

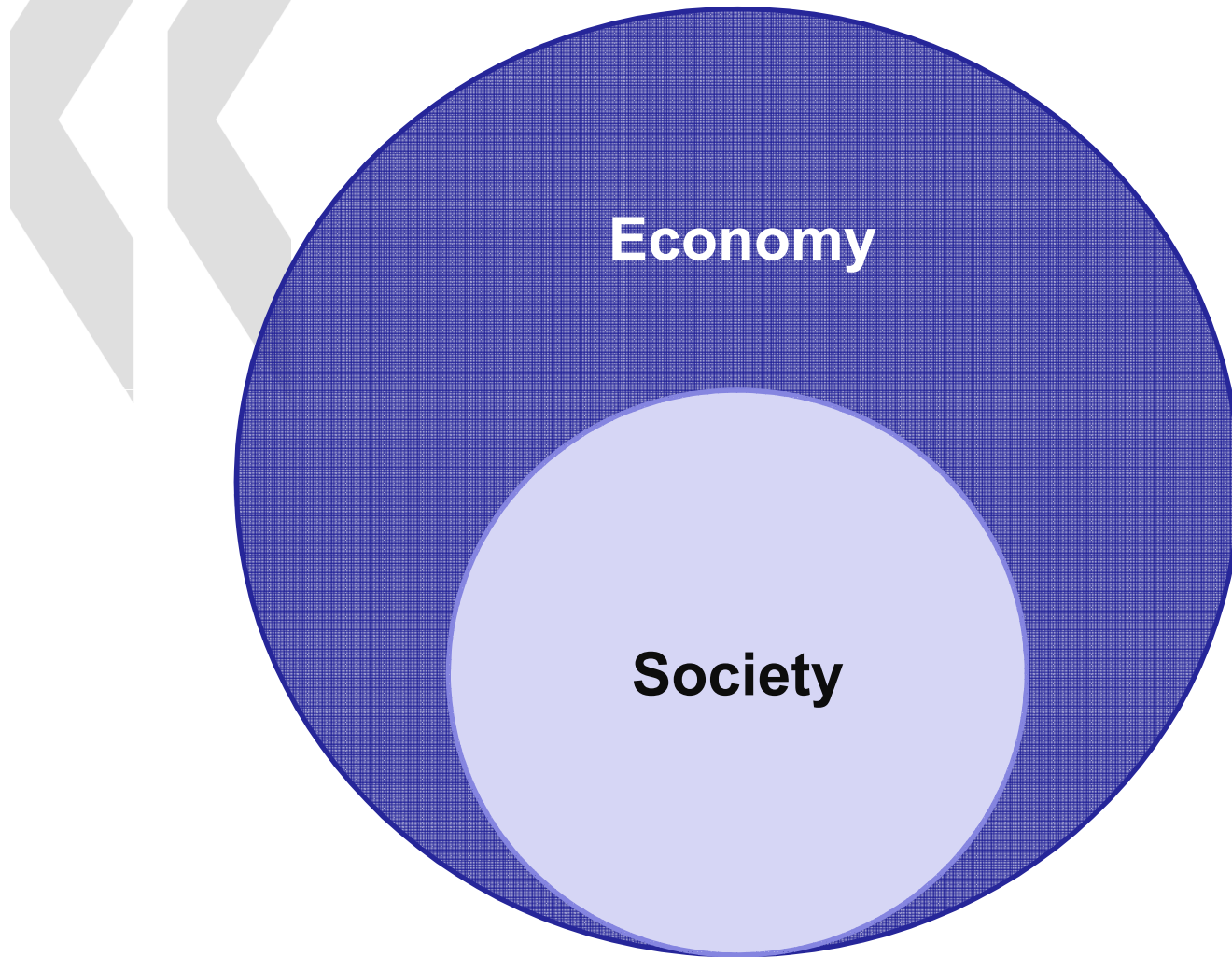


Measuring Well-Being and Fostering the Progress of Societies

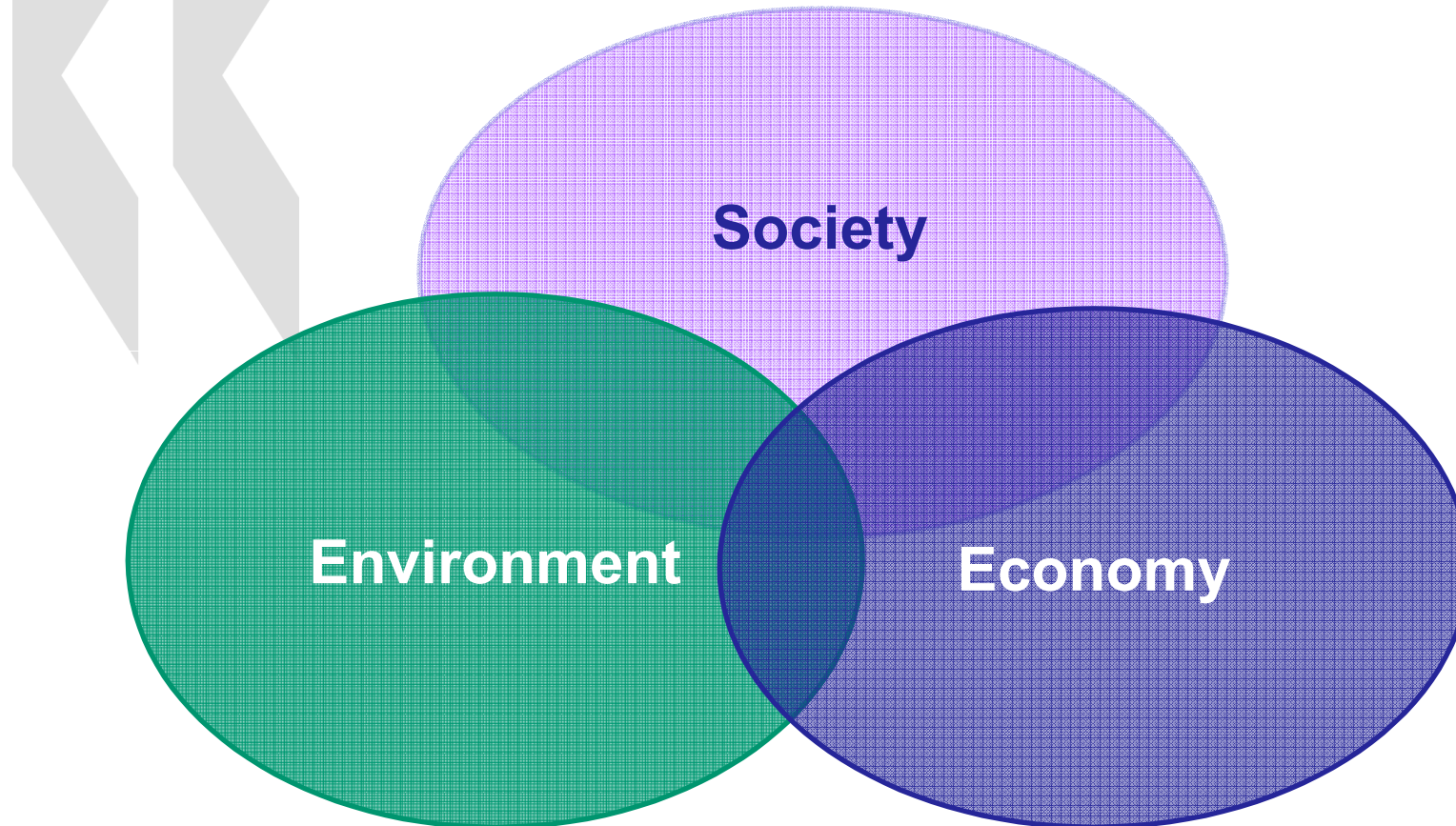
Raul Suarez de Miguel, OECD

*FRUSAM Conference “Perspectives on Growth and Health”
Stockholm, 7-8 December 2010*

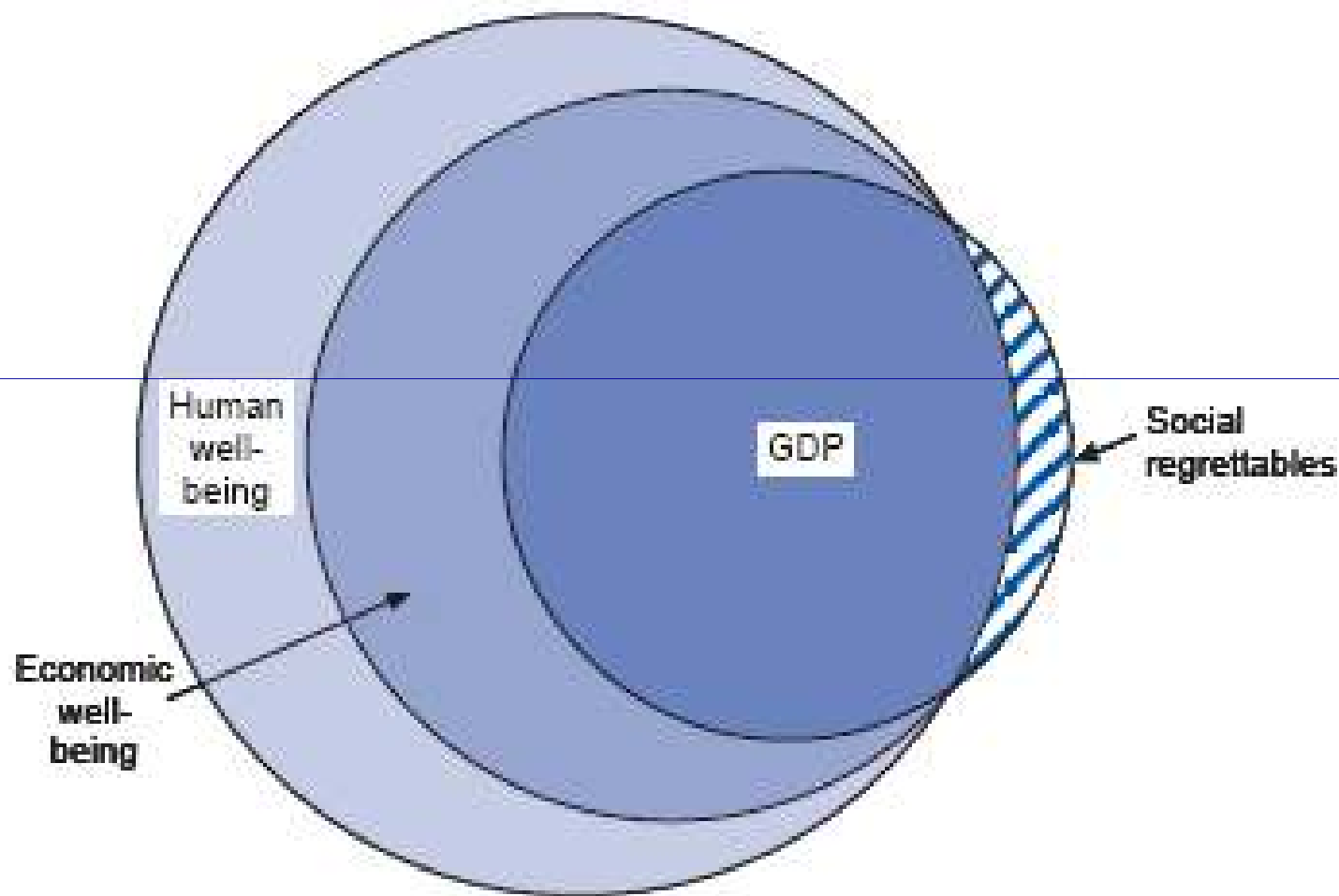
From focus on economic growth...



...to a multidimensional approach



Exploring human and social capital



Better measures for a better knowledge

- **Beyond economic production: multiple dimensions of progress**
- **New observation perspectives.**
- **New measures.**
- **New knowledge – but also new questions.**
- **A broader vision of progress - but also a much more complex one.**

OECD World Forums on Statistics, Knowledge and Policy

- Palermo, 2004
- Istanbul, 2007
- Busan, 2009
- New Delhi, 2012
- An international consensus: the *Istanbul Declaration on Measuring and Fostering the Progress of Societies*, 2007

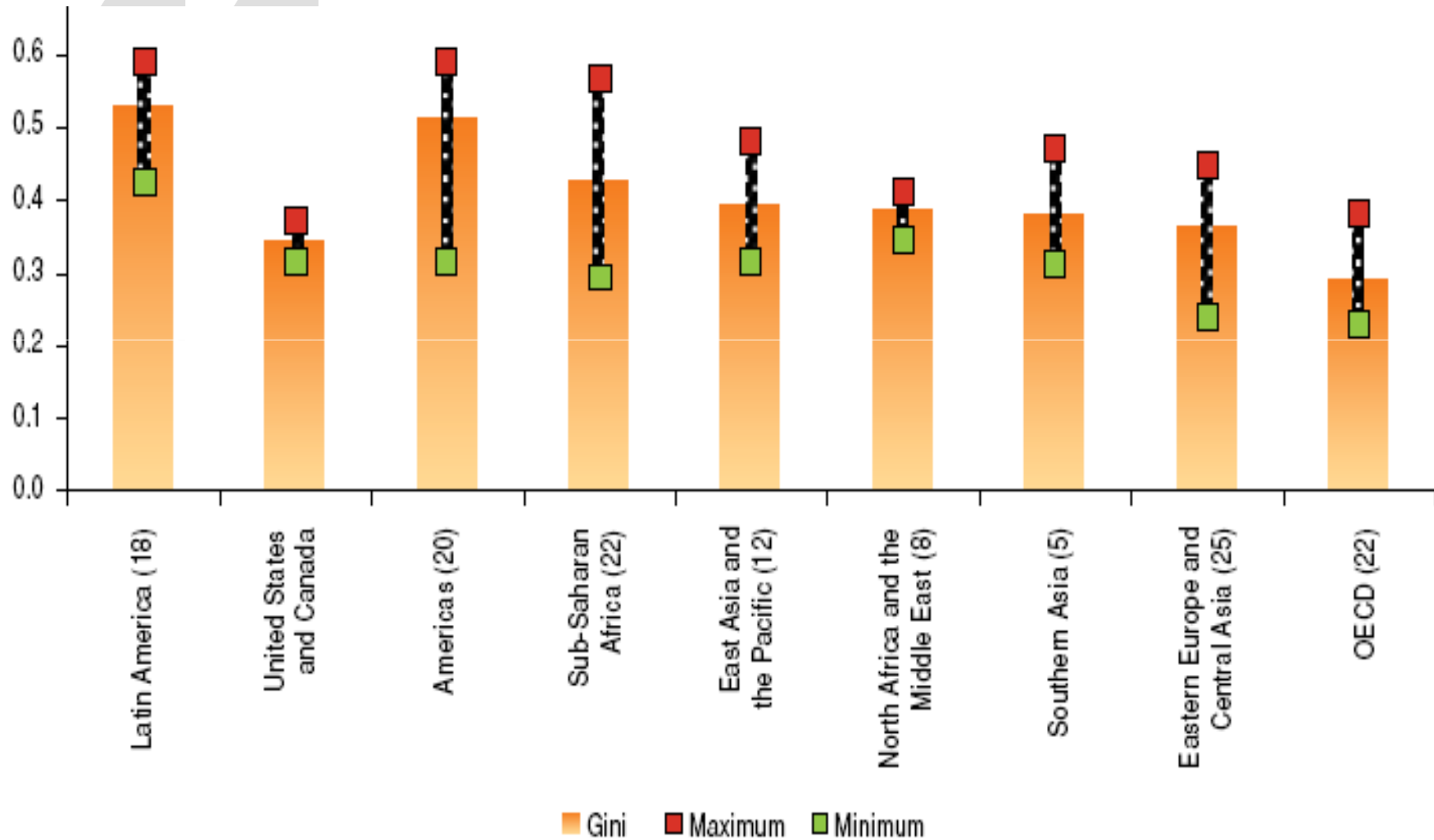


Three main concerns

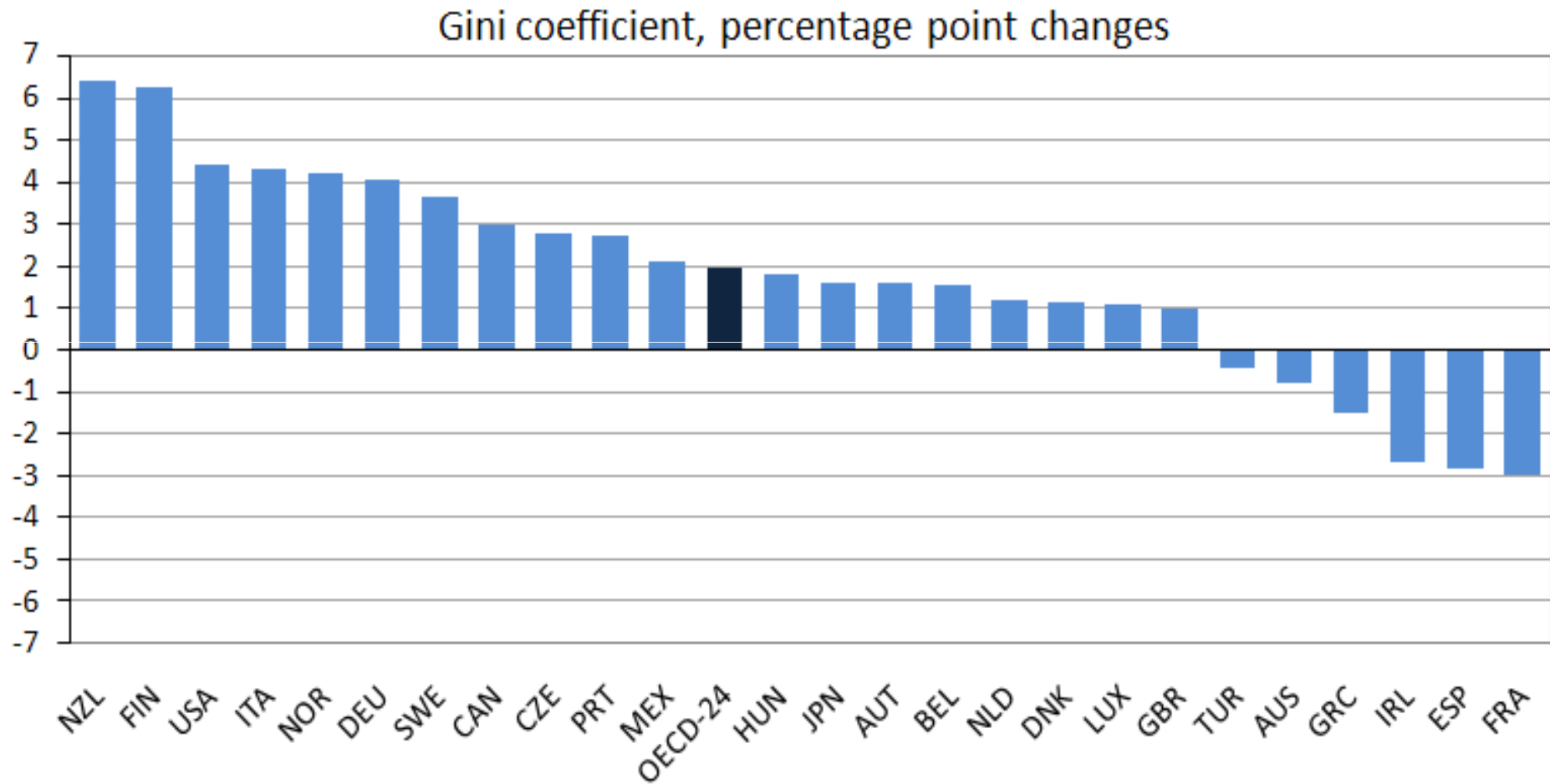
- **There is a gap between the image of progress conveyed by official indicators and people's perception of their own living conditions.**
- **In many countries, economic growth has been accompanied by growing inequalities.**
- **Economic growth does not necessarily leads by itself to better social outcomes.**

Inequalities of income: World

(around 2007: Gini coefficient)



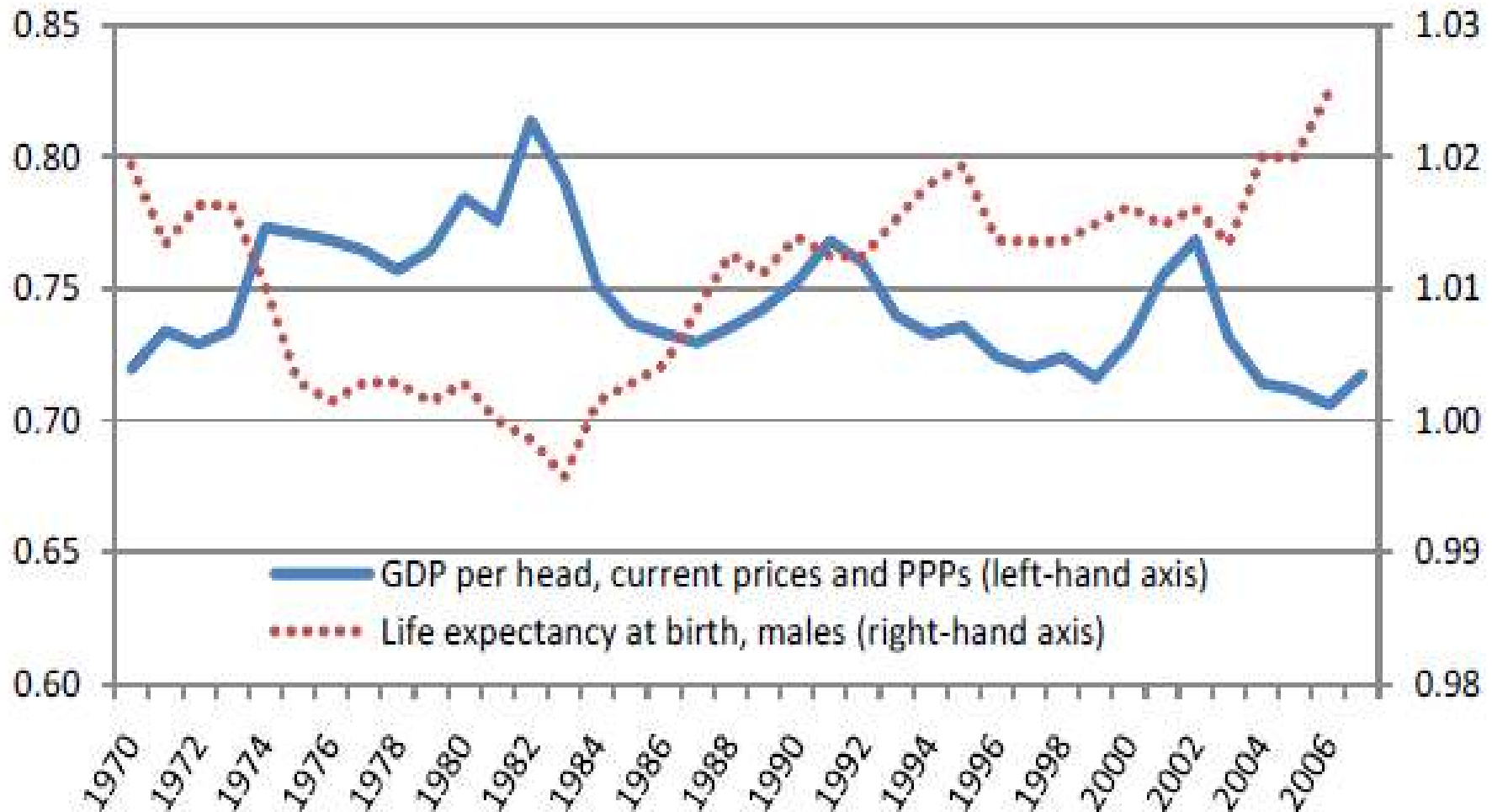
Inequalities of income: OECD countries (1985 - 2005)



Source: *Growing Unequal?*, OECD 2008

GDP growth and social outcomes

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 all 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.

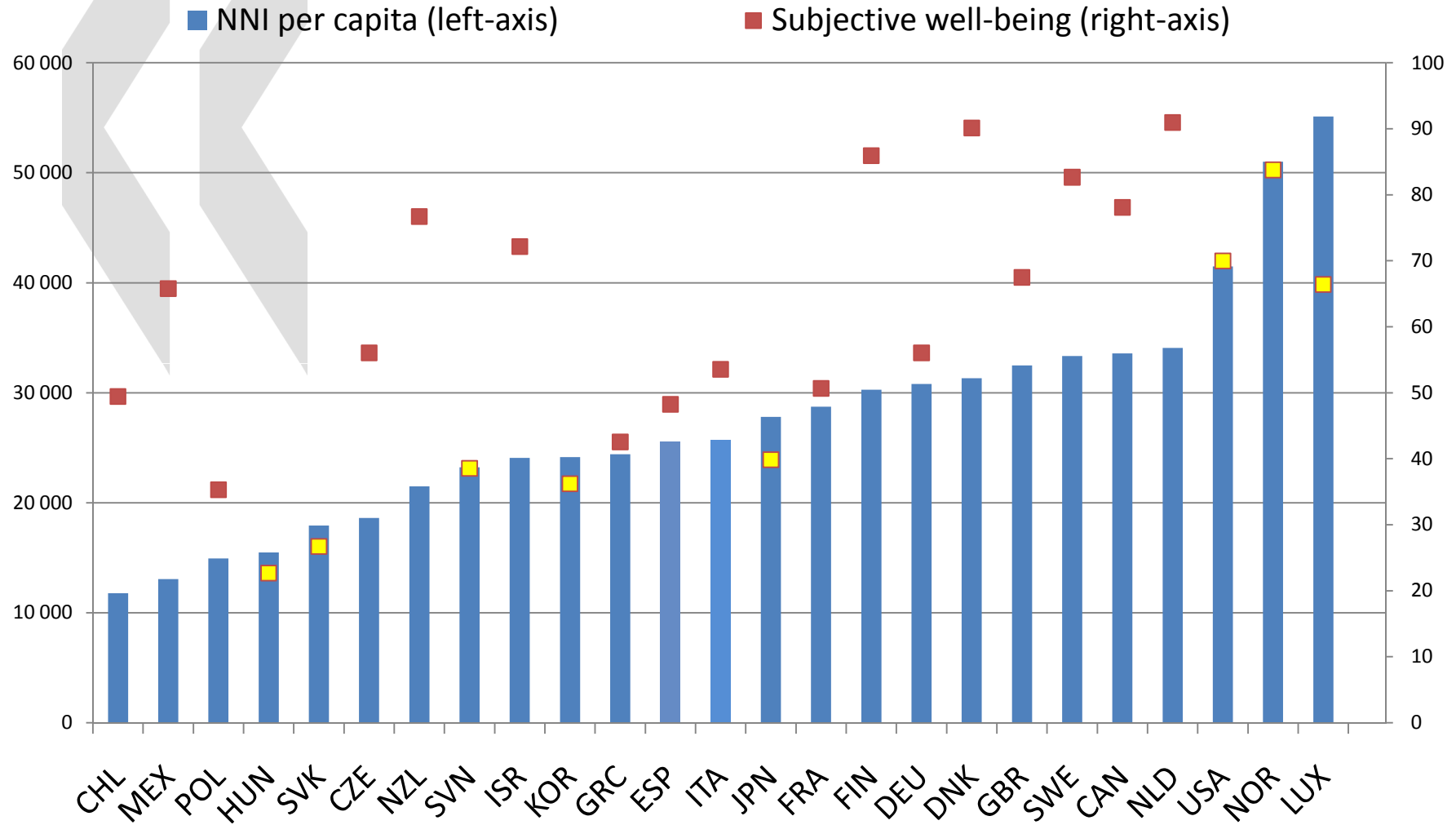
Objective and subjective measures

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/elderly and social groups are at the core of the metrics of well-being.

Wealth and subjective well-being

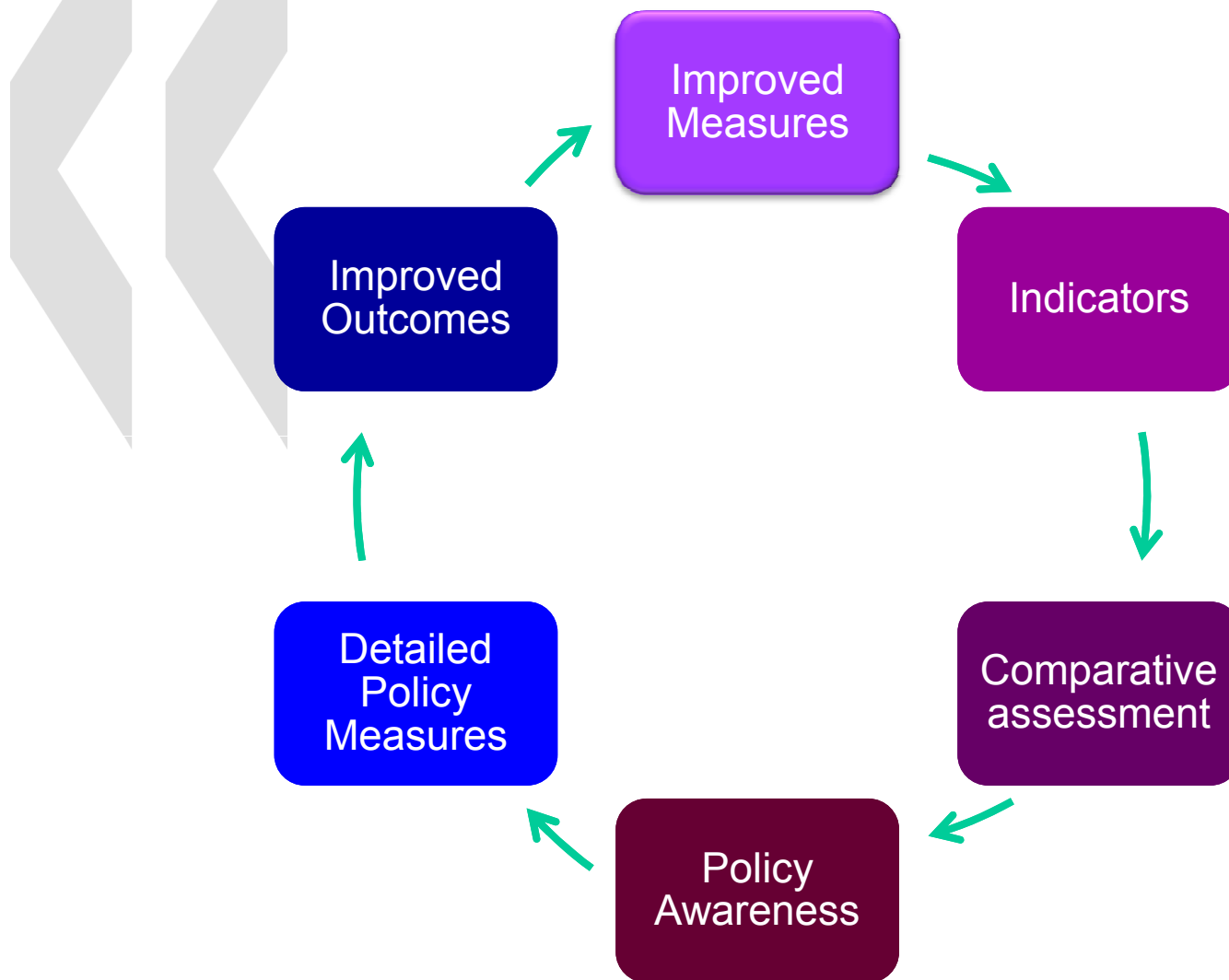


The tourism dimension

Assumption: beyond the generation of income, tourism can contribute to the **well-being** of travelers and local populations.

- How can we include it in the measurements of **quality of life**, leisure and time-use of individuals?
- How can we measure its **social and development impact**?
- How can we measure its **environmental impact**?
- How can we measure **inequalities**?

Towards a virtuous circle:







Conclusion:

What we measure shapes what we collectively strive to pursue.

What we pursue determines what we measure.

Thank you.