

A stylized world map composed of a grid of dots in various shades of gray, with several dots highlighted in red. The map is centered behind the title.

Measuring Progress and Well-Being

An Opportunity for Political Parties?

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- An intense debate is currently going on in many countries concerning what progress means in the twenty-first century and how societal well-being should be measured. This policy paper follows on from the report »Measuring Progress and Well-Being: Achievements and Challenges of a New Global Movement« (Kroll 2011a) and sets out the consequences of the international progress debate for political stakeholders.
- The development of sets of indicators of national well-being currently under way in many countries is bringing to light six far-reaching consequences for political actors: (i) a new culture of accountability is making its way into politics; (ii) political debates are once again being put on a more factual basis; and (iii) evidence-based policy measures are resulting from the more prominent role of well-being indicators.
- For political parties in particular the progress debate offers a number of possibilities: (iv) they are being given an exceptional opportunity to develop an overarching narrative; (v) what really separates the different parties is becoming more evident; and (vi) the issues of the current debate can counteract widespread disenchantment with politics and inspire people once more to take an interest in the issues about how we want to live together as a society.
- As an illustration of the abovementioned developments, this policy paper introduces a set of »social democratic indicators«. By this means it can be made clearer what social democracy stands for.



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1. Consequences of the international progress debate for political stakeholders

This policy paper takes up certain aspects of the report »Measuring progress and well-being: Achievements and challenges of a new global movement« (Kroll 2011a), dealing specifically with the possible outcomes of the international debate described there for political actors. The aforementioned study shows that throughout the world key questions are once more being asked: What makes a society a »good society«? What do progress and well-being consist of and how can such things be measured and improved? Is public policy successful in making life better? Important debates of this kind are today being held in national round tables in a whole series of countries with a view to developing sets of indicators of national well-being which enable us to answer these questions. The different approaches emerging in the course of this debate range from lists of individual indicators in the form of so-called »dashboards«, such as the Measures of Australia's Progress, to composite indices, such as the Canadian Index of Well-being (CIW). However, the aim of every initiative of this kind is that the resulting indicators of national well-being assume a central place in the given country's system of social monitoring. The idea is that they provide both politicians and voters with regular information on the current state of progress in the country.

This begs the question of the political consequences that will arise from these initiatives. Will the current debates and developments have long-term effects on the role and functioning of political parties? The conclusion brought forward here is: yes, they will. On the following pages, six significant consequences are portrayed that are likely to ensue if the global efforts on measuring well-being are pursued with continuous energy. Winston Churchill's characteristically witty remark remains true that it is difficult to make predictions, especially about the future. Nonetheless, the following six theses together constitute a scenario which is already beginning to materialise in a number of countries.¹

1. For a subject-related discussion see also Kroll (2011b).

1.1 A new culture of accountability in politics

The establishment of indicators of national well-being is giving rise to a new culture of accountability in politics. The regular publication of key statistics makes it easier for the voters to discern how well the government is doing in its efforts to achieve the objectives that society has identified as important. Such indicators also provide decision-makers with crucial information on which problem areas the country's finite resources should be invested in. With regard to the institutional embedding of a culture of accountability, mandatory regular statements by leading government figures are desirable. The accountability report *Canada's Performance*, produced by the Treasury Board and presented to the national parliament, can serve as a model here. This publication has facilitated transparent and fact-based debates for the past 10 years. It provides information on the development of 32 key indicators in the four domains economic affairs, social affairs, international affairs and government affairs, focusing on what the government spends money on in each domain and how much. Worth thinking about for the future is an »indicator-based State of the Union address« delivered by a high-ranking politician commenting pertinently on the development of the selected key indicators, providing appropriate explanations and outlining government plans to solve the identified problems.²

1.2 Politics is becoming more factual

As a result of the focus on generally accepted measures as the yardstick of political action, the debate is once more becoming distinctly factual. The more prominence indicators attain in political debate the more precise arguments and strategies will come to the fore to achieve societal goals. Naturally, political actors are also taking a risk by letting themselves be measured on the basis of clearly comprehensible and transparent indicators. But this is much better than the alternative of simply shunning such comprehensive indicators. In that case people would be reduced to deciding whom to vote for based on the unemployment rate and GDP, which still dominate

2. The author would like to thank Oliver Schmolke for his constructive ideas on an »indicator-based State of the Union address«. See also proposals to this effect in (Kroh 2011), among other things on a »State of the State address«, as well as proposals on regular statements by governments in Conseil d'Analyse Economique and Sachverständigenrat zur Begutachtung der gesamtwirtschaftlichen Entwicklung 2010. An »Expert Council for Questions of Sustainable Quality of Life« in the German Federal Chancellery is proposed in Wagner (2011).

the media and public debate when it comes to evaluating the government's performance. While these aspects are important, they are far from sufficient. On top of that, a vague combination of political mood (perhaps a desire for change) and the charisma of the leading candidates currently determine the outcome of elections. Such factors, which many people no doubt value highly, would certainly not cease to play a role if indicators of national well-being became more prominent, but would be supplemented in a constructive way and political interaction once again established on a more factual basis.

1.3 Evidence-based policy measures as the basis of decision-making and Regulatory Impact Assessments with a focus on quality of life (QOL-RIA)

A more prominent role for well-being indicators in politics can also improve the effectiveness of political decision-making. In this way, for example, the dimensions of well-being identified as important in individual countries can serve as a basis for evaluating policy measures. First attempts in this direction may be found in the so-called Green Book, in which the British Treasury summarises guidelines for the assessment of policies. A focus on other quality of life factors, such as citizens' subjective life satisfaction, makes it possible to monitor the social effects of measures and effectively guide the allocation of resources (Fujiwara and Campbell 2011). In a similar fashion, Regulatory Impact Assessments with a focus on quality of life (QOL-RIA) should evaluate the impact of future policies on the national well-being indicators. A Gross National Happiness policy screening tool in Bhutan, impact statements as discussed in Oregon (USA) or the sustainability assessment of policy proposals by the German Parliamentary Advisory Board on Sustainable Development offer ideas that could be developed into a comprehensive approach which places quality of life at the centre of the policymaking process in the future.

Finally, it is also possible that *regional structural policy* could be redefined by measuring deprivation in particular areas based on the many important dimensions of well-being contained in a national dashboard or index, thereby providing a broader basis for decision-making in the future.

1.4 An overarching narrative is once more taking shape

The current debates offer politicians an outstanding opportunity to develop an overarching narrative and to make clear to the voters the outcomes to which the individual elements of their policy measures are supposed to lead. Beyond setting out detailed refinements of the tax system, an emphasis on improving particularly important indicators can bring out the bigger picture. Fundamental debates of this kind can create an effective framework for the »nitty gritty« of everyday politics. They offer parties the chance to present a »grand design« and to present their policies with a broad brush, based on priorities and goals formulated in terms of particular dimensions of well-being.

1.5 What separates the parties is becoming clear again

Another consequence of the debate on the measurement of quality of life will be that political parties will have to adopt a position on this idea and define it, both for themselves and for the voters. The indicators political actors identify as the most important reveal what they consider to be a »good society«. Is it a society with high equality of income? What are the parties' specific priorities; in particular, what would they like to improve? Ideal models and visions of society will be posed more clearly in this way. Meanwhile, key differences will not be confined to indicators – particularly where there is a strong consensus across parties, for example, on the issues of raising middle incomes or subjective well-being – but will also bear on the strategies adopted to fulfil these goals. Nonetheless, differences with regard to key indicators will take on an important role in helping voters to distinguish between political parties and to become aware of the specific issues they care about most deeply.

1.6 Reviving the electorate's interest in issues of how we want to live together

A large number of people have a keen interest in key questions in the current debate on the measurement of well-being, such as what kind of society we want in the future. If political actors prove able to shape such debates in a participatory way, the tide of political disenchant-

ment could be turned back and a sizable number of people could once more take an interest in political decision-making. National consultation processes on such questions as »What matters to you in life?« and »How can national well-being be measured?« in Australia, Italy and the UK have pointed the way towards broad participation on issues of social progress.

It should be noted, however, that many of the factors of human well-being arising in national consultation processes – such as health and the quality of interpersonal relations – are only partly susceptible to government action. Even if many states, such as Bhutan, have adopted happiness into their constitution as a goal it is hardly enforceable in a court of law. Self-responsibility and personal lifestyle therefore remain (thank goodness!) of central importance. Whatever the other advantages of the debate outlined here, ultimately government cannot be held responsible for the happiness of the individual in the sense of an »all-round stress-free package«. However, the establishment of a set of indicators will re-ignite a debate on relations between the individual and the state. Ideally, this will generate smart solutions that will make it possible to respond to questions about public welfare and individual responsibility with innovative strategies. The UK's Behavioural Insight Team, which applies the results of behavioural economics within the government apparatus, is playing a pioneering role in this respect (see Dolan et al. 2010). It is looking for new approaches in order to develop a so-called »choice architecture« for individual behaviour which, while safeguarding personal responsibility, would make it more likely that outcomes and social goals generally considered desirable will be achieved, such as healthier lifestyles for individuals and, hand in hand with that, lower health care costs overall.

2. A set of social democratic indicators?

Finally, the mechanisms described above in relation to political actors shall be made more tangible by means of an example which is also intended as a constructive contribution to the debate. By way of illustration here at the end it is to be explored how a set of »social democratic indicators« might look. This exercise could equally well be carried out – and in future hopefully it will – for conservative, liberal, green, etc. sets of indicators.

Asking about what indicators a party emphasises is also to ask about its identity. The Stiglitz Commission in its concluding report states with regard to indicators and political action that »what we measure affects what we do« (Stiglitz et al. 2009). The statistics that we focus on will closely guide our actions. The follow-up question, therefore, must be: what does social democracy want to »get done«? What do social democratic parties stand for? What outcomes are most important to them? This political tradition invokes the basic values of freedom, justice and solidarity. Its »brand core« consists primarily perhaps of social justice and social mobility. Advancement by means of education should be possible for every member of society, whatever their social background.

Many of these ideas overlap with Nobel prize winner Amartya Sen's »capabilities« approach. According to Sen, whose theory underlies the UN's Human Development Index, key to quality of life are the capabilities a person has in order to be able to lead a flourishing life. Government should therefore create the kind of life circumstances people need so that they are in a position to successfully shape their lives on the basis of personal responsibility (Sen 1985). In practice, such capabilities could be granted by means of basic financial resources, but also through access to education, fulfilling and decently paid work and a health care system accessible to all members of society.

Table 1 presents a people-centred set of indicators of this kind. It is also important to highlight the brand core of a given political school of thought by means of a dashboard of priorities. This dashboard contains four selected indicators which elucidate a party's main concerns at a glance. In the case of social democracy this could be: (i) equality of income as indicator of social justice; (ii) opportunities for advancement in society as an expression of social mobility; (iii) median household income as a measure of financial resources; and (iv) access to meaningful work.

Needless to say, there are other measures than the selected ratio between the richest and poorest fifth of the population that could be used to present as complex a construct as social justice. This finds expression in debates on justice based on contributions vs. justice based on needs or equality of opportunity vs. equality of outcome. However, a trade-off must be observed between the scope of a set of indicators and simplicity of interpretation.

Distribution in particular should be emphasised. It must always be considered as an expression of social justice, explicitly in the form of income distribution (richest vs. poorest quintile) and implicitly as an underlying cross-cutting dimension of other indicators (ideally broken down by socio-demographic characteristics). Mean values alone often provide an unsatisfactory picture of social well-being. Growth in GDP per capita, for example, says nothing about whose income has increased and whether whole social groups may have been simply »left behind«. Moreover, many indicators involve »multiple deprivation«: in other words, individual factors correlate highly because, for example, people in poor health often have poor jobs and low income.

The indicators listed here as a basis for discussion should therefore reflect the core concerns of social democratic policy, with four priorities being proposed. For the most part the data are already available in a number of countries, although not so far on an annual basis. Selective improvements must therefore be made. In sum, such an approach would make human beings and their life situations the focal point of public policy.

Table 1: Outline of a set of » social democratic indicators«. Core concerns of social democracy are depicted in bold, with example indicators

Four priorities			
1. Social justice	2. Opportunities for advancement	3. Financial resources	4. Access to and quality of work
Ratio between the highest and the lowest income quintile in society	Relationship between socio-economic background and educational attainment	Median household income	Unemployment rate, job satisfaction
Social participation and social cohesion – Civic engagement, social exclusion, crime rate, interpersonal trust, not-at-risk-of-poverty rate Environmental protection – Ecological footprint, air pollution, proportion of renewable energies Subjective well-being – Life satisfaction, feeling that one is leading a fulfilling life (»eudaimonia«) Health – Life expectancy, subjective health status, premature mortality Access to and quality of education – Enrolment rate, rate of early school leavers, students' skills according to OECD PISA indicators Growing economy – GDP per capita Equality – Gender pay gap Integration of immigrants – Proportion of those with an immigrant background who qualified for university entrance			



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