



ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

ORGANISATION DE COOPÉRATION ET
DE DÉVELOPPEMENT ÉCONOMIQUES

Measuring Progress: from Compass to Global Positioning System

Martine Durand

OECD Chief Statistician and Director of the OECD Statistics
Directorate

Symposium of the Study Commission on Growth: Growth, Well-Being
and Quality of Life, 21 March 2012

The starting point...

GDP is

... a key measure for monitoring macro-economic activity, output, productivity, demand for jobs

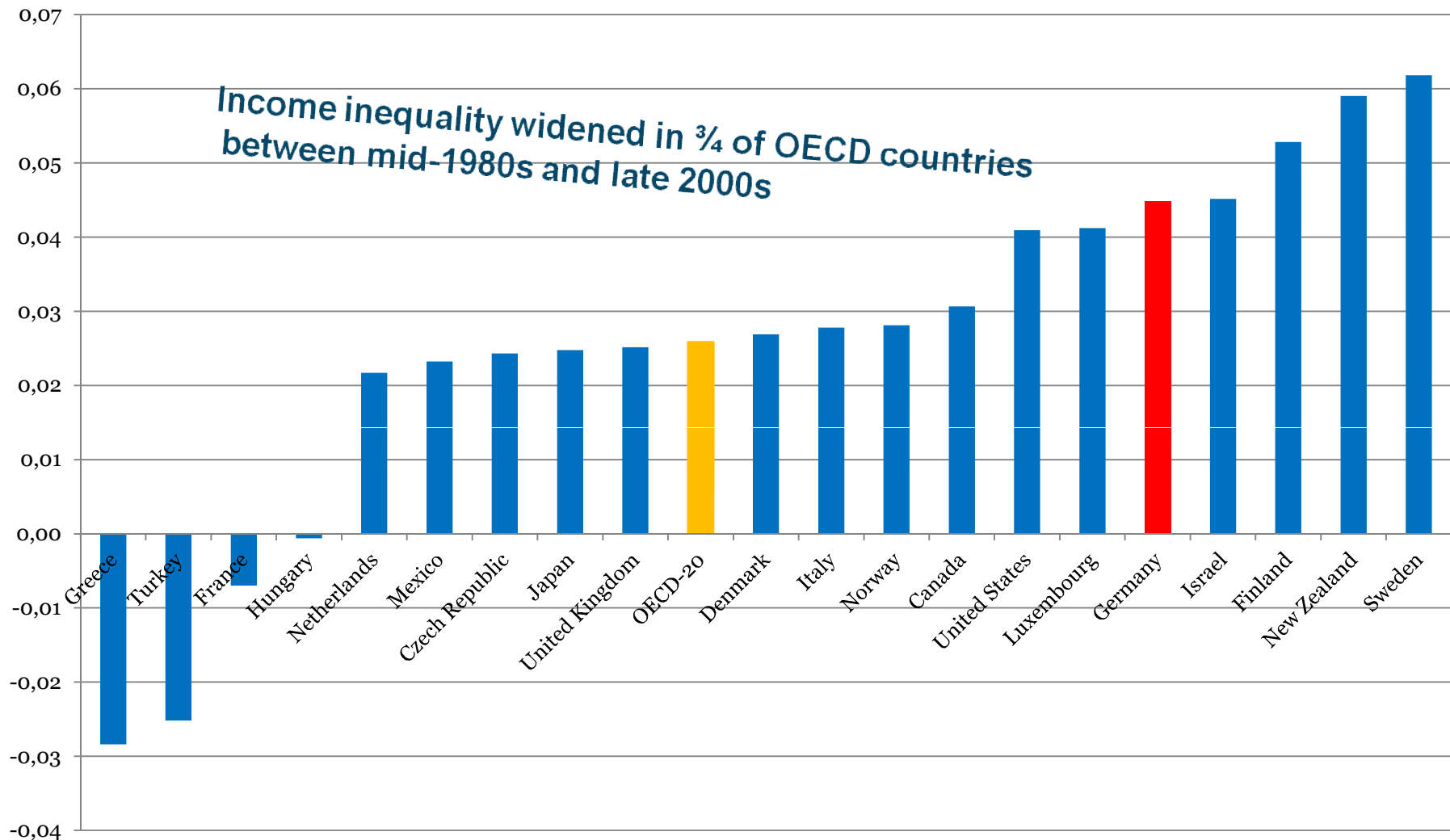
GDP is not

... a metric of well-being

Often at variance with people's personal experience



Example: income inequality

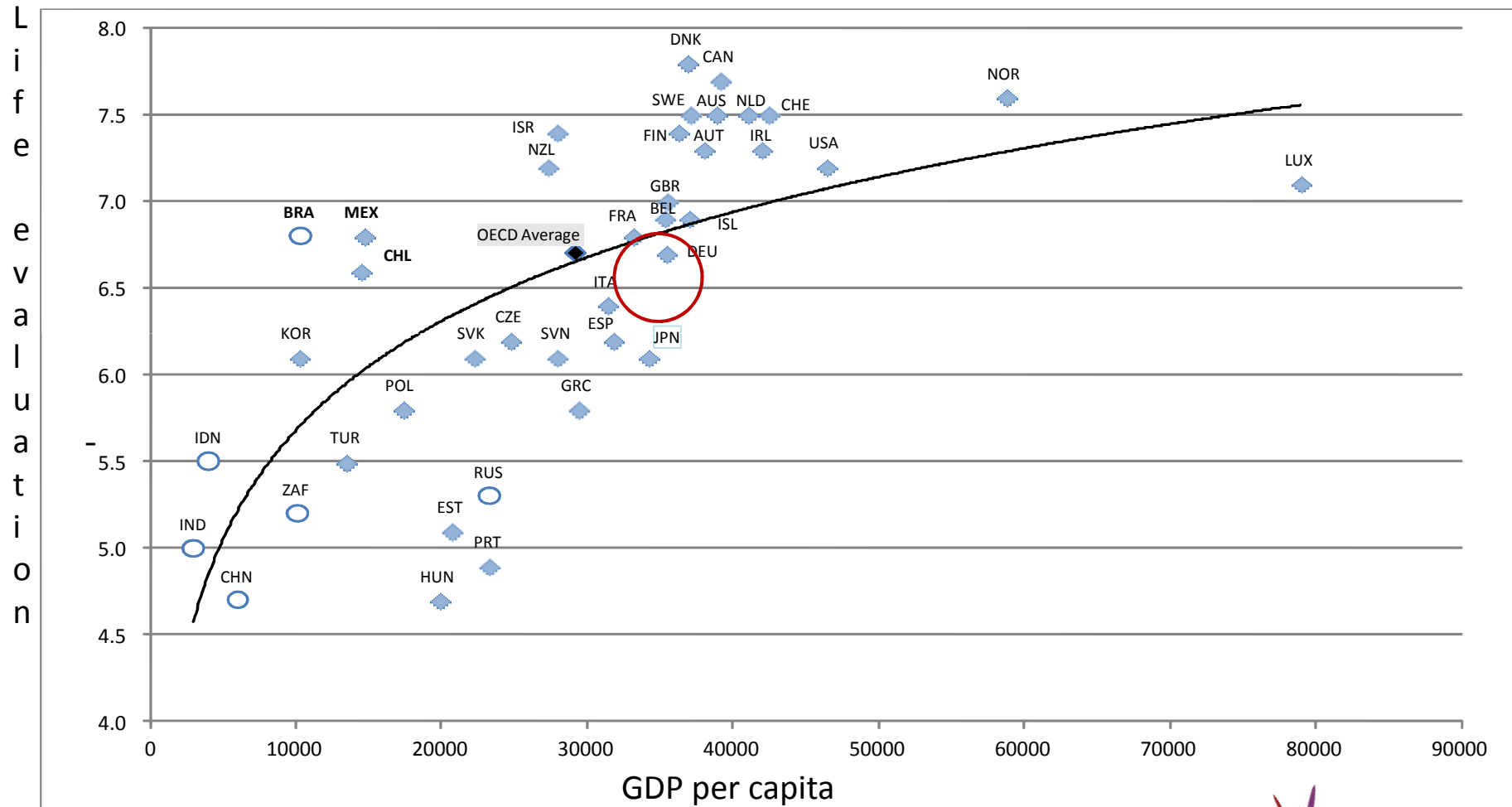


Point changes in Gini coefficient, from mid-1980s to late-2000s

Source : OECD Income distribution and poverty database

Money is not all that counts

Average life evaluation and GDP per capita across countries



The OECD work on measuring well-being and progress

- Started 10 years ago: 3 World Fora, Global Project
- Last year: launch of the *OECD Better Life Initiative*
- Main goal: to build a GPS of societal progress, i.e. information system that
 - Goes beyond the market
 - Goes beyond the average
 - Goes beyond “here and now”



The OECD Better Life Initiative

Building on almost 10 years
of OECD work under the
Global Project

Now moving to measuring
what matters most in
PEOPLE's life

How's
Life?
(report)

OECD
Better
Life
Initiative

Your Better
Life Index
(interactive
web tool)

OECD@50: Better policies for better lives



Focus

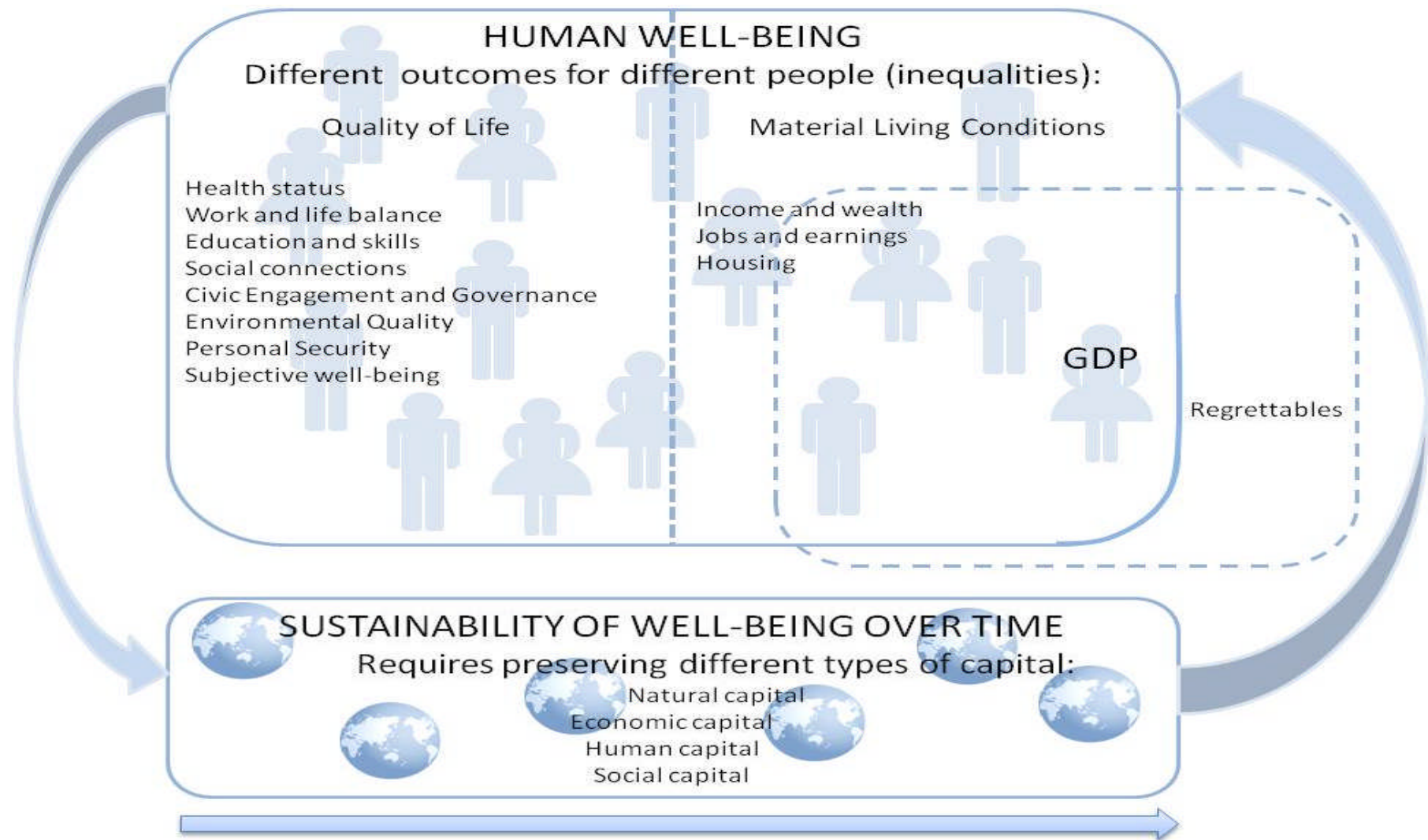
- **Households and people, not just GDP**
- **Outcomes, not inputs or outputs**
- **Assessing inequalities alongside averages**
- **Including both objective and subjective aspects of well-being**

Scope

- **Well-being here and now**
 - Quality of Life
 - Material Living Conditions

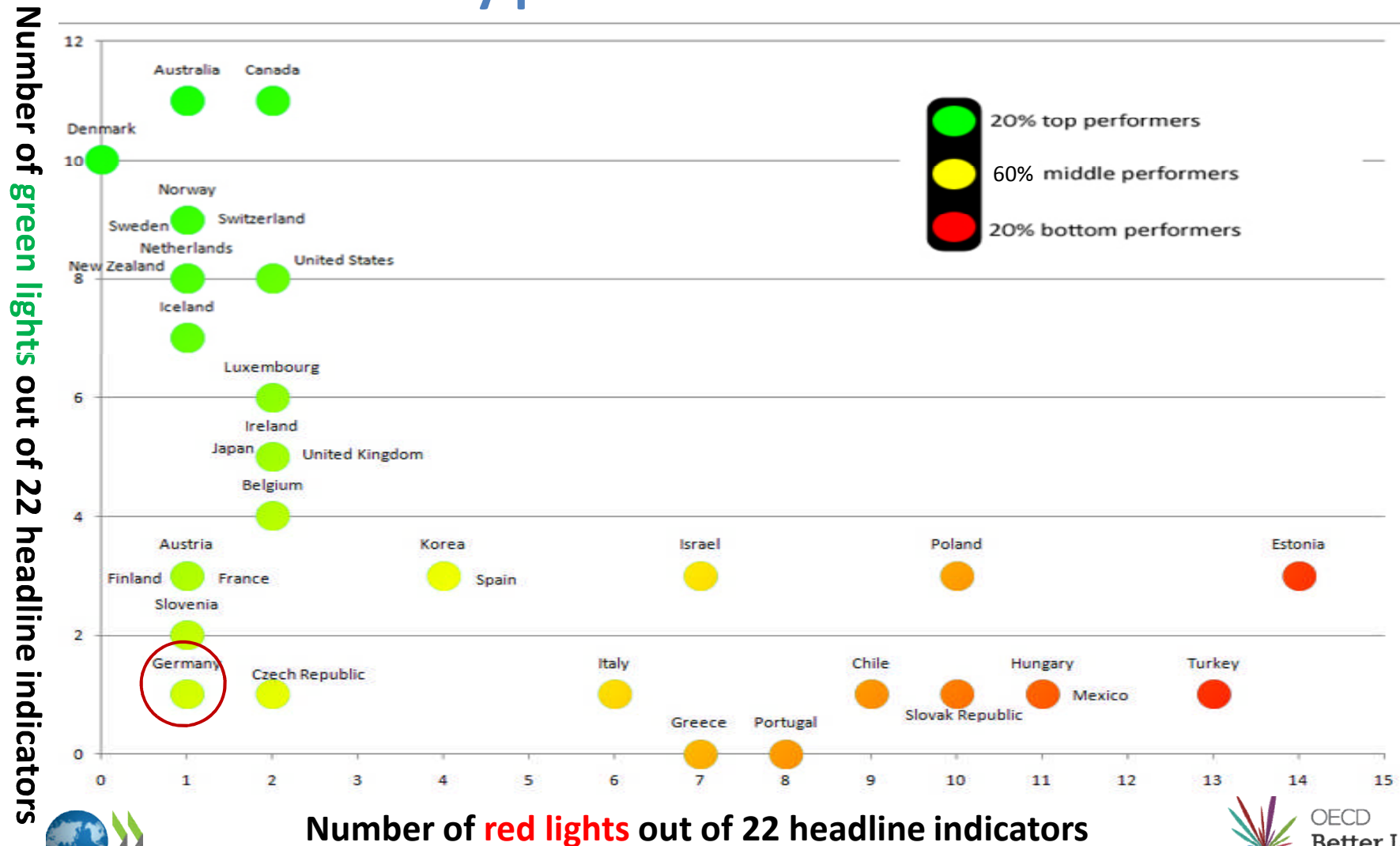
- **Well-being in the future**
 - Sustainability

The OECD well-being framework

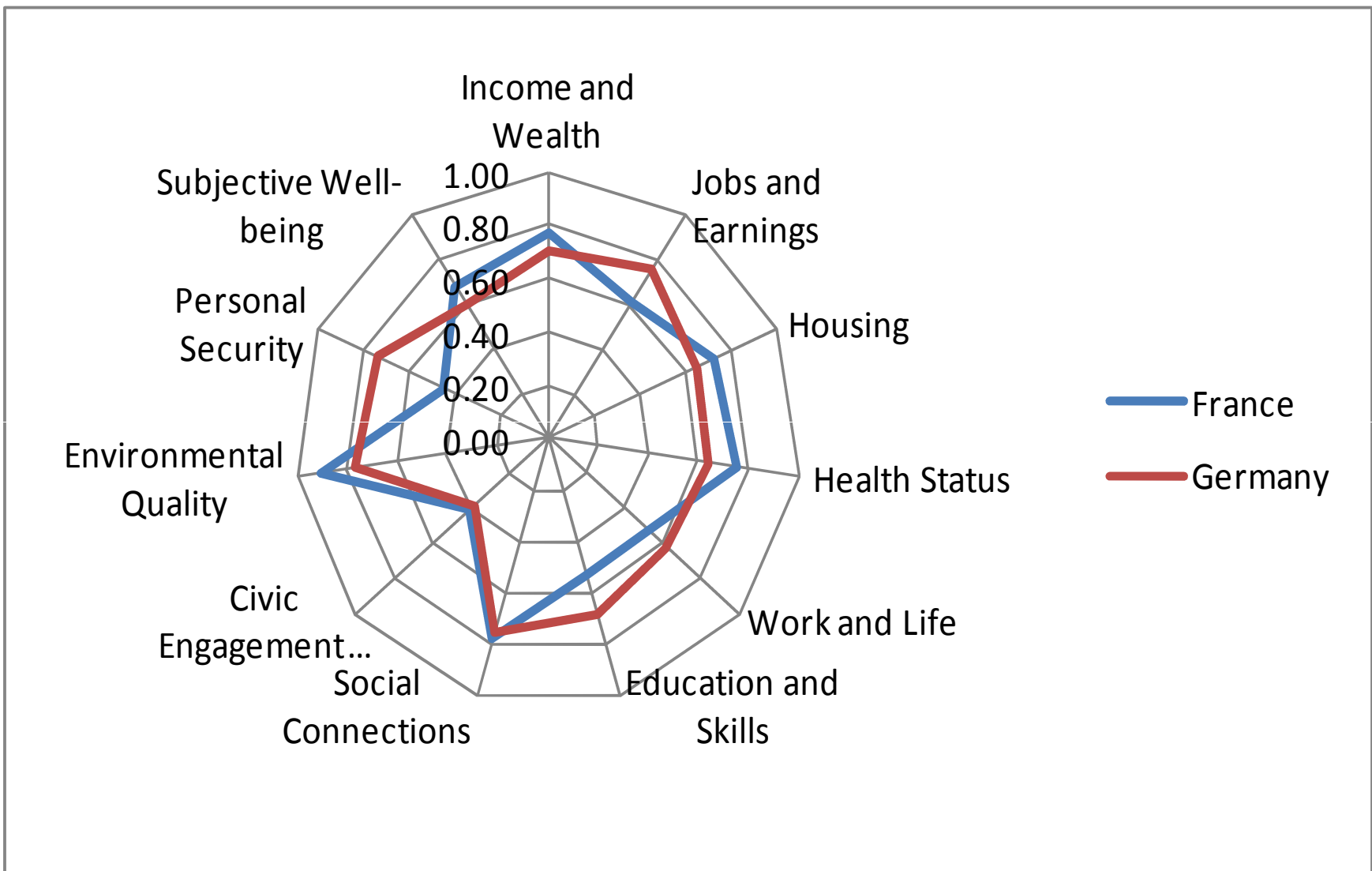


A few highlights from *HOW'S LIFE?*

No country performs best in all dimensions

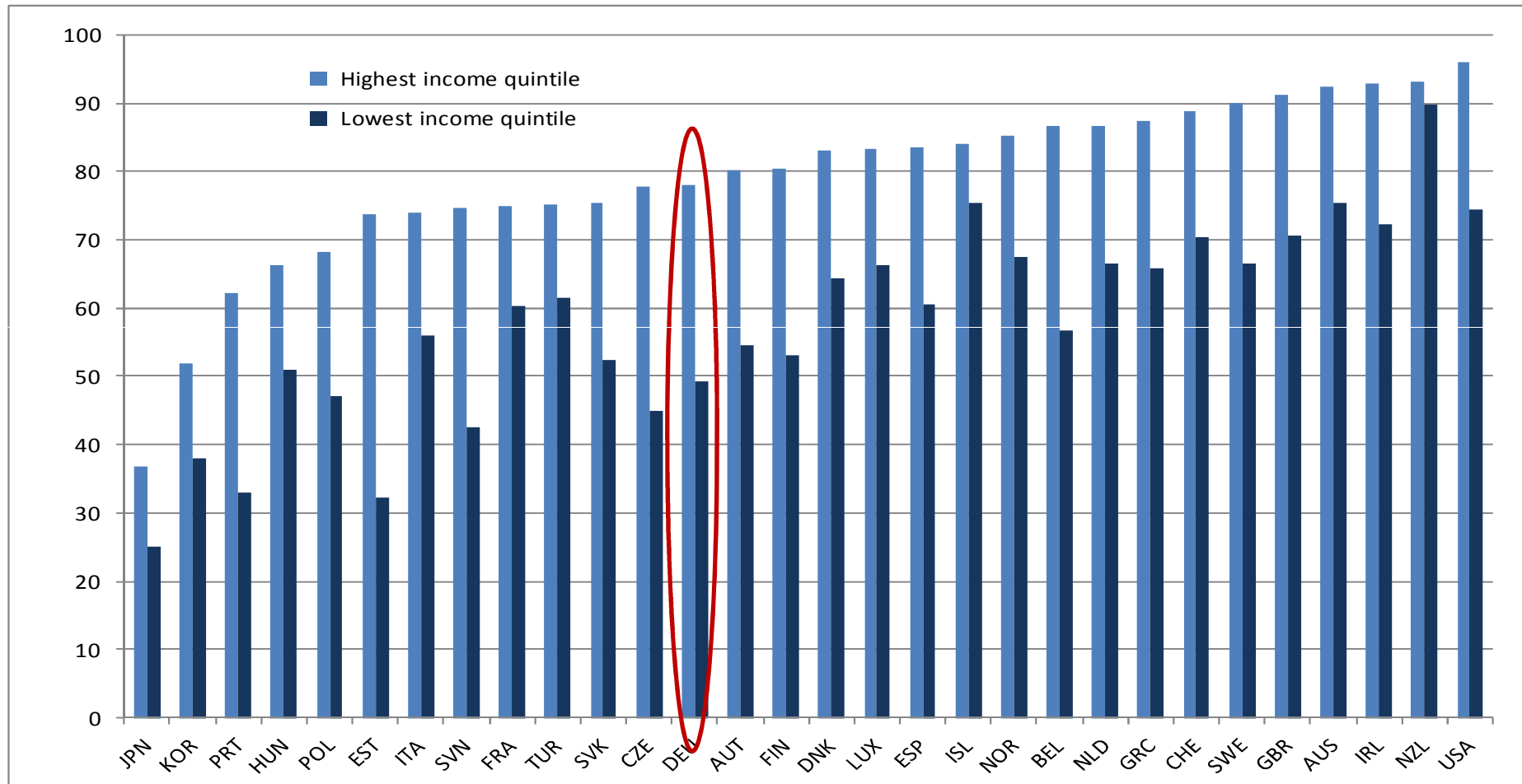


Strengths and weaknesses differ among countries



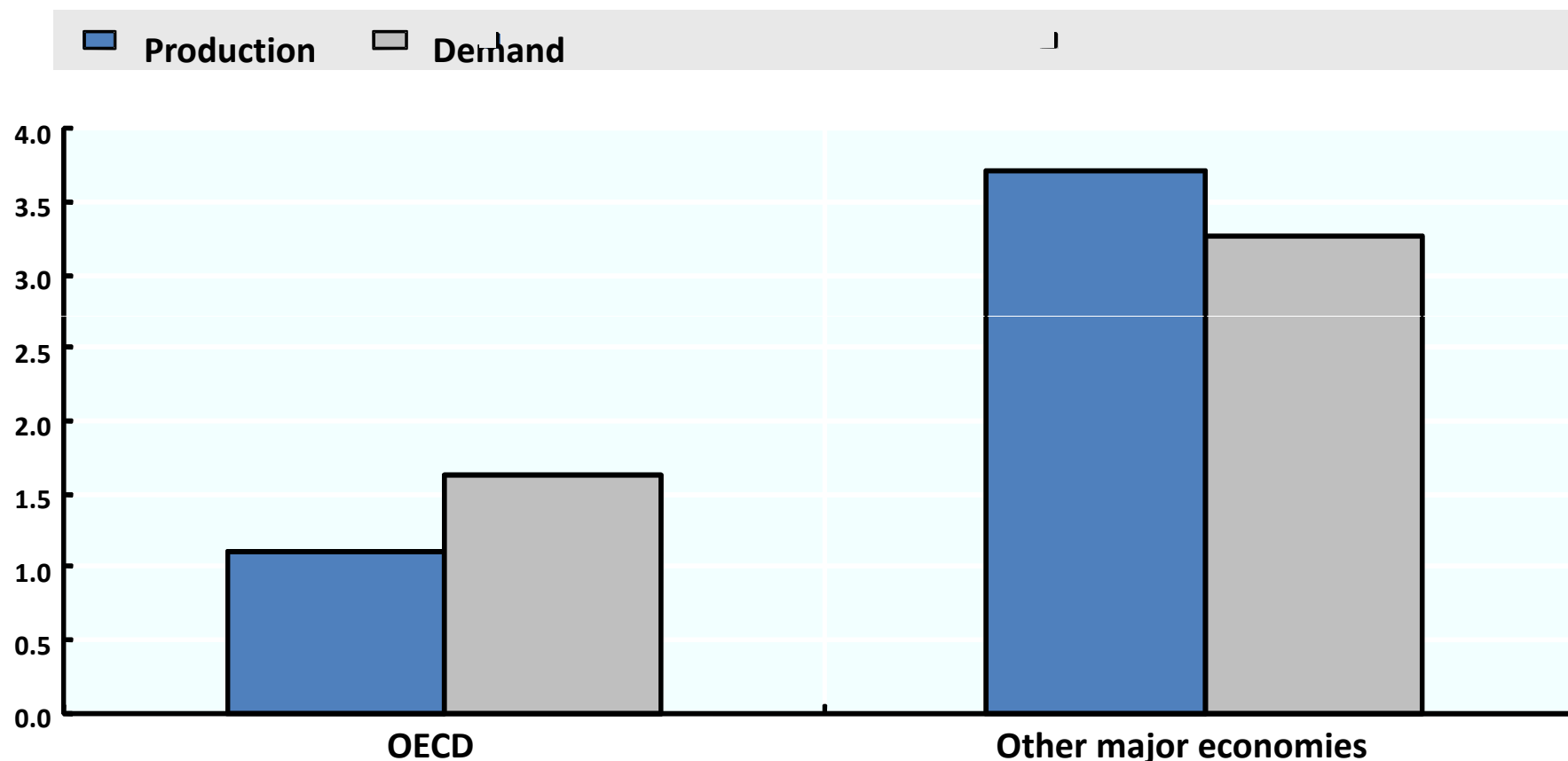
Inequalities in well-being: health

Low-income people report lower health status



Environmental sustainability

Demand-based CO2 emissions grew faster than production-based emissions in the OECD area



Production-based and demand-based CO2 emissions,
Rate of change per year, 1995-2005

Source : OECD, Towards Green Growth: Monitoring Progress – OECD Indicators



Involving the public

- Engaging with civil society has been one of the goals of the OECD-hosted Global Project



- *How's Life?* is accompanied by interactive web tool (*Your Better Life Index*) aimed at involving the public

Your Better Life Index



[contact](#) [oecd.org](#)

[Index](#)

[Countries](#) ▾

[Topics](#) ▾

[About](#)

Create Your Better Life Index

How do you define a better life? Use our interactive tool to see how your country performs on the topics you feel make for a better life.

[Start with all topics rated equally](#) or set your own preferences [here](#).

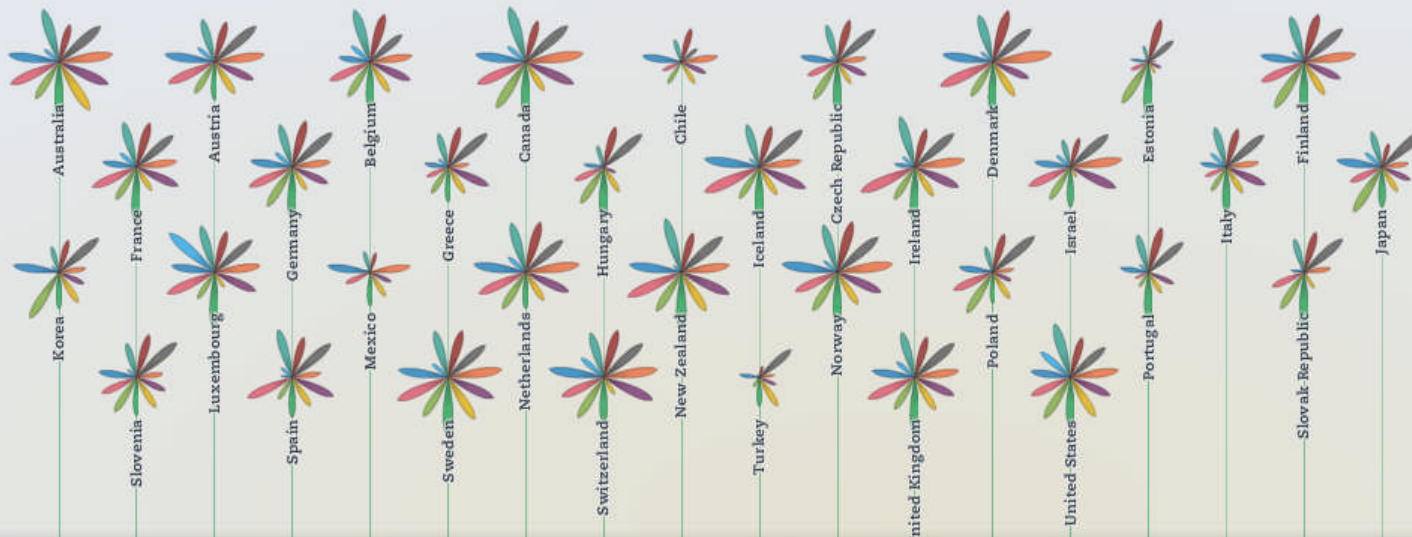
Create Your Better Life Index

Rate the topics according to their importance to you: - +

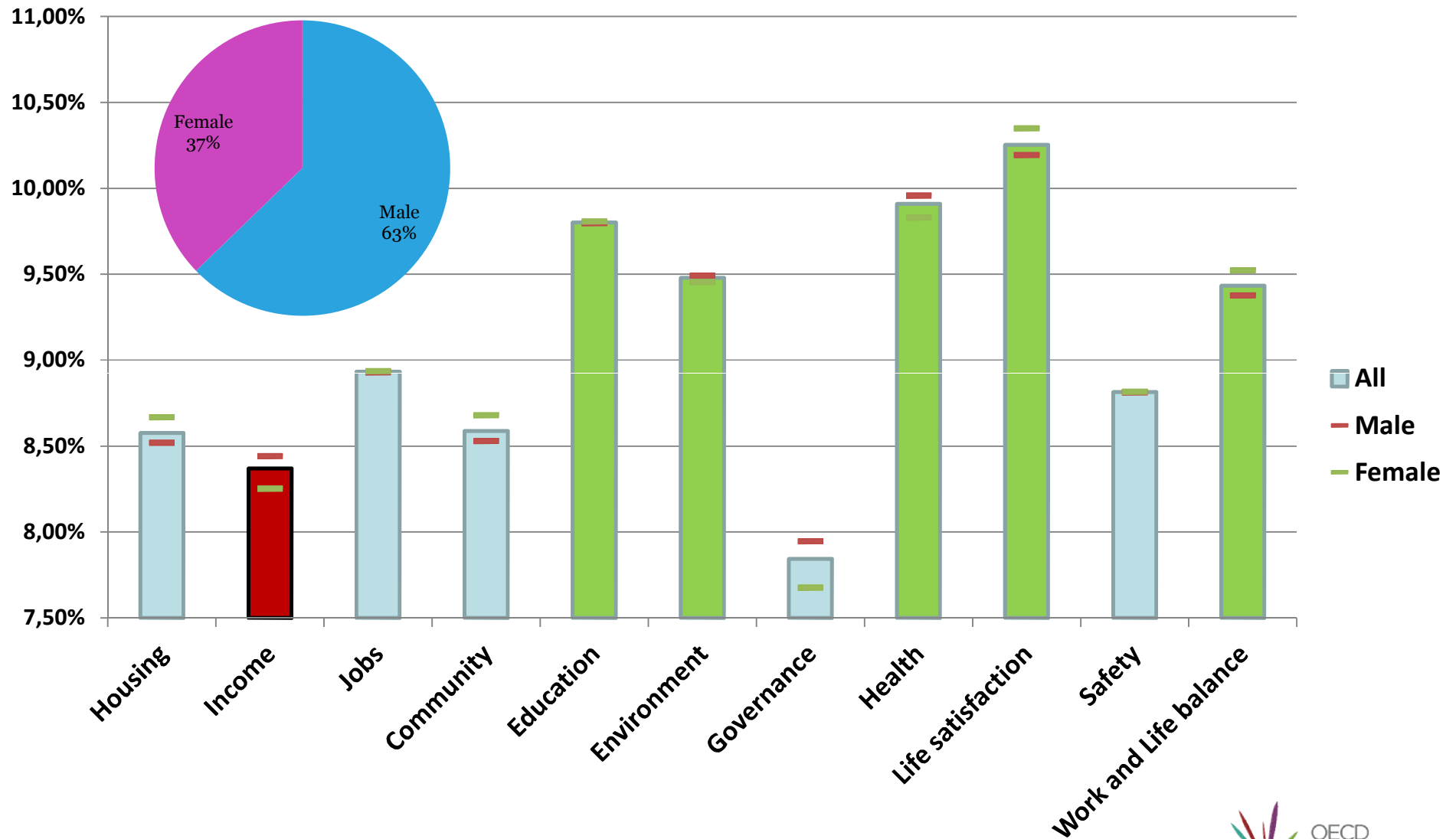
- Housing ●●●●●
- Income ●●●●●
- Jobs ●●●●●
- Community ●●●●●
- Education ●●●●●
- Environment ●●●●●
- Governance ●●●●●
- Health ●●●●●
- Life Satisfaction ●●●●●
- Safety ●●●●●
- Work-Life Balance ●●●●●

[Share this index](#)

[? Help](#)



What matters most to people ?



Source : OECD calculations

What next? (1)

OECD research on well-being

- **OECD committed to deliver on measurement agenda**
 - Developing guidelines on subjective well-being
 - Integrating inequalities in National Accounts
 - Developing standards for measuring household wealth and joint distribution of income, consumption and wealth
 - Measures of household non-market production
 - Green Growth Indicators; Human and social capital
- **In collaboration with National Statistical Offices and other international organisations**

What next? (2)

Linking measures of well-being to policy-making

- **Beyond the mandate of statisticians**
- **Involving other policy groups at the OECD**
- **Requires new analytical approaches**
- **Some countries have also started bringing considerations of well-being systematically into policy-making (Australia, New Zealand, U.K.)**
- **OECD stands ready to advance the agenda**

Thank you!
martine.durand@oecd.org

oecdbetterlifeinitiative.org
oecdbetterlifeindex.org

