The OECD Global Project on “Measuring the Progress of Societies”

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Executive summary

Around the world, societies are increasingly concerned with their quality of life. A consensus is growing around the need to develop a more comprehensive view of progress – one that takes into account social, environmental and economic concerns - rather than focussing mainly on economic indicators like GDP.

The Project aims to be the catalyst of a global conversation about what progress means and to tackle one of the most important issues of our time: how to improve the nexus between evidence, decision making and public discourse. The Project is not about statistics per se, it is about improving the functioning of democratic dialogue in the information age, through the empowerment of individual citizens and the reduction of information asymmetries. Organized by the OECD and other institutions, the Project is open to all sectors of society, building both on best practices and innovative research going on in statistical, academic and policy related institutions. The Project’s governance structure allows the involvement, as partners, of other international organizations and national public and private institutions (including foundations).

The Project will achieve its mission with three key goals: fostering a global conversation about what progress actually means; galvanising people and institutions to actions aimed at measuring progress; and improving the effectiveness of indicator work and their use for decision making. To achieve its goals, the Global Project will carry out activities in four areas: statistical research; development of new ICT tools to help users transform statistics into knowledge, advocacy; and institution building.

The project also aims to make a key contribution to the international discussion in the run up to 2015 when the set of existing Millennium Development Goals and Indicators will be reviewed.

Key deliverables of the Project over the period 2007-2012 include:

- A handbook on how to measure progress in practice, starting from a solid theoretical/statistical framework and taking into account cultural, institutional and technical issues;
- Recommendations on how to measure various dimensions of societal progress;
- A knowledge base containing recommendations on how to develop indicators on various domains;
- Innovative ICT tools to present progress indicators to increase society’s knowledge about economic, social and environmental phenomena and underpin public discourse on these issues from a global perspective;
- Technical and organizational assistance for those wishing to measure progress;
- A global network of institutions whose aim is to measure national/regional/local progress;
- A global website where:
  - Data on world progress indicators, as well as those developed in each country, would be easily available and freely accessible to citizens all over the world;
  - Users could interact with indicators using attractive graphical interfaces, launch global conversations based on solid and comparable statistical information, etc.
- World and regional events, (world events to be organised every two-three years), to foster policy discussions on societal progress based on solid statistics and convergence towards world progress indicators.

Mission Statement: The Global Project on Measuring the Progress of Societies exists 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.
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Democracy and the “information age”: opportunities and risks

Information plays a vital role in economic and political processes. This information, coupled with the advancements in Information and Communication Technologies (ICT) has changed the ways in which markets and societies work. The Internet and other media, as well as the initiatives aimed at building information repositories through the collaboration of individuals, such as wikis and blogs, make more information available to more people than ever before. Therefore the ideal of a “fully informed decision maker” could indeed become a reality. Unfortunately, this is still far from the case and although citizens are constantly bombarded by information, this information is not necessarily translated into knowledge.

On the contrary, more and more people feel overwhelmed and confused by the information available. They are unable to fully comprehend ongoing debates about public policies and feel threatened by the complexity of global issues and polarity of “evidence” used by those on different sides of the debate (climate change, migration, economic globalisation, etc.). The development of Internet has come with problems: dissemination of false information, manipulation of public opinion through propaganda, and confusion about what is accurate and what is poorly measured are all too common. Gathering information has never been easier, but selecting the “right” information and turning it into knowledge has become harder than ever.

High quality statistical data is generally recognised as a “public good” and the lifeblood of democracy. But disinformation spreads rapidly. Data based on shaky methodology can be quoted in public debate as “fact” and correct information can be misinterpreted (so called “mutant statistics”). In countries in which surveys have been undertaken, it is clear that a large percentage of the population does not know the key economic and social facts that underpin their country. It is therefore not surprising that ideology is often used as shortcut to make decisions, including voting.

At the same time, societies are increasingly concerned with their quality of life. A consensus is growing around the need to develop a more comprehensive view of progress – one that takes into account social, environmental and economic concerns - rather than focussing mainly on economic indicators like GDP, which, while an important measure of economic activity, was not developed to be the sole measure of a nation’s progress. There is also a broad recognition that the development of cross-cutting, high quality, shared, accessible information about how a society is doing is crucial to ensure that decision-making is simultaneously responsive and responsible at all levels (policy makers, businesses, citizens, etc.).

This is a key issue for democracy. The better an electorate is able to hold its policy makers accountable through evidence of performance, the greater incentive for policy makers to make better policy. And smart indicators of progress could help society achieve more relevant goals with fewer resources.

In conclusion, without a shared understanding of reality, fruitful democratic debate is almost impossible.

The “Statistics, Knowledge and Policy” chain

Citizens, as well as politicians, need data on which to base their decisions. Every day, millions of individual and collective decisions are taken on the basis of statistics. But poor statistics lead to poor decisions. While there is broad consensus on the need for high-quality statistics among policy makers and the business community, much less importance is given to the data needed by citizens to make their individual decisions. This is becoming even more important. People today are asked to make decisions that
Economic and political theory affirms the importance that information plays in increasing social welfare. But, information alone is not enough. It needs to be turned into knowledge and thence concrete behaviour. It is knowledge that will improve the functioning of our economies, societies and democracies.

For information to become knowledge one must process, distil, digest and internalise available information and so transform it into an idea or principle that can be used to take decisions. Our societies and economies are often defined as “knowledge based”. Of course, information is a prerequisite for knowledge. But today we are “bombarded” by information and it is difficult to focus our attention on the information we really need. Gathering information is easy. Selecting the “right” information and turning it into knowledge is more difficult and surveys have found that ideology is too often used as a short cut in decision making.

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. There are various ways to measure economic and social outcomes and it is quite common that the various parties participating in elections make reference to different data to get their point across. But what if all parties agreed on a “shared information set” i.e. a set of indicators referring to the overall progress of a nation/society that could be used by all parties involved in a policy debate? What if discussion moved from disagreeing over the facts about what has been achieved in a politician’s last term of office to a facts-based discussion on the whether and how a nation was progressing and what needed to change. To say that this could change the political game is an understatement.

But what should the shared information set contain, how should it be defined and by whom? These are some of the questions that the Global Project will address.

**Beyond GDP: towards a shared measure of societal progress**

The most commonly used indicator of economic performance is growth in Gross Domestic Product (GDP), measured in both absolute and per-capita terms. But GDP is not the sole - or many would argue a good - measure of national progress. If it were known that the GDP growth over several years came through damage to the environment, large increases in social inequalities or reduction in a nation’s wealth, citizens might choose to vote against a government responsible for these outcomes, rather than re-elect them.

Organisations all over the globe are developing measures of a society’s progress (or sustainability, wellbeing or quality of life – all terms closely linked to progress). Work is being done at the sub-national, national, and international levels, undertaken by the public and private sectors, civil society as well as academia and the media, sometimes in collaboration, both in developed and in developing countries. Some of these measures are based on solid statistical evidence, others just on weak data or methodologies. Globalisation is making the measurement and assessment of a country’s overall progress an issue requiring statistical and analytical approaches that go beyond national borders.

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1 Some experts see this increasing complexity in our daily lives as a key factor influencing wellbeing (see for instance the Australian Treasury’s framework for Wellbeing). This consideration pushed the OECD to launch a project on financial literacy, recently endorsed and supported by the 2006 G8 summit. The OECD is also working to assess the contributions brain science can make to shaping education policy.
Many approaches are possible 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.

At the international level the Millennium Declaration approved in 2000 by the General Assembly of the United Nations (UN) paved the way to the monitoring of the Millennium Development Goals (MDGs) through a selected set of indicators. After the initial enthusiasm, this process has shown some weaknesses: for example, for several countries data used to calculate indicators are not derived from national statistics, but are being estimated by international organisations; emerging countries aim to compare themselves with the richer countries, rendering the MDGs less relevant for them; and many countries do not use MDGs for national policy purposes. At the same time, international meetings and international organisations have developed a plethora of indicators for almost all dimensions of socio-economic concern, resulting in a proliferation of publications and databases, sometime providing different figures for the same phenomena. This has created a considerable burden and distraction to those responsible for data collecting in some of the world’s poorest countries.

International and national Non-Governmental Organisations (NGOs) have developed their own indicator systems to monitor economic, social and environmental trends, and to ensure the concrete implementation of commitments made by national governments in international summits. In several countries, civil society is increasingly taking the lead in calling for – and even building – sets of progress measures, while governments are seeking new ways to collaborate with civil society to gain legitimacy for their role.

Why did the OECD launch this project?

The OECD is very well placed to lead the development of a new approach to measure societal progress. The organization has a rich history in developing international statistical concepts and standards about new and complicated areas of life (GDP and the overall system of national accounts in the ‘60s, social indicators in the ‘70s, education outcome measures in the ‘90s, etc.). And it has a wealth of expertise in practically every key area of progress – economic, social and environmental – that one might wish to measure, with hundreds of statisticians and analysts working in the Secretariat and thousands of national experts attending OECD committees on sectoral issues. Moreover, the World Forum team has considerable individual experience in this kind of work. Enrico Giovannini, the OECD’s chief statistician, has published extensively on this topic and was the driving force behind the “Statistics, Knowledge and Policy” World Forum and the overall Project. And Jon Hall, the OECD’s project manager, led one of the first national measuring progress projects undertaken anywhere (Measuring Australia’s Progress).

The whole organization is engaged in the Project. As Angel Gurria, the OECD’s Secretary General indicated in his speech at the 2006 OECD Ministerial meeting about key challenges for the organization: “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 organizations 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 democracy”.

In some countries official statistics produced by national statistical agencies are challenged and suffer from the declining trust in governmental organisations.
The OECD Global Project on “Measuring the Progress of Societies”: objectives and deliverables

The OECD Global Project on “Measuring the Progress of Societies” builds on the first OECD World Forum on “Statistics, Knowledge and Policy”, held in Palermo (Italy) in November 2004 and attended by 540 participants from 43 countries. Since then, a good deal of work has been done both on the research side. The second World Forum in Istanbul (Turkey), on 27-30 June 2007, was a milestone. Some 1200 participants from around 130 countries met to discuss measuring and fostering the progress of societies. Some speakers included Joaquín Almunia (European Commissioner for Economic and Monetary Affairs); Francois Bourguignon (Chief Economist, World Bank); Paul Brest (President, William & Flora Hewlett Foundation); Margaret Chan (Director General, World Health Organization); Kemal Derviş (UNDP Administrator); Harvey Fineberg (President of the Institute of Medicine, USA); Mamphela Ramphele (Co-chair, Global Commission on International Migration); Recep Tayyip Erdoğan (Prime Minister, Turkey); Jóhannes Guðni Jóhannesson (President of Iceland); Angel Gurría (Secretary-General, OECD); Alan Krueger (Economics Professor, Princeton University); Lord Richard Layard (Professor, London School of Economics); Francisco Santos Calderón (Vice President of Colombia); David M. Walker (Comptroller General, USA); and Matthew Winkler (Editor in chief of Bloomberg).

At the conference the OECD, the European Commission, the Organisation of the Islamic Conference, the United Nations, the United Nations Development Program and World Bank all put their names to an Istanbul declaration (see box). Statements of support during the Conference for the declaration came from every continent and others are now signing up to it.

The conference, and the regional events leading up to it, signalled to the OECD the importance of this work and the global interest in it (both geographically and among the public, private and civil sector, academia and the media). Initiatives to measure progress at international, national and local levels are proliferating all over the world and there is a concrete demand for the organisation to pursue a global project to bring this work together.
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
Those who have launched initiatives in this field are eager to share their experiences and know how with those working in other countries and regions. With its strong reputation, the OECD is seen in developed and less developed countries, as an authoritative institution in the field of statistics and policy recommendations. Data collection, harmonization and measurement are OECD core business, with the organization an acknowledged world leader especially in developing statistical methodologies to measure economic, social and environmental phenomena and using evidence to identify best policy practices. Indeed pioneering work in the area of statistics is perceived to be one of the OECD’s greatest strengths.

However, the OECD has some intrinsic limitations (its “developed member” country status perhaps the most significant, although the organization works with more than 70 countries from all continents). For its long-term success the Project has to involve other key international institutions, as well as international networks of civil society organisations, international academic networks, etc. We have been quite successful to date, but more can be done.

Achieving the Project’s Mission
The Project will achieve its mission through advocating the importance of this work, improving the state of the art on the measurement and dissemination of progress measures and assisting countries to undertake their own measuring progress projects. There are four key goals.

- **Foster a global conversation about what progress actually means.** In order to measure and achieve progress, people need to know what “progress” looks like. There can be no single answer, but by bringing together different communities, cultures and interest groups, the Project will debate and recognise differing views and find common ground. Such a discussion will benefit anyone seeking to measure progress at the sub-national or national level, but it will be important at the global level too.

- **Galvanise people and institutions to action.** By bringing together an engaged global community of practice the project will facilitate the collaboration of diverse groups and the sharing of success stories about the development and use of progress indicators, thereby fostering the development of evidence-based public choice and a facts-based civic dialogue, improving the democratic functioning of modern societies.

- **Improve the effectiveness of indicator work and their use for policy making.** By sharing best practices among those working on indicator initiatives, and strengthening international comparisons, the project will improve the ways in which indicator sets are developed, disseminated and, most importantly, used. In addition to a technical discussion about indicators, an important element of the project will be to foster the debate on the ways in which policies can be improved through the use of indicators.

- **Make a key contribution to the international discussion in the run-up to 2015 when the set of existing MDGs and indicators (mainly designed for developing countries) could be enhanced by a wider concept of World Progress measures covering developing, emerging and developed countries.** The Project will integrate the current top down approach to the development of international indicators with a **bottom up effort**, to take into account cultural, social and economic differences around the world.

To achieve its goal, the Global Project will carry out activities in the following areas:

**Carry out statistical research on the measurement of societal progress in all its dimensions**
The international statistical system is extremely active in the development of methodological recommendations on how to measure particular phenomena, but it has not created any focal point to address the issue of measuring progress. Therefore, building on the work done by the OECD and other international and national organisations in specific subject matter domains, the Global Project will become the worldwide focal point on the measurement of societal progress. It will establish an international
network of initiatives carried out by statistical offices, research institutes, NGOs, international organisations, etc. concerning the measurement of progress (wellbeing, quality of life, etc.).

**Design, develop and promote the use of innovative ICT tools to facilitate the transformation of statistics into knowledge**

Several software houses and large ICT companies are developing new tools to manage and disseminate statistics (especially indicators) to both specialised users and the public. Statistical offices and other research institutes are improving their dissemination and communication. And there are initiatives aimed at measuring societal progress through indicators that have developed innovative solutions to present statistical evidence, for example, linking quantifiable policy goals and targets to actual measures of policy outcomes. Indeed, some Internet experts envisage the possibility that in the near future politicians will be assessed by individual citizens using tools able to link electoral promises (plans) and results (much like television rating systems). Finally, civil society organisations have developed interesting tools (videos, web sites, blogs, etc.) to advocate their activities; to statistically monitor the implementation of official commitments by policy authorities; and to foster fact-based democratic dialogue among citizens starting from statistical measures of societal progress.

**Establish a global network to foster the measurement of progress in every country**

Develop a global infrastructure to facilitate the assessment of societal progress at national and global levels to bring about evidence-based policy discussions and decision-making. The existing experiences of policy processes based on indicator systems clearly demonstrate the importance of building trust among all the participants, especially around the choice of indicators used to monitor policy outcomes. As “public choice” models indicate, the process works only if the information is trusted by and shared among all participants. Of course, institutional arrangements, historical background, technical, legal and organisational capabilities and constraints are extremely important to building successful initiatives. The Global Project aims to help each and every country in the world build its national initiative to measure progress.
Development of a global infrastructure to facilitate the assessment of societal progress at national and global levels, evidence-based policy discussions and decision-making

Hundreds of initiatives have already been launched around the world to measure progress. They use different methodologies, languages, indicators and institutional solutions. And there is little recognition among them and the public of the existence of a “world movement” in this field. The Global Project will represent the catalyst and the driver of this movement, helping individual initiatives identify best practices and learn from each other’s experiences and helping them not to reinvent the wheel each time a new project begins. But it will also provide an appropriate infrastructure to achieve, on a global scale, the same aims of national or local initiatives, i.e. to provide for the assessment of the world’s progress through statistical indicators.

As for national initiatives, the infrastructure developed at the global level has to be perceived as scientifically strong, statistically sound, politically open to all cultures and sectors of the society and able to foster democratic evidence-based dialogue. In short, it has to be seen as a global tool to serve the world’s citizens.

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**Improving world progress: the expected impact of the Project**

Through its various activities, the Project is expected to have a relevant impact on various areas, both at national and international levels, reducing the distance between developed and developing countries and contributing to the overall improvement of world progress:

- **Foster a global and open conversation about the state of the world**, through the use of advanced technologies and solid statistical data, to increase awareness of global challenges among citizens and identify new ideas to address them;
- **Develop new statistics in unconventional domains**, through an international co-ordinated effort to meet people’s demand to measure progress encompassing economic, social and environmental domains, as well as emerging phenomena.
- **Improve statistical capacity in each and every country**, stimulating a higher demand for sound statistics on the different aspects of societal progress;
- **Improve citizens’ knowledge**, giving them the opportunity to improve their decision making processes and to become more aware of the risks and challenges of today’s world;
- **Improve citizens’ numeracy**, strengthening people’s capacity to understand the reality in which they live through the use of new technologies to better disseminate information about key societal phenomena;
- **Improve national policy making**, through a better measurement of economic, social and environmental outcomes and shared data to advocate necessary reforms and evaluate their impact on societal welfare;
- **Improve international policy making**, through the development of a world progress monitoring system, valid for developed, emerging and developing countries, based on democratic consensus and able to link international and national policies;
- **Change culture**, through a continuous assessment of societal progress not simply based on the economic point of view, but with the right emphasis on social, cultural and environmental dimensions;
- **And so**
- **Strengthen democracy**, through reduction of the information divide between politicians and citizens, we will enhance the democratic debate about the ultimate goals of our societies;
Governance and Next Steps
The Global Project is just beginning and much remains to be decided. Our initial focus (second half of 2007) will be on establishing a governance structure, securing funds and beginning some initial activities.

Governance Structure: we plan to set up a governing board that can guide the project. It will comprise those institutions that are providing financial and in kind support. There will also be a role for key technical advisors.

Regional Working Groups: in the next few months we plan to begin regional working groups who can discuss how to measure progress and share best practice with one another as projects are set up at the local, national or regional level. Plans are already well underway to begin groups for the Arab region, Africa and Latin America and we would like to hold a first scoping meeting for each region in 2007. We hope also to establish groups for South and East Asia, Central Asia and Russia and the Pacific.

Website: we will also spend time setting up a project website that will provide a global focal point for those wishing to measure progress, or to analyse the progress, of their societies.

The Use of Indicators: we plan to undertake collaborative research into developing a better understanding of how indicators shape decision making among policy makers and the public.

If you want to know more, would like to comment or join the global project then please contact the Jon Hall, the project leader in Paris, at jon.hall@oecd.org telephone +33 14524 9507.