

3

The Global Project on Measuring the Progress of Societies:

A global movement for a global challenge

Jon Hall

Abstract

The Global Project on Measuring the Progress of Societies is an OECD hosted project that involves several international agencies working together to promote a deeper and broader assessment and understanding of progress in societies around the world. This paper describes the project's origins and plans for the future.

Introduction

Is life getting better? Are our societies making progress? Indeed, what does “progress” mean to the world’s citizens? There can be few questions of greater importance in today’s rapidly changing world. And yet how many of us have the evidence to answer these questions? For the greater part of the twentieth century, economic indicators - such as gross domestic product (GDP), gross national product (GNP) or the economic growth rate - came to be used as a proxy measure of a nation’s overall well-being. However, citizens are increasingly concerned with their quality of life.

In recent years, a consensus has emerged around the need to develop a more comprehensive view of societal progress, taking into account social, environmental and economic concerns, rather than focusing mainly on economic indicators. Such sets of progress measures can help governments focus in a more joined up way on what really matters: they can foster a more informed debate on where a society actually is, where it wants to head, and

- crucially - the choices it needs to make if it is to get there. By measuring progress we can foster progress.

The Istanbul Declaration, signed in July 2007 by the United Nations, the OECD, the World Bank and several other organisations, calls statistical offices to work alongside other stakeholders to take this agenda forward. A lot of work is already being done on the measurement of emerging phenomena, but the issue is not uniquely statistical: engaging societies in measuring and fostering progress touches upon several other dimensions, such as governance, communication, etc. The Global Project on “Measuring the Progress of Societies”, hosted by the OECD and carried out as “network of networks” among several international organisations and other institutions, seeks to become the worldwide reference point for those who wish to understand and measure the progress of their societies.

This paper briefly highlights why the measurement of societal progress is important, what the Global Project is planning to do and how it could be beneficial for the statistical work in the Asian and Pacific Region and the rest of the world.

Why is the measurement of societal progress important?

Information and democracy

Information plays a vital role in economic and political processes. The increase in available information, coupled with advancements in information and communication technologies (ICT), has changed the ways in which markets and societies work. However, the ideal of a “fully informed decision maker” is far from the case: although citizens are constantly bombarded by information, this information is not necessarily translated into knowledge. In fact, often people are unable to fully understand ongoing debates about public policies and feel threatened by the complexity of global issues and the polarity of ‘evidence’ used by those on different sides of the debate (climate change, migration, economic

globalisation, etc.). Yet, a healthy political process needs a citizenry with access to accurate information about the results of past policies (i.e. economic and social outcomes) or the expected results of the policies foreseen. This is a key issue for democracy. The better an electorate is able to hold its policy makers accountable through evidence of their performance, the greater the incentive for policy makers to make better policy. By encouraging transparent and rigorous methodology in all domains which affect the well-being of a society, commonly-agreed measurements of societal progress can encourage a culture of evidence-based decision-making and strengthen the link between statistics, knowledge and policy.

Statistical evidence plays a fundamental role in this respect, but to be influential statistics must be relevant, i.e. must be able to describe what societies and people really pay attention to. And it is quite evident that statisticians need to continuously make their measurement frameworks evolving over time, benefitting of the contribution of researchers. But today a lot of a data are also produced by non-official sources, often competing with the official ones. This multiplicity of sources and data may produce a “statistical cacophony” that does not help decision makers or may lead to intentional misuse of statistics by politicians and other lobbying groups. This challenge needs to be addressed looking at both technical and governance issues: if national statistical offices want to increase their role in the “information age” they have to be perceived as innovative and relevant institutions, investing not only on methodological aspects, but also on communications, literacy of users, etc. Providing a comprehensive statistical picture of the progress of a society may represent a fundamental tool to achieve a higher profile in today’s world.

In the last ten years, there has been an explosion of interest in producing measures of societal progress. Initiatives to develop sets of progress indicators are being run around the world, in rich and poor countries, at local, national and regional level, and by

many different types of organisation including governmental agencies, non-profit foundations, academic institutions, and community groups. More recently, the French President Nicolas Sarkozy has established in 2008 the “Commission on measuring economic performance and social progress”, chaired by Joseph Stiglitz and participated by four Nobel Laureates and several world experts. The World Economic Forum has established the Global Council on “Benchmarking progress in societies”, which is chaired by the OECD’s Chief Statistician. A number of national initiatives have also been launched to engage whole societies in the measurement of their progress using key statistical indicators. Hundreds of initiatives are assessing the progress of local communities.

In presenting his initiative, President Sarkozy underlined how for a long time there have been increasing concerns about the adequacy of current measures of economic performance, in particular those based on Gross Domestic Product (GDP) figures. Moreover, there are even broader concerns about the relevance of these figures as measures of societal well-being. The inadequacies of these figures from the perspective of sustainability - economic, environmental, and social sustainability - has been of particular concern: “The issue is extremely relevant for the future of our societies: the huge distance between standard measures of important socio economic variables (like growth, inflation, inequalities, etc.) and widespread perceptions are strongly affecting public opinions and can decide the future of a government. The gap is so large and so universal that it cannot be explained by reference to money illusion and/or to psychological characteristics of human nature. The issue here is both analytical and political, and current statistical systems, which may have served us well in a not too distant past, are in need of serious revisions.

Different approaches

Many approaches are possible to measure societal progress, but they generally fall into three broad types: the extension of the basic national accounts schemes to cover social and environmental dimensions; the use of a wide range of indicators referring to economic, social and environmental dimensions (the use of composite indicators to summarise them in a single number is also possible); and the use of “subjective” measures of well-being, life-satisfaction or happiness. Each approach has some strengths and weaknesses, but the most promising (and feasible in the medium term) approach seems the second one – the use of indicator sets – with two important qualifications:

- first, the integration of objective and subjective indicators is now considered more positively than some years ago, as the latter have demonstrated to provide important and additional information to evaluate several dimensions of well-being (health, relational goods, etc.);
- second, the selection of key indicators is a political process and needs to be carried out in a democratic way, i.e. with the involvement of all components of the society (government, opposition, trade unions, business associations, civil society, etc.), to provide a “bipartisan” legitimacy to the indicators set, a necessary condition to have it trusted by citizens and recognised as shared knowledge.

The Istanbul Declaration

In recognition of the emergence of this world movement, the OECD, in collaboration with other international organisations, ran the 2nd World Forum in Istanbul in June 2007 taking as its theme: “Measuring and Fostering the Progress of Societies”. Some 1200 people, from over 130 countries attended. Presidents and ministers mixed with senior statisticians and civil society leaders and captains of industry met the heads of charitable foundations and

leading academics. They all shared a common interest in wanting to develop better measures of how the world is progressing.

The conference led to the Istanbul Declaration, signed by the European Commission, the Organisation of the Islamic Countries, the OECD, the United Nations, the United Nations Development Programme, UNICEF, UNESCO, the United Nations Fund for Partnership, the World Bank, and several other organisations. It calls for action to identify what “progress” means in the 21st century and to stimulate international debate, based on solid statistical data and indicators, on both global issues of societal progress and how societies compare. In particular, the Declaration calls for actions 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.

The World Forum participants shared the view that the world needs leadership in this area. With this in mind the OECD, in collaboration with various international organisations and other

leading experts in this domain, decided to work towards the establishment of a Global Project on Measuring Progress to provide guidance and to encourage discussion at an international level on these key issues.

The global project on measuring the progress of societies

Goals and activities

The Project mission statement says that “the project is open to all sectors of society” and the Istanbul Declaration urges “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 initiative aims to assist societies to measure their progress, by assisting with:

- **What to measure?** To measure progress one needs to know what it looks like. Progress undoubtedly means different things to different societies, and we will encourage and assist societies to have a dialogue about what progress means to them. The Project is developing guidelines on how to organise initiatives to measure level at national and local levels.
- **How to measure?** Working with experts from around the world the Project will develop a better understanding of how progress can be measured – especially in emerging and complex areas not yet covered by statistical standards. There is consensus that these areas (such as safety, human rights, different aspects of quality of life, etc.) are important but much less consensus about how progress in them should be understood and assessed. Developing an accurate and representative set of progress measures for a society can be challenging, especially for developing countries. The Project will prepare a handbook and deliver training courses and

other support for those who need it. If information on progress is to be used, it must be trusted and seen as accurate and objective: therefore, the Project will develop quality principles for a set of progress measures and will use them to judge whether or not to accredit a set of measures that wants to be associated with the Project.

- **Ensuring that the measures are used.** When good statistics exist they too often go unnoticed or misunderstood by a broad audience. New ICT tools have the potential to bring dramatic improvements: the Project will foster the development of new tools and approaches to help decision makers and citizens develop a better knowledge of their society using statistical information.

The Global Project is a collaborative initiative, which aims to take a “network of networks” structure, providing a space for learning and exchange for all groups and individuals around the world interested in the measurement of societal progress. The main partners in the Global Project are the OECD, the World Bank, the United Nations Development Programme, UNICEF, the Inter-American Development Bank, the African Development Bank, the UN Economic Commission for West Asia, the International Association of Auditor Generals, the European Commission and the Council of Europe. Several research institutes, non-governmental organizations, and statistical offices from both developing and developed countries are also associated to the Global Project. The explosion of activity in this area around the world, and advancements in communications technologies, provide a significant opportunity to bring this vast wealth of experience together into a more coherent and structured network, and so provide a more solid answer to the question that more and more societies (and individuals) are asking: where are we heading?

The activities of the Global Project will be based around four separate pillars:

- statistical research;
- development of ICT tools to help in transforming statistics into knowledge;
- advocacy and institutional building; and
- development of a global infrastructure about progress.

Several outputs and activities are foreseen over the next biennium. They include the publication of handbooks on Measuring Progress at national and local levels; various training materials and courses; reports on how to measure relevant dimensions of societal progress and the development of “Wiki-Progress”, a global online platform to help everyone around the world understand and debate if the world itself or a particular region is making progress by means of statistical indicators.

The Global Project has gathered momentum since the second World Forum in Istanbul and is currently advising some national initiatives carried out by other institutions (in Australia, Hungary, Canada, Morocco, etc.).

What the global project is not

Some common misconceptions have been connected to the Global Project, and it is important to correct some of these ideas. The Global Project:

- Does not aim to develop a common set of progress measures for the entire world, rather it aims to foster discussion within each society about the meaning of progress.
- Does not aim to replace the vital statistical work which has been carried out in association with the Millennium Development Goals (MDG) and other existing strategies.

MDG indicators are proving to be a useful tool for tracking progress towards the development objectives set out in the MDG strategy. The efforts of the Global project to encourage discussion in the developing and developed world on what progress means is intended to complement existing statistical projects, rather than replace them.

- Is not purely about measuring happiness. Societal well-being and change are highly complex phenomena which will never fully be encaptured by any number or set of numbers, however sophisticated. The philosophy of the Global Project is to examine the value of new approaches which go beyond traditional, narrowly economic views of development in order to inform as rich and technically sound a measurement of progress as possible. This entails taking an interdisciplinary approach. Work on happiness in the economic and psychology literature is only one part of this. Other important areas of indicator development include: sustainable development, quality of life, social cohesion, multi-dimensional poverty, public health, social capital, citizen engagement, trust and many other topics.
- Is not excluding statistical offices: on the contrary, the Project aims to support them to better carry out their duties benefitting of research carried out all over the world, using innovative dissemination and communication tools, improving their human capital thanks to training courses, and advocating for higher investments in statistical capacity building, in close co-operation with PARIS21. Indeed, several statistical offices, both from developing and developed countries, strongly supported the Global Project's work since its beginning. The OECD Council established the Global Project following advice provided by the OECD Committee on Statistics, which has nominated three ex-officio members of the Project Board as technical advisors. The Korean national statistical office (KNSO) is the OECD partner in the organisation of the third World Forum in October 2009, while

the Indian statistical office will be the partner for the organisation of the fourth World Forum, in 2012.

Measuring progress in the Asian and Pacific region: opportunities for co-operation

Asia and the Pacific as drivers of the global movement

The world's future will be determined to a significant extent by what happens in the growing countries of Asia and the Pacific: the sheer scale of population and economic growth will guarantee that the path of the world's progress will be heavily influenced by developments in this region.

Many countries in the Asia and Pacific region are already playing a crucial role in the emerging global movement of 'measuring progress' initiatives. For example, the concept of Gross National Happiness (GNH) was first articulated by the Bhutanese king Jigme Singye Wangchuck in the 1970s. The idea of GNH puts the well-being of individuals at the top of the national development agenda¹. Although GNH was developed in the specific historical and spiritual context of Bhutan, it has nevertheless struck a chord worldwide. In collaboration with research and policy institutes around the world, the Centre for Bhutan Studies is currently promoting the idea of Gross National Happiness (GNH).

Another influential initiative in the region has been the Australian Bureau of Statistics' publication *Measuring Australia's Progress*.

¹ Dasho Meghraj Gurung puts the Bhutanese philosophy succinctly: "The ideology of GNH connects Bhutan's development goals with the pursuit of happiness. This means that the ideology reflects Bhutan's vision on the purpose of human life, a vision that puts the individual's self-cultivation at the center of the nation's developmental goals, a primary priority for Bhutanese society as a whole as well as for the individual concerned."

This statistical report (now called Measures of Australia's Progress in its most recent edition), considers some of the key aspects of progress side by side and discusses how they are linked with one another. It does not purport to measure every aspect of progress that is important, but it does provide a national summary of many of the most important areas of progress, presenting them in a way which can be quickly understood by all Australians. It informs and stimulates public debate and encourages all Australians to assess the bigger picture when contemplating progress. The Australian experience strongly influenced the whole design of the Global Project, but also stimulated other statistical offices to undertake similar work (Ireland, Italy, etc.).

Towards the 3rd World Forum: A regional conference for Asia and Pacific

The 3rd World Forum on "Statistics, Knowledge and Policy" will be held in Busan, South Korea on 27-30 October 2009. The Forum will attract some 1 500 high level participants with a mixture of politicians and policy makers, opinion leaders, Nobel laureates, statisticians, academics, journalists and representatives of civil society, from over 130 countries. The 3rd Forum, organised by the OECD, the Korean national statistical office and the Government of Korea, builds on the outcomes of the previous World Forums and the Istanbul Declaration.

In the run-up to the Korean Forum, regional and thematic events will be organised around the world. In particular, an important conference will be held at Kyoto University, Japan on March 23rd and 24th 2009. The Kyoto conference will bring together international organisations, universities, businesses and foundations from the region to discuss the benefits of developing broader, shared visions of progress for Asian and Pacific societies - visions developed from the bottom up. It will also discuss the importance of turning statistical measures of progress into societal knowledge, as well as the latest thinking on how to achieve these aims, including how institutions can help to better measure and

communicate shared indicators of societal progress. The conference will also analyse how better measures can lead to better policies to address issues of concern to the Asian and Pacific societies including: Globalisation and Human Resource Development, Energy Security and Poverty concerns, Security and Democracy, Vulnerability to Natural Disaster, Human Health and Medical Services/Technologies.

Istanbul Declaration

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.

Istanbul, 30 June 2007

Signed during the II OECD World Forum on "Statistics, Knowledge and Policy"

