



Why is wellbeing an important topic?

An international perspective

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Some “megatrends”

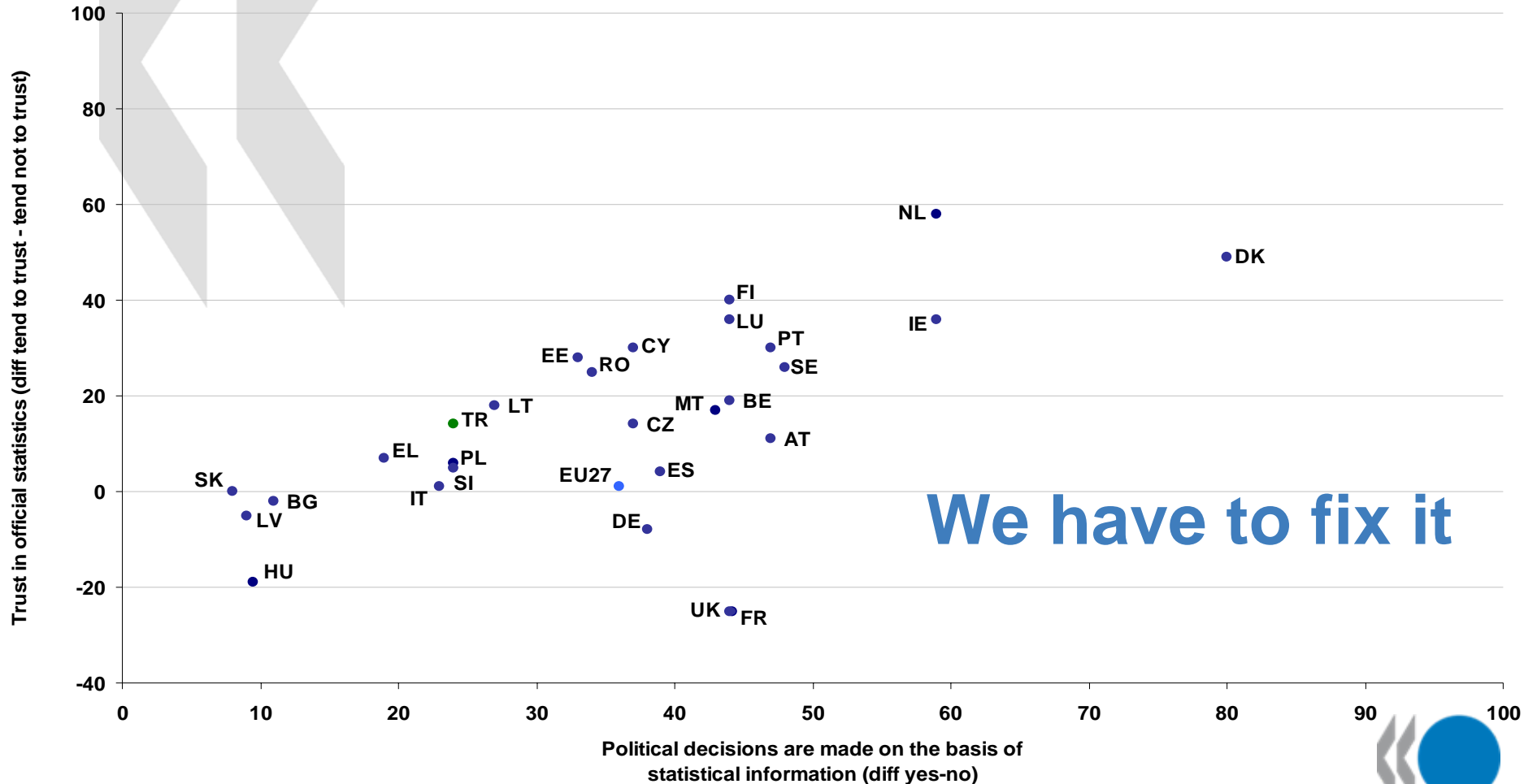
- Around the world, societies are increasingly concerned with their quality of life and a consensus is growing around the need to develop a more comprehensive view of progress rather than focussing on the economic one (GDP)
- Mistrust in national governments (and therefore in national statistical offices)
- Growing number of “agents” in the society (NGOs, etc.)
- Individuals are asked to take decisions that in the past were taken by the government (pensions, school, etc.)
- In an age of unprecedented, and overwhelming, information flows, the common understanding necessary for informed public discourse is often inadequate

Theoretical background

- Economic literature:
 - Role of information in “Games Theory” (Nash, Akerlof, Rothschild and Stiglitz, etc.)
 - Role of information in rational expectations models (Muth, Lucas, etc.)
- Political sciences literature:
 - Role of information in models for democratic choices (Downs, Wittman, Alesina, etc.)
 - Role of information in political process and elections (Swank, Visser, etc.)

Clear conclusion: “shared information” is fundamental to improve markets functioning and minimise social welfare losses

Statistics, knowledge and policy: a broken chain



The second OECD World Forum on “Measuring and Fostering the Progress of Societies”

- In co-operation with EC, OIC, UN, World Bank
- 1200 participants from 130+ countries:
 - From multiple sectors and professions
 - From multiple countries at various level of development
- 200+ speakers from 50 countries and 15 IOs
- Webcasting of main sessions (available on the web site www.oecd.org/oecdworldforum)
- Exhibition on new tools to communicate statistics

The Istanbul Declaration (1)

- A **culture of evidence-based decision making** has to be promoted at all levels of government, to increase the welfare of societies.
- We affirm **our commitment to measuring and fostering the progress of societies** in all their dimensions and to supporting initiatives at the country level.
- We **urge statistical offices, public and private organisations, and academic experts** to work alongside representatives of their communities to produce high-quality, facts-based information that can be used by all of society to form a shared view of societal well-being and its evolution over time.

The Istanbul Declaration (2)

- To take this work forward we need to:
 - **encourage communities** to consider for themselves what “progress” means;
 - **share best practices** and **increase the awareness** of the need to do so using sound and reliable methodologies;
 - **stimulate international debate**, based on solid statistical data and indicators, on both global issues of societal progress and comparisons of such progress;
 - **produce a broader, shared, public understanding of changing conditions**, while highlighting areas of significant change or inadequate knowledge;
 - **advocate appropriate investment in building statistical capacity**, especially in developing countries, to improve the availability of data and indicators needed to guide development programs and report on progress toward international goals, such as the MDGs.

What is “progress”?

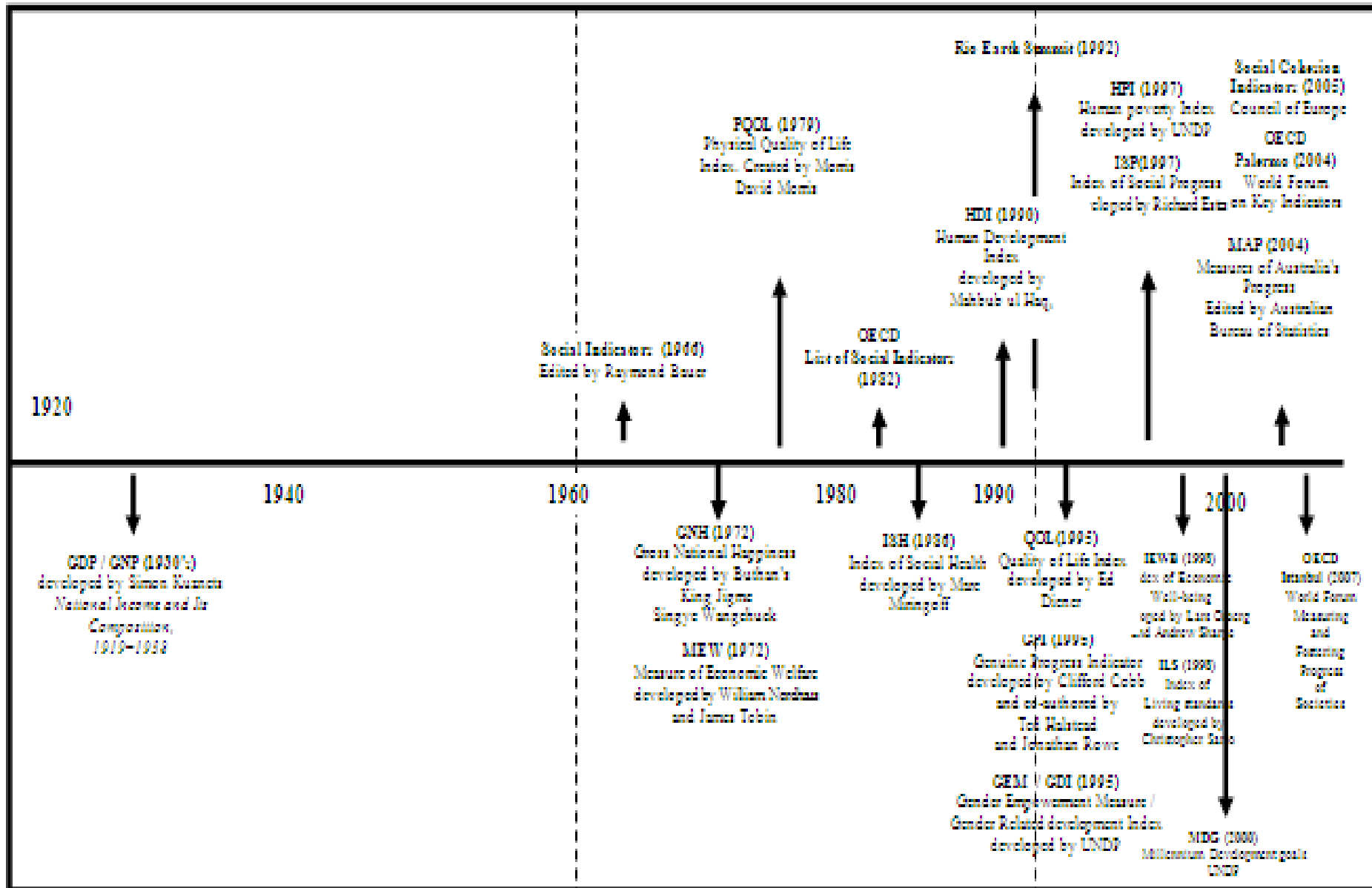
The “western” concept of progress can be traced back to the late XVII and XVIII centuries (“Enlightenment”).

- **Plato:** a continuous process, which improves the human condition from a state of nature to higher and higher levels of culture, economic organization and political structure.
- **Bacon:** progress in knowledge should lead to progress in well-being, and inventions should be useful for mankind’s fulfilment.
- **Comte:** the famous Positivist movement maxim “*Love as a principle and order as the basis; Progress as the goal*” was the base for the dawn of the Brazilian Republic).
- **Catholic Church:** *Encyclical Populorum Progressio*
- **Islamic scholars:** “sincere work towards progress and development is, therefore, an act of religious worship”.

How to measure “progress”?

- Three main approaches:
 - Extension of national accounts
 - Composite indicator
 - Key indicators
- Objective vs. subjective (happiness?)
- The OECD supports the development of key indicators, but measuring progress is not enough if:
 - The measures are not shared
 - They are not communicated to the whole society
 - Citizens do not understand them
- From “statistique” to “sociestique”?

Chronological Evolution of Related Measures of Progress



Material Stage
Economic Indicators

Social Stage
Economic Indicators
+
Social Indicators

Global Stage
Economic Indicators
+
Social Indicators

An OECD Strategic Activity

The OECD must develop new methods to measure the progress of societies, integrating the usual economic indicators with other social and environmental measures, working with key non-Member economies and other international organisations to develop a global repository for reliable statistics and data. We have to move towards measuring welfare not just output. It will constitute a major contribution to stability and democracy

Angel Gurría, Secretary General of the OECD (Speech at the 2007 Ministerial meeting)

A growing movement

- National initiatives: Australia, US, Ireland, South Africa, Finland, Hungary, Italy, Canada, Netherlands, etc.
- International Association of Supreme Auditors
- Local initiatives:
 - US: Community Indicators Consortium
 - EU: Council of Europe
 - UK-Young Foundation
 - France: FAIR
 - Italy: Sbilanciamoci
 - Latin America: Como Vamos
- Oxford Poverty and Human Development Initiative
- International Society for Quality of Life Studies
- World Women Forum
- WEF Global Council “Benchmarking the progress of societies”

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

J. Stiglitz

A. Sen

JP Fitoussi

B. Agarwal

A. Atkinson

J.P. Cotis

A. Deaton

K. Arrow

3 working groups

Report in April 2009

K. Dervis

H. Flassbeck

M. Fleurbay

N. Folbre

J. Gadrey

E. Giovannini

R. Guesnerie

G. Heal

C. Henry

D. Kahnemann

A. Krueger

J. Lin

R. Putnam

N. Stern

C. Sunstein

P. Weil

The Global Project on “Measuring the Progress of Societies”

- Three main streams of work:
 - What to measure?
 - How to measure?
 - Ensure that measures are used
- Build a partnership with international national and local organisations, foundations, etc.
- Partners: WB, UNDP, UNICEF, IADB, AfDB, EC, INTOSAI, ESCWA, ESCAP, COE
- Associates: national and international organisations, NGOs, universities, etc.

Activities and outputs (1)

- ***What to measure?***
 - Regional working groups (under discussion)
 - Regional and thematic conferences (Stockholm, Moscow, Paris, Boston, Florence, etc.)
 - Guidelines on how to build progress initiatives at local level (CoE)
- ***How to measure?***
 - Taxonomy of societal progress dimensions (Global Office)
 - Handbook on “Measuring Progress” (Global Office)
 - Guidelines on how to measure particular dimensions of progress (partners and associates)
 - Knowledge Base (Global Office)
 - Training material and courses (STATEC)

Activities and outputs (2)

- ***Ensuring that the measures are used***
 - Report on what makes a set of key indicators successful (Global Office and Eurostat)
 - Survey on what citizens know about the progress of their society (University of Michigan and ISAE)
 - Knowledge base on ICT tools (Kessler Foundation)
 - Guidelines on how to design websites (Kessler Foundation)
 - Release and promotion of ICT tools (forthcoming network)
 - “Wiki-Progress” (Global Office)

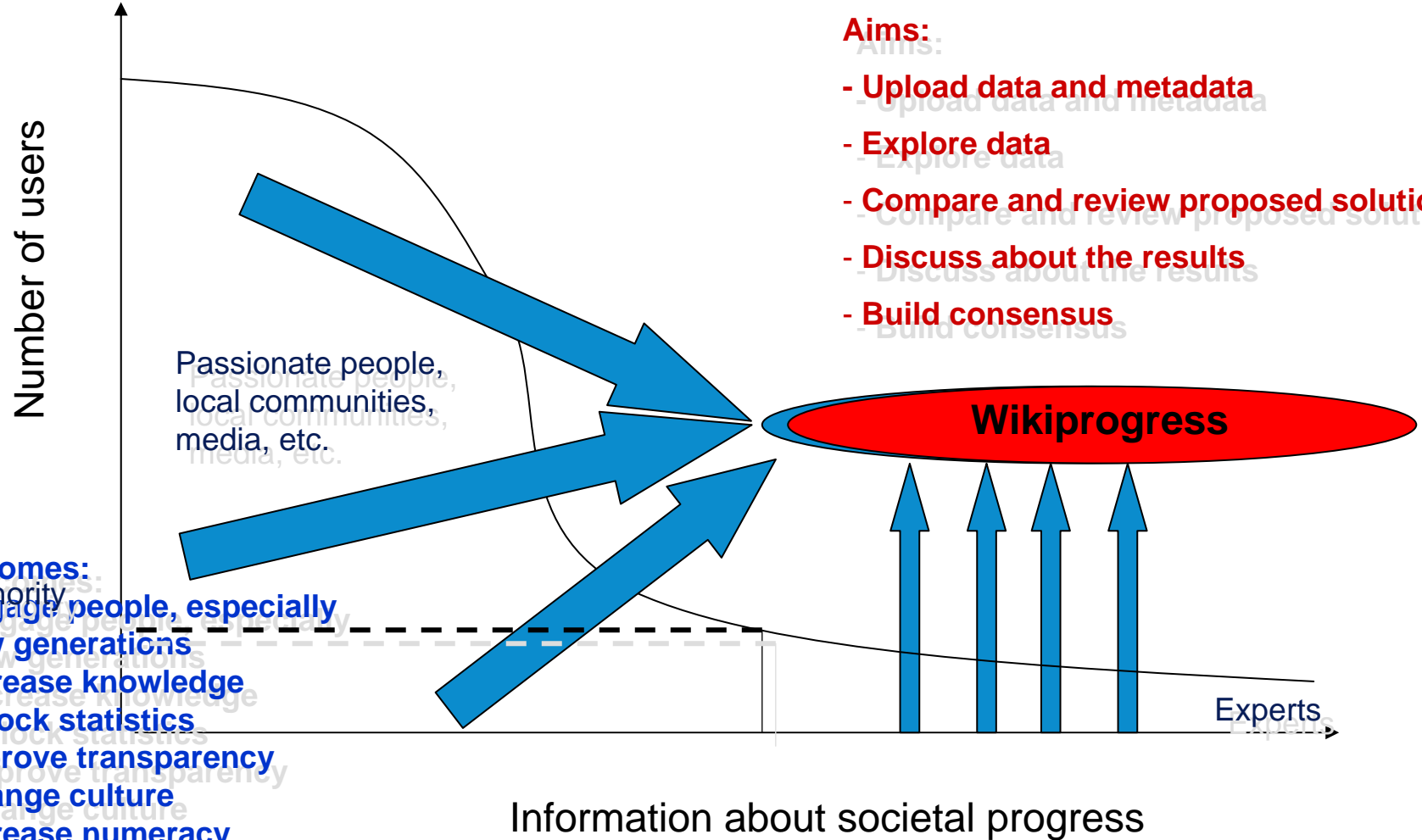
- ***World Forums***
 - Korea 27-30 October 2009 (KNSO and OECD)
 - India 2012 (CSO and OECD)



New tools, new culture, new opportunities

Aims:

- Upload data and metadata
- Explore data
- Compare and review proposed solutions
- Discuss about the results
- Build consensus



Outcomes:

- Engage people, especially new generations
- Increase knowledge
- Unlock statistics
- Improve transparency
- Change culture
- Increase numeracy
- improve democracy

Information about societal progress

In conclusion, the Project aims to:

- **Change culture**, helping citizens and policy makers to pay attention to all dimensions of progress
- **Develop new statistics** in emerging domains
- **Improve citizens' numeracy**, strengthening people's capacity of understanding the reality in which they live
- **Improve citizens' knowledge**, becoming more aware of risks and challenges of today world
- **Improve national policy making**, through a better measurement of policy and societal outcomes
- **Improve international policy making**, through the a world progress monitoring system, covering all countries
- **Improve statistical capacity** in each and every country
- **Strengthen democracy** respecting historical and cultural differences
- **Foster a global and open conversation** about the state and the progress of the world

IMPROVE WELLBEING