The Measuring Progress Agenda:
Equity, Well-being and Development

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What is development?

- Economy
- Society
What is development?

Environment

Society

Economy
What is development?

Environment

Society

Economy
Economy and human development
Key inputs to human development
Better measures for a better knowledge

- Beyond economic production: multiple development factors.
- New observation perspectives.
- New measures.
- New knowledge.
- New questions.
- A broader vision of development - but also a much more complex one.
A growing gap between statistical indicators and popular perception

- In many countries there is a gap between the image of progress conveyed by official indicators and people’s perception of their own living conditions.

- In most countries, economic growth has been accompanied by growing inequalities.

- Economic growth does not necessarily leads by itself to better social outcomes.
Inequalities of income: World
(around 2007: Gini coefficient)
Inequalities of income: OECD countries (1985 - 2005)

Source: Growing Unequal?, OECD 2008
GDP growth and social outcomes

Policies are often based on the assumption that higher GDP translates into better outcomes in other domains. This association does not always hold, e.g. GDP per capita and life expectancy.

Gaps in GDP per capita and life expectancy at birth between the United States and France.
Beyond GDP

GDP is not an appropriate metric of progress because:

- It includes economic activities that can reduce the well-being (e.g., production and consumption of “goods” with negative impact on human health and natural environment).
- It does not include all available resources (in particular the resources of households).
- It excludes several important factors of well-being (health, education, working conditions, equity, time use, social relations, social cohesion, citizenship, etc.).
- It ignores essential factors of sustainability of well-being (e.g., environmental, human and social capital).
The “Measuring Progress Agenda”

The Stiglitz Commission and OECD recommend:

- Extending further the measurements of economic resources, putting more emphasis on the resources of households.

- Developing measurements of well-being and quality of life, as well as of inequalities in the distribution of factors of well-being (equity/inequity).

- Producing information that allows better assessments of the sustainability of growth, and developing indicators of environmental impact of economic activities.

OECD is taking the lead of this measurement agenda.
Well-being: another vision of progress
Objective and subjective measures

We have to produce and analyze objective data on the economic, social and environmental situation, as well as subjective data on:

- perceptions of individuals within the various socio-economic strata;
- their economic, social and public participation;
- their satisfaction and frustrations;
- their values, behaviors and expectations.

Persons, women/men, children/youth/eldery and social groups are at the core of the metrics of well-being.
Wealth and subjective well-being

- NNI per capita (left-axis)
- Subjective well-being (right-axis)
Figure 1.3 - 1

Latin America (2000): illiteracy rate* and average schooling of the indigenous and non-indigenous population

(Percentages and years)
Latin America (1997-2007): indigence* among indigenous or Afro-descendent populations and the rest of the population

(Percentages)
Key inputs to human well-being

Latin America (1997-2007): perceived fairness of income distribution and self-placement on the poor-rich scale

Q: How fair do you think income distribution is in your country?
Q: If, on a scale of 1 to 10, level 1 is for the poorest people and level 10 is for the richest people, where would you place yourself?

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of special tabulations of the 2007 Latinobarómetro survey.
### Latin America, Eastern Europe and Western Europe (2003-2007):
perceptions of tension* between social groups
(Percentages)

Q: Is the tension between rich and poor, between companies and workers, between men and women, and between people of different races very high, high, low or nonexistent?

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<tr>
<th></th>
<th>Latin America</th>
<th>Western Europe</th>
<th>Eastern Europe</th>
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<tbody>
<tr>
<td>Rich/poor</td>
<td>80</td>
<td>27</td>
<td>53</td>
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<tr>
<td>Companies/workers</td>
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<td>Men/women</td>
<td>60</td>
<td>12</td>
<td>12</td>
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<td>Different ethnic groups</td>
<td>39</td>
<td>44</td>
<td>34</td>
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A global process

- **Global Project** on Measuring the Progress of Societies: a network-based initiative hosted by the OECD.
- **The OECD project** on Measuring Well-being and Fostering the Progress of societies.
- **National conferences** on measuring well-being and progress.
2010-2012: critical steps

- Launching of **Initiatives and projects of regional organisations** (UN Economic and Social Commissions, regional development banks. etc.).

- **Regional Conferences** in Latin America and Asia (2011), Arab world and Africa (2012), aimed at defining priorities, formulating plans of action and launching concrete work.

- **Strong commitment of National Statistical Offices.**

- **Leading role and pioneering work of pilot countries.**

- **National and regional concrete inputs** to the agenda of the **4th World Forum** (New Delhi, October 2012).
Towards a virtuous circle:

- Improved Measures
- Indicators
- Comparative assessment
- Policy Awareness
- Detailed Policy Measures
- Improved Outcomes
Conclusion:

Better measurements to inform better policies for a better life.

Warm thanks for your kind attention.