you would like to include an article, please write to The Editor (progress@oecd.org). But the newsletter is only one of the tools we are developing to sustain this global effort. A new web site is under construction and it will contain typical web 2.0 collaborative tools, such as a blog. A new knowledge base has been developed and we encourage you to contribute to it uploading documents about your work, as well as posting comments on the available documents.

I look forward to talking – and working – with as many of you as possible over the coming months.

Enrico Giovannini

Chief Statistician of the OECD

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The Knowledge Base on "Measuring Progress around the World" contains hundreds of documents useful for those interested in developing sets of measures of progress, wellbeing or sustainability or wanting to increase the use of evidence in public debate. It aims to:

- Describe initiatives and show the growing interest in measures of well-being, progress, etc.;
- Assist organisations interested in the development of indicators of societal progress;
- Create a community of experts who share their experiences and define best practices.

Registered users may participate in the development of the knowledge base. Although anyone can search for a document, only registered users can:

- submit a document,
- update a document description, post comments,
- receive email alerts and more.

Register now!
What is Missing? New Data, New Measures

The Project on Measuring Progress draws attention to the need for broader indicators of progress, and for better ways of using these indicators to inform policy. A new research centre in the University of Oxford, the Oxford Poverty & Human Development Initiative (OPHI) has two related research themes. One identifies ‘Missing Dimensions’ of data in developing countries, and crafts brief survey modules for gathering internationally comparable data on each dimension. In the other, OPHI has developed a new set of intuitive and robust Multidimensional Measures, which can identify the individuals, groups, or regions where progress has failed to materialise, using ordinal or cardinal data.

Missing Dimensions

Many are attracted to income, or even to ‘happiness’ indicators, because they are unidimensional. However it has become increasingly clear that indicators of money or happiness are incomplete. Human progress – which some call well-being, fulfils multiple aspects of life such as being nourished or healthy. Income and subjective data are poor proxies of these.

Dimensions of Progress

Reviews of the dimensions that have been used in literatures including social indicators, cross-cultural studies of human values, participatory poverty assessments, psychological accounts of well-being, basic needs, capabilities, human rights, reveal that first, there is considerable diversity in the content, name and number of categories used, but second, that common themes emerge repeatedly. Some common ‘dimensions’ of progress or well-being include Survival (health, safety, reproduction), Working Activities (employment, leisure, and quality/meaning of work), Knowledge (education, access to media, skills), Relationships (empowerment, democratic practice, participation in decisions that shape one’s life), Expression (identity, creativity), and Harmony (spirituality, philosophy, arts).

Key Principles

Of course the names and numbers of these dimensions are not set in stone, and most analyses will draw on a subset of indicators. Also, these ‘dimensions’ of well-being will need to be complemented by data on processes and society-wide outcomes that enables the evaluation of Equity, Efficiency, Sustainability, Accountability, Protection of Human Rights, Inclusiveness, and other principles.

Some Missing Dimensions in International Datasets

The current data which shape poverty analysis in developing countries and are used to monitor the Millennium Development Goals (MDGs) come from four survey instruments. OPHI noted that in those survey instruments, it is impossible to obtain data on Violence (Survival), Empowerment (Self-direction), Informal work (Working Activities), Dignity or Shame/Humiliation (Relationships), and Meaning (Harmony). Yet such data are central to poor people’s experience of deprivation, exclusion, and poverty.

OPHI’s Research Process

In May 2007, authors related to OPHI, in dialogue with interest groups in each area, drafted modules for each of those five areas. At OPHI’s launch workshop, authors received comments from François Bourguignon, Stephan Klasen, Grace Bediako and other senior experts working in each area. Gallup International tested the modules in Bolivia, Pakistan, Kenya, Ecuador, and Czech Republic.

And now large scale surveys are underway in several countries. OPHI is striving, by 2010, to test very critically, and fine tune, the briefest, least expensive modules possible to inform international and national policy. Additional questions suited to the local or national context will often be added to supplement the modules.

The shortlists for each dimension can be accessed on OPHI’s web portal, which is under active development. We welcome comments, reflections, and also
partnerships with survey groups to test and adapt the modules in different country contexts.

Multidimensional Measures

But even if we have extensive social indicators, how can we condense these into lean measures which can be easily interpreted, and which can inform policy? The problem of overly complex poverty measures has haunted many past initiatives. What are required are user-friendly, yet academically robust, techniques.

OPHI researchers Sabina Alkire and James Foster just proposed a Multidimensional Poverty Measure that draws on the widely used ‘Counting’ approaches but addresses the ongoing problem of identification, and provides axiomatic foundations. It can identify the people who are poor in a range of different dimensions at the same time. Different weights can be applied to different dimensions, and ordinal, categorical, and cardinal data can all be used. The main advantage of this measure is that it is highly intuitive, easy to calculate, and can be decomposed by state/province, rural/urban etc, and, if it is calculated for individuals, by age, gender, ethnicity, educational attainment, and other variables.

Kinds of Applications

This multidimensional measure is appropriate for reporting multidimensional poverty in the same way as income poverty lines, and tracking changes in poverty in a nation or state over time. The instrument is also particularly suited to targeting the poor. The need to identify particularly distressed households for public support is widely recognised. The Conditional cash transfer programmes of Oportunidades and the ‘BPL’ or Below the Poverty Line calculations in India all use a particular measure to identify qualified recipients for public support. However, some existing measures such as the 2002 BPL are subject to severe criticisms, and their properties are not well probed.

A brief introduction to the measure

To calculate multidimensional poverty, Alkire and Foster both identify a set of key dimensions of poverty for which there are data for each household, person, or other unit of analysis – in this example we will use person. A poverty cutoff is set for each dimension, for example drawing on the MDG definitions or national conventions. Every person can then be identified as deprived or non-deprived with respect to each dimension. Assuming equal weights for simplicity, (general weights can be applied), you then set a second identification cutoff k, of the number of dimensions in which a person must be deprived in order to be considered multidimensionally poor. If k=3, the headcount is merely the proportion of persons who are poor in at least 3 out of d dimensions. Alkire and Foster’s first measure, the adjusted headcount multiples the headcount by the ‘average’ number of dimensions in which all poor people are deprived to reflect the breadth of deprivations. If at least some of the data are cardinal, the measure can then be extended to FGT-style measures, which reflect in addition the depth of deprivation in each dimension. But even the adjusted headcount satisfies many desirable properties including decomposability.

When do we measure Poverty rather than Progress?

In the context of the OECD programme, a natural question to ask is, how might multidimensional measures of poverty complement national measures of well-being which include rich as well as poor citizens? First and perhaps most importantly, such measures will inform policies to reduce poverty and advance equity and cohesion. Measures of overall well-being may not identify the severely deprived in any society, yet such identification can be crucial to raising overall well-being.

Another reason is that people are likely to have quite different values regarding the relative importance of different aspects of social progress. It is no easy task to establish the relative weights of an extra million dollars, versus more deeply satisfying intimate relationships, versus the cultivation of abiding serenity.

Multidimensional Poverty measures do not avoid all value judgements by any means; the choice of indicators and their weights remains. But there may be greater consensus that people who fall below a deep poverty line in, for instance, 4 out of 12 indicators should be regarded as poor.

Research directions

Measurement is only one area in which new techniques are required. Other clear, user-friendly, and robust methodologies are also required. OPHI’s upcoming research topics include: applying weights in multidimensional comparisons, measuring freedoms, addressing endogeneity, choosing indicators, addressing adaptive preferences in subjective data, addressing
uncertainty and measurement error, and so on.

**Partnerships**

OPHI welcomes partnerships with those who wish to apply, critically examine, and extend or improve this measurement methodology, whether within a sector (multidimensional health measures, quality of education), or as a multidimensional poverty measure.

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**Read the Highlights of the Istanbul World Forum**

Available at [www.oecd.org/oecdworldforum](http://www.oecd.org/oecdworldforum)

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**WIKIGENDER**

Wikigender ([http://www.wikigender.org](http://www.wikigender.org)) is a project initiated by the [OECD Development Centre](http://www.oecd.org/development) to facilitate the exchange and improve the knowledge about gender-related issues around the world. A special focus of this project is to collect empirical evidence and to identify adequate statistics and measurement tools of gender equality. In this respect, Wikigender serves as a pilot project for the [Global Project on Measuring the Progress of Societies](http://www.oecd.org/development).

In particular, Wikigender aims to highlight the importance of social institutions such as norms, traditions and cultural practices that impact on gender equality. Examples of such measures are presented in the OECD [Gender, Institutions and Development Data Base](http://www.oecd.org/development).

Wikigender was officially launched on 7 March 2008 on the occasion of [International Women’s Day](http://www.oecd.org/development). The site is now open and freely accessible to the public. Wikigender invites everybody to actively use and participate in this new online resource.

Wikigender is open to everyone. You can access all resources provided on this website and use its contents for your own personal needs, be it a research project on gender equality or simply your own interest in finding out more about this topic.

In order to improve the information on this site, we invite your active participation: either by providing comments and suggestions, or by contributing new articles. We particularly encourage you to browse through the “wanted pages” section that contains articles that still need to be written.

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**Seminar on Innovative Approaches to Turning Statistics into Knowledge, 26-27 May 2008, Stockholm**

The seminar is hosted by Statistics Sweden and is arranged jointly by Statistics Sweden and the OECD. The seminar will take place over two days in plenum and will be video recorded, allowing other interested parties to watch it later on the seminar website. The purpose of the seminar is to contribute to the development of tools to help people transform statistics into knowledge and decisions, i.e. one of the goals quoted in the Istanbul Declaration: “produce a broader, shared, public understanding of changing conditions, while highlighting areas of significant change or inadequate knowledge”. For more information see [www.oecd.org/oecdworldforum](http://www.oecd.org/oecdworldforum).
I was honoured to present the closing keynote plenary address at the OECD’s World Forum on Measuring and Fostering the Progress of Societies in Istanbul this past June. If you are reading this newsletter, I’ll assume that together we share a commitment to measuring and fostering genuine progress in our respective countries. The OECD’s groundbreaking Measuring the Progress of Societies Project is shining the world’s spotlight on the central role that wellbeing indicators can play in underpinning democratic debate and promoting effective government policy-making. Back at home, collectively, we are working on initiatives that advance overall societal progress. I look forward to reading about your advances around the world as much as I hope you will with the Canadian Index of Wellbeing (CIW) project.

The CIW’s vision is to enable Canadians to share in the highest wellbeing status by identifying, developing and publicizing measures that offer clear, valid and regular reporting on progress toward wellbeing outcomes Canadians seek as a nation. Wellbeing is the presence of the highest possible quality of life in its full breadth of expression:

- good living standards;
- robust health;
- a sustainable environment;
- vital communities;
- an educated populace;
- balanced time use;
- high levels of civic participation; and
- dynamic arts and culture.

The CIW is in an advanced state of development within seven of these eight abovementioned categories or ‘domains’, as we refer to them, under the leadership of world-class experts and backed by rigorous Canadian and international peer review and public consultation. Each domain is further distilled into eight headline indicators. It is our goal that these indicators, 64 in total, will be quantified and blended into a composite index with a single number that will go up or down, much like the TSX or Dow Jones. The composite index will give a quick snapshot of whether overall wellbeing is changing for better or for worse. It is anticipated that the composite will be the doorway to a new way of collecting, aggregating and communicating statistical knowledge about what really matters to Canadians (see Figure 1).

The CIW will report on changes in the Index – overall and within the domains. As well, it will highlight the complex interactions among the domains; ‘connecting the dots’ between social aspirations, public policy, and hard evidence. We believe that these eight domains are an appropriate starting point for building a robust CIW and represent a true expression of Canadian values. Core values such as fairness, equity, diversity, inclusion, economic security, health, safety, democracy, and sustainability. In Canada, I sense that, in many cases, public policy is seemingly losing its ability to connect and resonate with the core values shared by my fellow citizens.

I would venture to say, that Canadians still believe that our society is often best shaped through collective action. That there is a limit to how much we can achieve as individuals acting alone. That the sum of a good society and what it can
achieve is greater than the remarkably diverse parts which constitute it. I have argued that it is this notion of a ‘shared destiny’ that is the essential narrative that has bound Canadians through challenging years of nation-building across regional, economic, cultural and ideological differences. But one thing is clear: in recent years, in Canada, as I suspect in many other societies, there is a palpable momentum toward decentralization, individualism, and privatization, masquerading as the so-called ‘new ways’ to deal with our most pressing social challenges. But do these so-called ‘new ways’ really provide answers that resonate with the values and concerns of citizens?

How is it possible that in the midst of such economic progress, there are still so many children living in poverty? That the income gap continues to grow between the rich and the poor? Why has the water we drink and the air we breathe been taken for granted for so long? The CIW is a tool that will measure progress, tap into the values of Canadians, motivate decision-makers to act and that will ultimately help Canadians assess whether we are indeed ‘on the right track’.

Until now, Canadians haven’t had a clear, coherent and compelling alternative to the dominance of economic measures. So imagine what might happen if every time my fellow Canadians hear about the GDP, they also hear the results of another new and important index – an Index of Wellbeing? An Index that measures the variables that really contribute to, or subtract from, the health, wellbeing, and prosperity of Canadians. An Index that actually links the economic reality and prosperity of our nation with the social, health and environmental conditions that defines our communities. We believe the CIW will be that type of measuring stick.

To say the CIW is an ambitious project is to understate it. Currently, it is at a very exciting stage in development. I am honoured to be the Founding Chair of the CIW Institute Board. Within the next few months, I will lead this world class board in its inaugural meeting. The domains are at an advanced stage of development and are currently undergoing external peer review. The domain reports and composite index will then be finalized and ready for launch within a year. At the same time, we continue to forge ahead to build international relationships, so that we can collaborate with those of you embarking on similar projects. The OECD is to be commended for providing this newsletter as a vehicle to keep us all informed and moving toward a more comprehensive way of measuring societal progress. For more detailed information on our initiative, please see www.ciw.ca or email us at info@ciw.ca.

For further reading see the CIW “Reality Check” Newsletter on Energy issues http://www.atkinsonfoundation.ca/files/RCheck_11_Vol_5_6.pdf

Measuring and Fostering the Progress of African Societies
By Barbara Iasiello, OECD

Why Measure and Foster the Progress of African Societies?

There is a good deal of interest among Africans in the Global Project. Many of those we have spoken to agree that, by tracking those aspects of African progress that Africans see as important, progress measures will help prevent Africa making some of the mistakes other countries have made as they ‘developed’. A well constructed set of progress measures can ensure African societies will not lose sight of the characteristics of their way of life that they wish to maintain, and so better avoid some of the social and environmental problems that many ‘developed’ countries now face. Social capital is one example of an aspect of wellbeing that is often not tracked using traditional statistics but is often seen as an important asset and a potentially fragile one. Aspects of social capital can be very strong in some African societies and need to be measured if they are to be protected: but these aspects of wellbeing are often not well measured. As the noted African thinker Dr. Alloune Sall has pointed out, exercises in measuring progress should be seen as an effort to help communities to build a “progress society”: a society in which the future corresponds to citizens’ aspirations and one in which they can take the right decisions to help achieve...
the future they desire. But to undertake national studies we need national teams – teams that involve the whole community who jointly define and measure progress. The Global Project’s work on measuring and fostering the progress of African societies seeks to help.

“African societies, like any other societies indeed, have to measure progress. But more importantly they have to define what is meant by progress. They have to hold a dialogue in a way that has not been done before” Pali Lehohla (Director General of Statistics South Africa).

"Why is it important to focus on the future and progress? The future, unlike the past and the present, is something that can be changed. And the future is where we will all spend the rest of our lives” Dr. Allioune Sall (Executive Director of the African Futures Institute).

The Global Project and the Regional Groups

The Global Project aims to better co-ordinate the worldwide work in measuring progress field and to encourage discussion about what progress means for different societies and the key statistics needed to measure that progress. The Global Project is establishing regional groups to help take the project forward and they will be a key part of the project’s network of networks. Groups are being established in Africa, the Arab region, Asia and the Pacific, Latin America, the OECD countries and elsewhere.

Each regional group will decide its own work program. But in general regional groups will undertake work that is relevant for the region and requires the development of better statistics. The regional groups will contribute, through research, to recommendations on how to measure specific aspects of societal progress. Each group will be a forum for discussion and co-ordination as well as a two-way conduit through which the views of the region can influence the overall program of the global project, and the global project can report back to the region on what is happening elsewhere.

What has Happened So Far in Africa?

Work is already well underway to establish an African Regional Group, and the project has been discussed several times in Africa.

In January 2007, a conference in Rwanda was arranged by the OECD and PARIS21, in partnership with Statistics South Africa and the Rwandan Statistics Office. 37 African countries attended, along with delegates from the African Development Bank (AfDB), the United Nations Economic Commission for Africa (UNECA), the World Bank, the World Health Organisation, Afristat, SESTRIC and others, to discuss “What is Progress and How to Measure It”.

Delegates expressed strong support for the development of national sets of progress measures. And they noted there was value in countries designing their own sets of progress measures for themselves that could engage a wide group of stakeholders in their construction, reflect national views of progress and be culturally appropriate.

In Addis Ababa, last May, a Declaration for the ‘Creation of an African Working Group to Develop Better Measures of Progress’, was signed by 23 representatives of African National Statistical Office affirming their commitment to measuring and fostering the progress of their societies. They recognized is the importance of the work for Africa but that considerable effort is needed in many areas to take this work forward. And so they felt that the creation of a working group for Africa would be an important step.

In September 2007, a meeting in Tunis discussed the coordination of statistical capacity building work in Africa. Representatives of the AfDB, UNECA, the African Union Commission (AUC), as the Statistician General of Statistics South Africa agreed to begin a project on Measuring and Fostering Progress of African Societies, to improve the measurement of the progress of African societies. The AfDB agreed to become the regional coordinator of the project.

Plans for the Future

In December 2007, during the 3rd Africa Symposium on Statistical Development conference in Accra, Ghana, a session was devoted to
discussing the plans for the regional group in more detail.

His presentation noted that progress is multidimensional and can be considered in different ways according to one's perspectives, but that it comprises economic progress, as well as social, political, environmental, cultural and technological themes. He was convinced of the importance of the usefulness of events for discussing progress. A lively discussion followed and the AfDB is talking the lead in establishing a working group comprising statisticians, policy-makers and other prominent African's together to discuss the key information necessary for measuring and fostering African progress, focusing on those concerns that are important for Africa. The project will see Africans discussing what progress means for Africa and the key statistics needed to measure it. In doing so, they can discuss as a society – and then measure what is most important to their wellbeing.

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A milestone in the African work will be a high level conference, the first African Forum on Measuring and Fostering the Progress of African Societies, scheduled for November 2008 in Tunis. It will bring together a wide range leading speakers from different fields (statisticians, policy-making, academics, civil society etc.).

Discussions continued in Addis Ababa in January during a special session at the STATCOM meeting. Dr Allioune Sall, led the discussion – as Executive Director of the African Futures Institute he has run highly consultative “futuring” projects in about 30 African countries, to develop a shared view of what the future might look like.

Third International Conference on Gross National Happiness leads to new initiatives for inter-cultural exchange
By Mr. Hans van Willenswaard, GNH movement

Thailand hosted the third international conference on Gross National Happiness (GNH) for a total of 893 participants. The third conference followed the initial conference in Thimphu, Bhutan, 2004 and the groundbreaking Re-thinking Development. Local Pathways to Global Well-being gathering organized in Nova Scotia, Canada in 2005.

During the conference the first results of systematic GNH research in Bhutan were presented. The term Gross National Happiness was launched in 1974 in Bhutan by 17-year old King Jigme Singye Wangchuck as a critique towards mainstream, economically dominated development models. It was not before 1998 that the GNH concept was carefully introduced to the international community.

The essentially ‘alternative’ concept of Gross National Happiness now seems to match remarkably with a shift in emphasis towards well-being indicators in world statistics and policy making. OECD's Global Project on Measuring the Progress of Societies’ leader Jon Hall presented highlights of the Istanbul World Forum during the second part of the GNH conference, in Chulalongkorn University, Bangkok to a fascinated audience.

The first part of the GNH conference – titled World Views Make a Difference. Towards Global Transformation – 22-28 November 2007, was organized in Thailand’s provincial capital Nongkhai to facilitate participation of representatives from neighboring Mekong region countries China, Myanmar, Laos, Cambodia and Vietnam. The conference moved to cosmopolitan Bangkok for its second part. The rural setting of North-Eastern Nongkhai provided an experiential learning landscape for spiritual leaders,
community organizers, Youth, local governmental policy makers and the business sector. Meetings resulted in exchanges at the Provincial Hall and participation in the 'Loy Krathong' Festival along the Mekong River. In traditional and contemporary fashion respect was paid to the spirit of water and to the environment.

Cultural Promotion is one of the four pillars of the Bhutanese approach to Gross National Happiness and art – including story telling – was an important element in the conference exchanges. Other pillars of GNH are: Good Governance, Environmental Protection and Socio-economic or Equitable Development.

Forty papers were debated during the Academic Session at Chulalongkorn University in Bangkok. Followed by the official opening of the second part of the conference by the University’s President and the Prime Ministers of Thailand and Bhutan.

Keynote speaker Dr. Sheldon Shaeffer, Director of UNESCO Asia & Pacific, emphasized the importance of happiness as a leading motive towards sustainable development and the importance of cultural diversity to be included as essential in research efforts. UNESCO itself underwent several periods of transformation induced by changing world views. World governance can not remain the same if sustainable development wishes to be achieved. Dr. Surin Pitsuwan, newly appointed Secretary General of ASEAN (Association of South East Asian Nations) in his speech observed that the factor ‘happiness’ in Gross National Happiness was significantly shaped along the principles of Buddhist culture. As a Muslim for him this did not imply separation but rather appreciation and an impulse for inter-cultural dialogue as a foundation for happiness research and wellbeing-driven policy development.

Representatives of pioneering happiness research-institutes like the Genuine Progress Index in Canada (GPI Atlantic), the New Economics Foundation (NEF) in England and the Social Research Institute at Chulalongkorn University, Thailand, (CUSRI) urged for intensive exchanges between ‘alternative’ and ‘mainstream’ researchers.

Not only in the field of methodology – including action research undertaken at community level – but even more at the level of underlying paradigms and definitions of happiness, a healthy and thorough debate is required in order to prevent that global standards will automatically be shaped according to the perceptions of industrialized, individualized, civilizations and inherent (often unsustainable) developmental assumptions, according to Dasho Karma Ura, the Director of the Center for Bhutan Studies (CBS).

The Fourth International Conference of Gross National Happiness will most likely be organized in Bhutan, from where GNH originated. While offers were made for regional conferences in Brazil and in South-Korea (including links with China and Japan).

Conference website:  
www.gnh-movement.org  
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