



---

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Committee on Statistics

First session  
4-6 February 2009  
Bangkok

**MEASURING THE PROGRESS OF SOCIETIES**

(Item 8 of the provisional agenda)

**MEASURING THE PROGRESS OF SOCIETIES: WHAT IS THE RELEVANCE  
FOR ASIA AND THE PACIFIC?**

*Note by the secretariat*

The Executive Secretary has the honour to transmit to the Committee a report prepared by the Organization for Economic Cooperation and Development (OECD).

---

\* Reissued for technical reasons.



## MEASURING THE PROGRESS OF SOCIETIES: WHAT IS THE RELEVANCE FOR ASIA AND THE PACIFIC?\*

A report by the Organization for Economic Cooperation and Development

### SUMMARY

The Organization for Economic Cooperation and Development (OECD) is the leading coordinating entity of the Global Project on Measuring the Progress of Societies, which was officially launched in July 2008. The premise of the Project is rooted in the Istanbul Declaration, the main outcome of the Second OECD World Forum on Statistics, Knowledge and Policy, held in Istanbul, Turkey, in June 2007. The Declaration calls for a concerted effort to measure and foster the progress of societies in the twenty-first century, with a clear emphasis on statistical capacity-building in developing countries. The United Nations was among the first six signatories to the Istanbul Declaration.

In this document, OECD presents the fundamentals of the project, specifically underlining its relevance to the Asian and Pacific region and how the project complements related regional and global initiatives.

The Committee may wish to provide guidance on the possible participation of the secretariat as a partner in the Global Project.

### CONTENTS

	<i>Page</i>
Introduction .....	3
I. WHY IS THE MEASUREMENT OF SOCIETAL PROGRESS IMPORTANT? .....	3
A. Information and democracy .....	3
B. Different approaches .....	5
II. THE ISTANBUL DECLARATION .....	5
III. THE GLOBAL PROJECT ON MEASURING THE PROGRESS OF SOCIETIES .....	6
A. Goals and activities .....	6
B. What the Global Project is not .....	8
IV. MEASURING PROGRESS IN THE ASIAN AND PACIFIC REGION: OPPORTUNITIES FOR COOPERATION .....	9
A. Asia and the Pacific as drivers of the global movement .....	9
B. Towards the Third World Forum: a regional conference for Asia and the Pacific .....	9
C. ESCAP and the Global Project .....	10

---

\*\* The report was contributed by Mr. Enrico Giovannini, Chief Statistician, OECD, and edited by the secretariat of ESCAP.

## **Introduction**

1. 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, 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—have been used as a proxy measure of a nation's overall well-being. However, citizens are increasingly concerned with their quality of life.

2. 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 integrated sets of indicators to measure progress can help Governments to focus 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.

3. The Istanbul Declaration,<sup>1</sup> signed in June 2007 by the United Nations, OECD, the World Bank and several other organizations, calls on statistical offices to work alongside other stakeholders to move this agenda forward. A great deal 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 and communication. The Global Project on Measuring the Progress of Societies, hosted by OECD and carried out as a network of networks among several international organizations and other institutions, seeks to become the worldwide reference point for those who wish to understand and measure the progress of their societies.

4. The present document briefly highlights why the measurement of societal progress is important, what the Global Project is planning to do and how it could benefit the statistical work in the Asian and Pacific region.

### **I. WHY IS THE MEASUREMENT OF SOCIETAL PROGRESS IMPORTANT?**

#### **A. Information and democracy**

5. Information plays a vital role in economic and political processes. The increase in available information, coupled with advancements in information and communications 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 reality: 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 the supposed evidence used by those on different sides of debates on issues

---

<sup>1</sup> See <http://www.oecd.org/dataoecd/23/54/39558011.pdf>.

such as climate change, migration and economic globalization. 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 policies which are being considered. This is a key issue for democracy. The better an electorate is able to hold its policymakers accountable through evidence of their performance, the greater the incentive for policymakers to make better policy. The use of transparent and rigorous methodologies and commonly-agreed measurements of societal progress in all domains that affect the well-being of a society can encourage a culture of evidence-based decision-making and strengthen the link between statistics, knowledge and policy.

6. Statistical evidence plays a fundamental role in this respect but, to be influential, statistics must be relevant, i.e. they must be able to describe the things to which societies and people really pay attention. It is also quite evident that statisticians need to improve their measurement frameworks continuously, benefiting from the contributions of researchers. Today, however, a lot of data are also produced by unofficial sources, which often compete with the official ones. This multiplicity of sources and data may produce a statistical cacophony that does not help decision makers and may lead to the intentional misuse of statistics by politicians and lobbying groups. This challenge needs to be addressed by looking at both technical and governance issues: if national statistical offices want to play a greater role in the information age, they need to be perceived as innovative and relevant institutions that invest not only in methodologies, but also in areas such as communications and user literacy. Providing a comprehensive statistical picture of a society's progress may, in fact, serve as a fundamental tool in raising the profile of statistical offices in today's world.

7. 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 levels; and by many different types of organizations, including governmental agencies, non-profit foundations, academic institutions and community groups. In 2008, French President Nicolas Sarkozy established the Commission on the Measurement of Economic Performance and Social Progress, which is chaired by Joseph Stiglitz and in which four Nobel laureates and several world experts participate. The World Economic Forum has established the Global Council on Benchmarking Progress in Societies, which is chaired by the Chief Statistician of the OECD. 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.

8. In presenting his initiative, President Sarkozy underlined that there have long been increasing concerns about the adequacy of current measures of economic performance, in particular those based on figures measuring gross domestic product (GDP). Moreover, there are even broader concerns about the relevance of these figures as a measure of societal well-being. Their inadequacy from the perspective of economic, environmental and social sustainability has been of particular concern. The

huge gap between standard measures of important socio-economic variables—such as growth, inflation and inequalities—and widespread perceptions is strongly affecting public opinion and can decide the future of a Government. The issue is both analytical and political, and current statistical systems, which may have served well in a not too distant past, are in need of serious revision.

### **B. Different approaches**

9. 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 summarize them into 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 one (and the most feasible in the medium term) seems to be the second one—the use of indicator sets—with two important qualifications:

(a) First, the integration of objective and subjective indicators is now viewed more positively than it was some years ago, as the latter have demonstrated that they provide important additional information for the evaluation of several dimensions of well-being (health, relational goods, etc.);

(b) Second, the selection of key indicators is a political process that 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 broad-based legitimacy to the indicator set, which is a necessary condition if it is to be trusted by citizens and recognized as shared knowledge.

## **II. THE ISTANBUL DECLARATION**

10. In recognition of the emergence of this global trend, OECD, in collaboration with other international organizations, organized the Second World Forum on Statistics, Knowledge and Policy, which was held in Istanbul in June 2007, focusing on the theme: “Measuring and fostering the progress of societies”. Some 1,200 people from 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.

11. The Forum led to the Istanbul Declaration, which has been signed by the European Commission, the Organization of the Islamic Conference, OECD, the United Nations, the United Nations Development Programme (UNDP), the United Nations Children’s Fund (UNICEF), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Office for Partnerships, the World Bank and several other organizations. It calls for action to identify what progress means in the twenty-first century and to stimulate international debate, based on solid

statistical data and indicators, on both global issues of societal progress and comparisons of such progress. In particular, the Declaration calls for actions to:

- (a) Encourage communities to consider for themselves what progress means in the twenty-first century;
- (b) Share best practices on the measurement of societal progress and increase awareness of the need to do so using sound and reliable methodologies;
- (c) Stimulate international debate, based on solid statistical data and indicators, on both global issues of societal progress and comparisons of such progress;
- (d) Produce a broader shared public understanding of changing conditions, while highlighting areas of significant change or inadequate knowledge;
- (e) Advocate appropriate investment in building statistical capacity, especially in developing countries, to improve the availability of the data and indicators needed to guide development programmes and to report on progress towards international goals, such as the Millennium Development Goals.

12. The participants in the World Forum shared the view that the world needs leadership in this area. With that in mind, OECD, in collaboration with various other international organizations 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. This initiative culminated in the establishment by the OECD Council of the Global Project on Measuring the Progress of Societies, based on favourable advice from the OECD Committee on Statistics, which has nominated three ex-officio members of the Project Board as technical advisers.

### **III. THE GLOBAL PROJECT ON MEASURING THE PROGRESS OF SOCIETIES**

#### **A. Goals and activities**

13. The mission statement of the Global Project on Measuring the Progress Societies says that “the project is open to all sectors of society” and the Istanbul Declaration urges “statistical offices, public and private organizations 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 Global Project aims to help societies to measure their progress by assisting with:

- (a) *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 help societies to have a dialogue about what progress means to them. The Project is developing guidelines on how to organize initiatives to measure progress at national and local levels.

(b) *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 there is far less consensus about how progress in these areas 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 types of 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 sets of progress measures and will use them to judge whether or not to accredit sets of measures submitted for association with the Project.

(c) *Ensuring that the measures are used.* When good statistics exist, they too often go unnoticed or are misunderstood by a broad audience. New ICT tools have the potential to bring about dramatic improvements in this area. 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.

14. The Global Project is a collaborative initiative. It is a network of networks that provides 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 OECD, the World Bank, UNDP, UNICEF, the Inter-American Development Bank, the African Development Bank, the Economic and Social Commission for Western Asia (ESCWA), the International Association of Supreme Audit Institutions, 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 with 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, thus providing a more solid answer to the question that more and more societies (and individuals) are asking: where are we heading?

15. The activities of the Global Project will be based on four separate pillars:

- Statistical research
- Development of ICT tools to help transform statistics into knowledge
- Advocacy and institution-building
- Development of a global infrastructure to foster and measure progress



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

17. 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.).

### **B. What the Global Project is not**

18. There are some common misconceptions surrounding the Global Project:

(a) 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.

(b) The Global Project *does not* aim to replace the vital statistical work which has been carried out in association with the Millennium Development Goals and other existing strategies. Millennium Development Goal indicators are proving to be a useful tool for tracking progress towards the development objectives set out in the Millennium Declaration. The efforts of the Global Project to encourage discussion in the developing and developed world on what progress means are intended to complement existing statistical projects, rather than replace them.

(c) The Global Project *is not* purely about measuring happiness. Societal well-being and change are highly complex phenomena which will never fully be captured by any number or set of numbers, however sophisticated they may be. The philosophy of the Global Project is to examine the value of new approaches which go beyond traditional, narrow economic views of development in order to inform a measurement of progress that is as rich and technically sound as possible. This entails taking an interdisciplinary approach. Work on happiness in the economic and psychological literature is only one part of this. Other important areas of indicator development include sustainable development, quality of life, social cohesion, multidimensional poverty, public health, social capital, citizen engagement, trust and many other topics.

(d) The Global Project *is not* excluding statistical offices. On the contrary, the Project aims to support them in better carrying out their duties, benefiting from research carried out all over the world, using innovative dissemination and communication tools, improving their human capital through training courses and advocating higher investments in statistical capacity-building, in close cooperation with the Partnership in Statistics for Development in the 21<sup>st</sup> Century (PARIS21). Several statistical offices, both from developing and developed countries, have strongly supported the Global Project's work since its inception. The national statistical office of the Republic of Korea is partnering with OECD to organize the Third World Forum in October 2009, while the statistical office of India will be its partner for the organization of the Fourth World Forum in 2012.

#### IV. MEASURING PROGRESS IN THE ASIAN AND PACIFIC REGION: OPPORTUNITIES FOR COOPERATION

##### A. Asia and the Pacific as drivers of the global movement

19. The world's future will be determined in significant part 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.

20. Many countries in Asia and the Pacific are already playing a crucial role in the emerging global movement of initiatives to measure progress. For example, the concept of gross national happiness, which puts the well-being of individuals at the top of the national development agenda, was first articulated by Bhutanese King Jigme Singye Wangchuck in 1972.<sup>2</sup> Although the concept 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 international happiness.

21. Another influential initiative in the region has been the publication of *Measuring Australia's Progress* by the Australian Bureau of Statistics. This statistical report (called *Measures of Australia's Progress*<sup>3</sup> 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. 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; it also stimulated other statistical offices to undertake similar work (in Ireland, Italy, etc.).

22. At the conference organized for the Asian and Pacific region in preparation for the World Forum held in Istanbul, several countries demonstrated their efforts to measure societal progress and the meeting clearly indicated the importance of this approach.

##### B. Towards the Third World Forum: a regional conference for Asia and the Pacific

23. The Third World Forum on Statistics, Knowledge and Policy is scheduled to be held in Busan, Republic of Korea, from 27 to 30 October 2009. The Forum is expected to attract some 1,500 high-level participants, with a mixture of politicians and policymakers, opinion leaders, Nobel laureates, statisticians, academics, journalists and representatives of civil society from over 130

---

<sup>2</sup> Dasho Meghraj Gurung put the Bhutanese philosophy succinctly: "The ideology of gross national happiness 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 centre of the nation's developmental goals, a primary priority for Bhutanese society as a whole as well as for the individual concerned." "Gross National Happiness", Report on the Conference on Gross National Happiness, Bhutan, 18-20 February 2004, p. 13 available at [www.grossinternationalhappiness.org/downloads/GIH\\_report\\_18-2-04.doc](http://www.grossinternationalhappiness.org/downloads/GIH_report_18-2-04.doc).

<sup>3</sup> Dennis Trewin, *Measures of Australia's Progress*, Australian Bureau of Statistics (Commonwealth of Australia, 2006).

countries. The Forum, organized by OECD and the national statistical office and Government of the Republic of Korea, builds on the outcomes of the previous World Forums and the Istanbul Declaration.

24. In the run-up to the Forum, regional and thematic events will be organized around the world. In particular, an important conference will be held at Kyoto University in Japan on 23 and 24 March 2009. The Kyoto conference, organized by OECD and Kyoto University, will bring together international organizations and 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 foster discussion on the importance of turning statistical measures of progress into societal knowledge, as well as consideration of the latest thinking on how to achieve these aims, including how institutions can help to better measure and communicate shared indicators of societal progress. Participants will also analyse how better measures can lead to better policies to address issues of concern to Asian and Pacific societies, including: globalization and human resource development; energy security and poverty concerns; security and democracy; vulnerability economic, social and environmental; and human health and medical services/technologies.

25. The Sixth Ministerial Conference on Environment and Development in Asia and the Pacific, which will be held in 2010, will revisit the issue of the quality of economic growth, resource efficiency and resilience, and emerging and changing jobs in the region and could provide another opportunity for regional policy dialogue which could lead to regional consensus on related areas for indicators for societal progress.

### **C. ESCAP and the Global Project**

26. The fact that the next two World Forums on Statistics, Knowledge and Policy have been scheduled to be held in Asia bears witness to the importance of this region of the world for the future of the Global Project. Furthermore, ESCAP is the key institution in the Asian and Pacific region for economic, social and related statistical matters and the re-established Committee on Statistics represents a natural reference point for the Project in the region. Therefore, the Global Project is willing to explore all possible opportunities to strengthen the relationships between its activities and ESCAP and its Committee on Statistics.

27. All ESCAP members will be invited to both the Kyoto conference in March 2009 and the World Forum in October 2009. Input and suggestions for agenda items and speakers are particularly welcomed.

28. Contacts have been established with the Statistical Institute for Asia and the Pacific to organize training courses in the region, as appropriate. The first summer school organized in

September 2008 by the Global Project, Statistics, Knowledge and Policy: Understanding Social Change, was a great success and similar experiences will be replicated around the world.

29. The Committee may wish to:

(a) Recommend that the secretariat explore the feasibility of collaborating with OECD in the organization of the Third World Forum on Statistics, Knowledge and Policy, scheduled to be held in Busan, Republic of Korea, in 2009, by nominating a member to the scientific committee that will oversee the organization of the Forum;

(b) Recommend that ESCAP become an official partner of the Global Project, alongside the existing partner organizations, which include: OECD, the World Bank, UNDP, UNICEF, the Inter-American Development Bank, the African Development Bank, ESCWA and the European Commission. Partners are represented on the Governing Board of the Global Project and assume responsibility for the management of the Project or for specific subprojects;

(c) Recommend that ESCAP play a leading role in the implementation of the Global Project in the Asian and Pacific region and that the secretariat, in this regard, develop a project plan for the next biennium, in close coordination with the Global Project office.

. . . . .