

## Towards better statistics on well-being and societal progress The European Framework for Measuring Progress

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In the last decade, the statistical and economic debate has been dominated by the topics related to the measurement of well-being and societal progress. Reservations over the use of GDP as a unique measure of well-being are not recent in Europe and at the start of the new millennium the agenda began to have a worldwide dimension thanks to a number of international initiatives. Against this background, after a brief review on the debate on beyond GDP and of the main initiatives to it related, the paper illustrates the EU FP7 e-Frame Project, funded by the European Commission with the aim to foster the on-going European debate on the measurement of well-being. e-Frame - European Framework for Measuring Progress - is a coordination project (duration 2012-2014) based on a Consortium of 19 European partners (National Statistical Institutes, civil society organisations, universities, research centres, OECD) coordinated by the Italian National Statistical Institute (ISTAT) and by Statistics Netherlands (CBS). The activities carried on by the project are illustrated with a focus to the set up of the European Network on Measuring Progress (e-FrameNET) on Wikiprogress platform (hosted by OECD). The paper aims at contributing to put the European position on better statistics on “beyond GDP” in a global perspective sharing the results of the e-Frame activities looking forward to the emerging research needs.

**Keywords:** beyond GDP, debate on new measurements, official data, stakeholder inclusion

### 1. The “beyond GDP” debate for better statistics

In the last decade, discussions on measuring of well-being and societal progress beyond GDP have been at the forefront of the European and global agenda.

For a long time, economic growth has been identified with progress. GDP has been universally considered the standard measure of economic progress. An increase in the production and consumption of goods and services, indicated by an increase in Gross Domestic Product (GDP), has been seen to represent economic growth. GDP represents a macroeconomic measure of the size of economic activity, and, at the individual level, it is a requirement for well-being. However, the relationship between the level of the economic activity and individual well-being is not directly proportional.

Reservations over the use of GDP as a measure of well-being are not recent. In 1968, in his famous campaign speech, Robert F. Kennedy declared:

*“The Gross National Product does not allow for the health of our children, the quality of their education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country; it measures everything, in short, except that which makes life worthwhile.”*

Nowadays, 45 years after that speech and thanks to the long-lasting international debate on the issues, the need to go beyond GDP to measure the well-being of people and societal progress is fully recognised at all levels in a worldwide dimension. Moreover, the necessity to

look for a new vision of measuring economic growth is vital in the perspective of the on-going international crisis which highlights the urgency to put 'Man' at the centre of the economic evaluations.

Over time, the methodological and conceptual diverse research activities for better statistics have been pushed by the debate on "beyond GDP" carried on through several specific initiatives promoted by both the public and private world of research and at institutional level.

The OECD began to work rigorously on this thematic since 2001 and, recognising the necessity for a wide-ranging reflection on the various themes and multiple dimensions of the progress of societies, has organised the World Forums to discuss these issues from a global perspective: Palermo in 2004, Istanbul in 2007, Busan in 2009 and New Delhi in 2012 (OECD, 2012a). In 2008, the then French President Sarkozy launched the Commission on the Measurement of Economic Performance and Social Progress (the Stiglitz-Sen-Fitoussi Commission). The Commission stressed the necessity to move the attention from measuring economic production to measuring individual well-being, thereby identifying the limits of GDP as an indicator of economic performance and societal progress (Stiglitz, 2009).

At a European level in 2009 it was established, by the European Statistical System Committee, the Sponsorship Group on 'Measuring Progress, Well-being and Sustainable Development' with the aim of translating the recommendations of the Stiglitz-Sen-Fitoussi Commission into concrete actions in charge of the National Statistical Institutes (NSIs), calling on them to push the definition of sound and timely statistics, thus implying a better use of all the available statistics and developing new statistics and concise indicators. In its final report (ESS, 2011) the Sponsorship Group outlined a strategy to develop statistical information to meet the Stiglitz's Commission recommendations, pointing out the development of better statistics related to: 1) household perspective and distributional aspects of income, consumption and wealth; 2) multidimensional measures of quality of life; 3) environmental sustainability.

The debate on measuring well-being and societal progress "beyond GDP" and on the complex phenomena to it related is growing up enormously creating a global movement which involves all stakeholders: civil society organizations, social entrepreneurs, researchers, practitioners, consumers, workers, citizens and society at large.

The research and the debate "beyond GDP" have been greatly enhanced by Internet which contributed to enlarge the community involved in the discussion. Web 2.0, giving the opportunity to share knowledge, information and data, contributes to implement new ways of collecting and producing information involving communities and to collect data from communities ('Big Data') driving a reshape of the "definition" of statistics making it possible a bottom-up approach.

One of the recent notable bottom-up approach initiatives is the OECD's Better Life Initiatives (OECD, 2012b) that led to the Better Life Index. The tool is designed to invite users to visualise and compare some of the key factors – like education, housing, environment – that contribute to well-being in OECD countries. The aim is to allow understanding what drives well-being of people and nations and what needs to be done to achieve greater progress for all. This initiative is once more pushing the research to explore the diverse dimensions of subjective and objective concepts of quality of life.

On the side of the NSIs, called to follow the conclusions of the Sponsorship Group on "Measuring Progress, Well-being and Sustainable Development", bottom-up approach initiatives of stakeholder consultation and dialogue with society at large are currently carried out in Europe and abroad. The Italian NSI has instituted the CNEL -ISTAT initiative for measuring Equitable and Sustainable Well-being in Italy "BES" within which it has been carried out a deliberative process for the definition of a theoretical framework for the measurement of well-being and the selection of the indicators which are composing it. The selection of indicators has been done through the dialogue between a scientific commission of experts, a national steering committee with entrepreneurs, unions and the civil society at large, supported by public meetings, a national survey, a blog and an online questionnaire. The result of the consultation (CNEL-ISTAT, 2013) has provided a set of indicators as a

decision co-established by the Italian society at large, on which the methodological and technical research is going to build up its activities.

## 2. The European Framework for Measuring Progress

e-Frame project responds to the needs and requests of the European Commission to streamline activities and results arising from the previously mentioned initiatives launched in recent years, while at the same time emphasising the European dimension. e-Frame - European Framework for Measuring Progress - is a coordination project funded by the European Commission under the 7th Framework Programme (EC, 2010). The project started in January 2012 and will last until June 2014. It is made up by a pan-European Consortium of 19 partners with outstanding expertise in the field and representing different and complementary think-tanks (National Statistical Institutes - NSIs, civil society organisations, universities, research centres and the OECD), coordinated by the Italian National Institute of Statistics (ISTAT) and by Statistics Netherlands (CBS).

e-Frame provides a European framework for the debate over the measurement of well-being and progress among all relevant stakeholders. In particular, it aims at coordinating activities and initiatives of relevant actors (NSIs, European Institutions and policy makers, researchers and civil society) in order to foster the debate on measuring economic performance, sustainable development, well-being and more generally the progress of societies and to propose the way forward.

To this purpose, the project focuses on thematic topics such as sustainable development, subjective wellbeing, social capital, human capital and labour market, intangible assets, new national account architecture, environmental indicators, the welfare effects of globalisation as well as on cross-cutting issues such as the measurement of well-being and progress at the local level and the methodologies for stakeholder inclusion and activation of deliberative processes. The project also concentrates on NSIs systems for the measurement of progress, well-being and sustainable development together with the identification of specific challenges they face in accomplishing such a task and will identify and recommend best practices to NSIs in the presentation and visualisation of official statistical information on the Internet by inventorying and analysing available users tools and ICT innovations and opportunities.

The development of effective dissemination strategies is a key requirement of e-Frame. The project dissemination plan exploits Web 2.0 infrastructures and finds its centre in the project website [www.eframeproject.eu](http://www.eframeproject.eu) which has been conceived as a virtual forum for all consortium partners and as a major tool for networking and spreading information and documentation on project activities and events. In this perspective, a major role is represented by the organisation of a number of events, namely nine thematic workshops and two general Conferences, which will set the pace for activities, allowing discussion among target groups, stimulating a debate and promoting the involvement of relevant stakeholders and policy makers.

The project is now at the half of its lifecycle. Thus, a number of events have already taken place and the first outputs of stocktaking and reporting activities on existing results are now available on e-Frame website. However, four thematic workshops are scheduled for summer and autumn 2013 - Workshop on Methodologies for stakeholder inclusion and public deliberation, by UK Office for National Statistics, ONS (26 June); Workshop on The Wealth of Nations in a globalising world, by University of Groningen (18-19 July); Workshop on New National Accounts architecture, by Centre for Financial and Monetary Research of Romanian Academy (11-12 November) and Workshop on Environment, by Fondazione Enrico Mattei (5-6 December) - and related information on contents and registration (free of charge) are available on e-Frame website. Finally, e-Frame Final Conference, where project outputs will be presented and discussed, will take place in February 2014: it will gather partners, experts, Advisory Board members, Commission representatives and stakeholders in general.

The stocktaking of available results and of on-going research activities on the measurement of well-being and societal progress, the discussions and debates in the thematic workshops and general project Conferences will contribute to develop cross-cutting products outlining the way forward. The objective is to define guidelines for the use of existing indicators by policy makers with the aim to support evidence based policies and to address relevant areas that need further investments or research developments at a European level for the measurement of well-being, progress and sustainable development.

### **3. e-FrameNET. A Network for Europe and beyond**

In 2012, with the overarching goal of stating a European position on the measurement of well-being and progress “beyond GDP” and able to interact at local, national, international and global level, the e-Frame “European Network on Measuring Progress” (e-FrameNET), hosted by Wikiprogress platform, was set up by ISTAT. e-FrameNET is an offshoot of the e-Frame EU FP7 Project .

The e-FrameNET, launched at the e-Frame Initial Conference - European Conference on Measuring Well-Being and Fostering the Progress of Societies, OECD, 26-28 June 2012, Paris (OECD, 2012c) and presented at the 4th OECD World Forum, was built up with the objective to contribute to the establishment of a European position on the issues related to methodological and theoretical aspects of new indicators for the measurement of societal progress and well-being “beyond GDP”.

The Network’s structure allows members to communicate through the e-Frame website and the Wikiprogress platform in order to connect stakeholders, researchers, organisations, citizens and policymakers in the on going debate on what constitutes the most “accurate” measurement of well-being and societal progress.

Members of the e-FrameNET are organised in a database, centrally managed by ISTAT to respect the privacy policy, which allows for the creation of mailing lists and for disseminating details about relevant activities. The Network’s aim is to elevate the visibility of the findings of pertinent projects on progressing “beyond GDP”.

The Network forms a crowd sourcing community around the subject of measuring well-being able to contribute to the definition of “better statistics” and to foster the discussion at local, national and international and subject-specific level.

The position of e-FrameNET on the Wikiprogress platform represents its key strength, driving the European local, national and international debate towards a highly global perspective. It constitutes the European Network, which functions alongside the Regional Networks of Africa and Latin America. Key members include the European National Statistical Institutes, civil society organisations, academia, research centres and many citizens belonging to all societal components.

e-FrameNET with its members is actively contributing to the debate on how to reshape the ways in which statistical information and data can be shared and disseminated and how it is possible to engage citizens and motivate them to contribute and access statistics.

Among all of the positive aspects of Web 2.0, there are a few lessons learned along the way of e-FrameNET that might be useful to note. The management of these tools is demanding in terms of work and money. The communities have constant requests that need to be met. So, strong technological staff needs to be in place to capitalize the crowd sourced contributions.

Anyhow, as these Web 2.0 platforms and networks are a real contribution to understand what matters to citizens, how to measure it and eventually foster real change and as the power of online crowd sourcing communities grows ever stronger, the Institutions of diverse type and scope cannot ignore their centrality and the necessity to invest on them for the integration of official and non official statistics towards the definition of better statistics for better policies for a better quality of life.

#### **4. Planning future initiatives and setting the way forward**

In a future perspective, e-Frame wants to contribute to shape the way forward building up on project activities and results. To this purpose, outputs, events and acquired knowhow are being exploited with the aim to support a greater and more aware use of available indicators by policy makers, advisors to policy makers at European, national and local level as well as by scientists and researchers in their studies and analyses. Guidelines for policy use of well-being indicators are being realised by summarising and enhancing with an overarching perspective the project results. Complementary to this product is the identification of existing gaps, emerging topics not yet enough developed and areas that need research investments in order to support coordinated initiatives at European level and support the European Commission in developing research agendas and funding needs. In particular, e-Frame will deliver a roadmap for future research initiatives addressing the major research needs of the European Statistical Systems in the area of measuring well-being, societal progress and sustainability.

The final roadmap will be realised at the end of the project in order to benefit from all project results and activities. Nevertheless, intermediate releases are foreseen with the purpose of stimulating a debate and anticipate possible actions from the European Commission even before the end of the project. The first tentative roadmap, based on the first year of project activity, is available on e-Frame website and argues on major research needs after proposing a classification in four main areas, namely: i) needs to be developed in the perspective of measurements related to official statistics; ii) needs related to the usage of non official data; iii) needs belonging to the communication side; and finally iv) needs arising in a looking forward dimension aiming at a wider integrated vision.

Whilst the European dimension constitutes a major feature of e-Frame project, strongly characterising its objectives, by no means should it represent a limitation or unwillingness to share problems and solutions outside Europe. Indeed, e-Frame could largely benefit from inputs and stimulus coming from different realities and therefore, the Advisory Board, an external body in charge to provide advices and guidance for the development of the project, comprises outstanding experts also from outside Europe.

At the same time, e-Frame activated some initiatives to enlarge the discussion and share knowhow outside the European context. It is our belief that the stocktaking and dissemination work done within e-Frame could lead not only to improved European statistics and their use for measuring well-being, but could also represent an useful information source to take into account by other national and supranational communities interested in the topic. In this respect, the active participation of e-Frame to the 4th OECD World Forum on Measuring Well-Being for Development and Policy Making represented the opportunity to establish a bridge and promote a dialogue with such a wider community. The e-Frame exhibition stall, set up in the Exhibition Area on “New technologies for visualising statistics as well as initiatives to measure and foster quality of life”, represented not only a dissemination initiative but also a meeting point. Moreover, e-FrameNET was presented during the Seminar on Wikiprogress Networks - Regional Participation to a Global Movement together with the other regional networks belonging to the wiki family thus strengthening links and opportunities.

Finally, it is vital to communicate with the world statistical community represented by both official statisticians and researchers from public and private sectors in order to join research efforts, to share good or best practices, to harmonise findings for a better understanding of quality of life through enhanced quality statistics and a consistent use of indicators.

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