

Everyone agrees on the fact that GDP is no longer sufficient as a tool to measure the progress of the human community. Per capita income in Korea is 200 times higher than it was in 1960, but the number of sui-

# “Happiness” missing from Millennium Goals

TREND

by Donato Speroni

cides has more than doubled. How can we go beyond? Can “happiness”, meaning income as well as work, inflation, social and economic equality and time for personal relationships, replace GDP?

**T**he world can still win the battle, however difficult it may be, but it runs the risk of losing the war. The battle is that of the Millennium Development Goals, the objectives fixed at a solemn assembly of the United Nations in 2000 for progress by the target date of 2015. Substantial progress has been made (see page...), although there are delays and imbalances among the various geographical areas. The bad news is that, halfway along the road towards the objective, we have realised that something is not right; that these “goals” are not enough because they have not involved local populations. Hence the international community has begun to question itself not only on the new goals, but also on a new way to proceed. Representatives of 130 countries met in Istanbul in June on the initiative of the OECD for a World Forum that concluded with the launch of a very ambitious idea: a global project to measure the progress of human collectives. The concept is not merely a statistics-related one. As the OECD’s secretary general Angel Gurría said: “In the end, what we are trying to do is not just to measure progress and well-being but to achieve it.”

The Istanbul conference (Measuring the Progress of Societies, 27 – 30 June) followed a similar one in Palermo three years ago, also a great success but totally different in tone and scope. In the Sicilian capital, the emphasis was on the more developed countries and, optimistically, on best practices to obtain indicators of good government, with the aim of making statistics more useful in policy-making and democratic control. On the banks of the Bosphorus, on the other hand, the tone was a more problematic one precisely because the participants were looking at the world as a whole. The discussions concerned the way public opinion perceives statistics as well as what it is effectively worth measuring.

The premise of the problem is now clear; this magazine too has frequently touched upon it. The conventional indicator: GDP, gross domestic product, is no longer sufficient to measure the growth of the human community. Efforts to go beyond GDP are multiplying: for example, an international conference called “Beyond GDP” has been announced for 19 and 20 November in Brussels on the initiative of the European Union, the OECD, the WWF



and the Club of Rome. The problem does not, however, concern Europe alone, for the contrast between economic growth and the quality of life is most keenly felt in the countries with the fastest growth rates. In Korea, where real per capita income is 200 times higher than it was in 1960, the birth rate has halved and the number of suicides has more than doubled in the past ten years.

What is to be done "beyond" is, however, anything but clear. Can a happiness indicator replace GDP? Many economists are now working on this issue. At the Erasmus University in Rotterdam, Ruut Veenhoven has set up the "World Database of Happiness" (a website that offers free access:

<http://worldatabaseofhappiness.eur.nl>), which proposes to be an "ongoing register of research on the subjective enjoyment of life." The Rotterdam researchers also draw up weighed indicators such as the

Inequality Adjustment Happiness (IAH) indicator, which also takes life expectancy into account. Overall, however, this research trend does not appear to be an exhaustive one. It is true that individual happiness can be evaluated through surveys. But the figure is too subjective, debatable and hard to use to implement policies. Therefore, a group of indicators that can provide a measurement of the quality of life is preferable. This option also emerged from the conference "Is happiness measurable and what do these measures mean for policy?" held in April at the University of Rome "Tor Vergata". In the words of the OECD's chief statistician Enrico Giovannini: "Income, but also work, inflation, social and economic equality and time for human relationships: many parameters contribute to happiness, meant not as a state of being, a strictly personal issue, but as a wider category of well being that goes beyond the mere measurement of



income”.

What are the elements that influence “economically sustainable happiness”? There are many other heterogeneous elements besides wealth: unemployment, inflation, education and the possibility of enjoying leisure time. However, all these factors do not have the same importance at different stages of life. For example, various studies that compare the influence of unemployment and inflation on happiness show that unemployment is doubly important for people aged between 29 and 41 years as compared to other age groups. Leonardo Becchetti, a lecturer in Economic Policy at the University of Rome,

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illustrates a study that shows how "the gap in per capita income between North and South does not translate into an equal gap in happiness, although we must use a great deal of caution when we compare levels of 'declared' happiness in various countries. In the high-income OECD countries, 15.84% say they experience the 'maximum level of happiness', a share only slightly superior to that of people interviewed in less wealthy countries (13.47 per cent)". Besides, income has to be correlated to that of the social group with which each individual compares himself, and above all, to "interpersonal relationships": with the growth in relative income, time spent on relationships drops significantly. "The concluding estimate of the study," Becchetti sums up, "demonstrates that individuals in higher

income groups devote much less time to relationships, with negative effects on individual happiness". On the basis of these considerations, citizens of African states, with Nigeria leading the classification, are happier than Europeans.

In some countries such as Australia, Giovannini explains, the statistical institute has called for a sort of consultation among social parties to draw up a set of indicators that is now recognised as a good approximation of the index of progress. Italy too should "find common ground between right and left, unions and employers' associations, on which to understand each other and understand whether the country is improving or not". This is not easy, not least because the choice of indicators is very important for

## MILLENNIUM DEVELOPMENT GOALS: HALFWAY BETWEEN 2000 AND 2015

### GOALS

FIRST  
**Eradicate extreme poverty and hunger**

SECOND  
**Achieve universal primary education**

THIRD  
**Promote gender equality and empower women**

### RESULTS

The number of people in developing countries living on less than a dollar a day dropped from 1.25 billion in 1990 to 980 million in 2004 despite the population increase. The percentage dropped by nearly one-third to 19 per cent. The global objective will be reached but there are still very marked contrasts. There was a remarkable reduction in poverty in South East Asia, China and India but not in Western Asia, where poverty rates have more than doubled between 2000 and 2005. The situation is improving in the former Soviet countries after dramatically worsening in the 1990s, while the proportion of people living in extreme poverty in Sub-Saharan Africa dropped from 46.8% in 1990 to 41.5% in 2004, with progress accelerating from 2000 onwards. However, there are huge delays in the fight against hunger. South Asia and Africa have the highest percentages of underweight children and it is unlikely that this part of the objective will be reached.

88% of school age children were enrolled in primary education in the developing countries in 2004-2005, against 80% in 1990-91. There was major progress in Sub-Saharan Africa, which went from 54% in 1991 to 70% in 2005. The most serious delays occur in rural areas, where data often conceal even worse situations, with children who are enrolled but do not attend school or enrolment delayed by a few years: a situation that negatively affects the development of children's personalities.

Women's participation in paid, non-agricultural employment continues to increase (39% in 2005 compared to 36% in 1990), peaking in the former Soviet countries, where it even surpasses that of industrialised countries (51% compared to 45% in 2005). The only area where no progress has been made is North Africa, where the figure remains unchanged at 20 per cent. Women's political importance is also growing slowly: the percentage of women parliamentarians increased from 13% in 1990 to 17% in 2007.

political action. For example, many surveys lead to the conclusion that the level of socialisation is one of the essential components of individual satisfaction, more so than economic growth: those who can count on a network of friendship and solidarity thanks to the family, the clan or even a more sociable living environment generally also declare themselves to be more satisfied. However, if governments were to set themselves the primary objective of making us fraternize with neighbours in our apartment block or neighbourhood, popular festivals would become more important than incentives to companies. A paradox? Not really, if we examine the policies of some municipal administrations. Other countries are already reflecting on this. Yoshizoe Yasuto,

president of the Statistical Council of Japan, remarked at the Istanbul conference: "In particular, when baby boomers retire from economic and social activities in the near future, non-economic activities (such as leisure activities and volunteer activities) will become increasingly important from now on". Governing, in sum, will become increasingly complicated because it will no longer be enough to make the economy grow, ensure safety and guarantee social services that work: it will also be necessary to satisfy the new requirements of citizens, difficult even to measure.

The choice of more significant indicators of good government is complicated by two other factors: ignorance and distrust. Subjective perceptions do not always correspond to reality and not everyone is

## GOALS

### FOURTH Reduce child mortality

## RESULTS

The under-five mortality rate in developing countries decreased from 106 to 83 per thousand from 1990 to 2005. However, there are strong imbalances that require increased efforts, especially in Sub-Saharan Africa, where the percentage only decreased from 185 to 166 per thousand. The measles immunization campaign was very successful: deaths from measles fell by over 60% from 2000 to 2005.

### FIFTH Improve maternal health

Births with the help of skilled assistants increased from 43% to 57% between 1990 and 2005 in the developing countries, but the target of reducing maternal mortality by 75% is still a long way away. It is estimated that women in Sub-Saharan Africa have a 1 in 16 chance of dying from childbirth related complications, compared to 1 in 3,800 in developed countries. Unwanted pregnancies often lead to unsafe abortions, but only 64% of women use contraception methods (compared to 55% in 1990), with a particularly low percentage (21%) in Sub-Saharan Africa.

### SIXTH Combat HIV/AIDS, tuberculosis, malaria, and other diseases

63% of people with AIDS live in Sub-Saharan Africa. International action has managed to stop the percentage of transmission, but the number of people dying from AIDS crossed the 8 million mark in 2006. This has also created the dramatic problems of orphans, who will number over 20 million in 2010. International action to combat malaria has intensified, while the spread of tuberculosis appears to have stabilized even if it has not decreased.

### SEVENTH Ensure environmental sustainability

Despite conservation efforts, the loss of bio-diversity continues. The most substantial results have been obtained in the fight against ozone-depletion, although the effects will be seen over time. The MDG target appears to be hard to reach as regards access to safe drinking water and the improvement of living conditions in outlying areas, threatened by the rapid expansion of cities.

### EIGHTH Develop a global partnership for development

Only a few countries in northern and central Europe have reached the target of 0.7% of GDP for development aid. The co-operation scenario is a varied one: while the debt of developing countries is being reduced and the spread of technologies is intensifying, especially in the field of communications, there has been no progress in offering market access for production in developing countries.



willing to adapt their beliefs. Robert Manchin of Gallup Europe cited a devastating statistic at the Istanbul conference: 23% of citizens of the 15-member Europe are convinced that the Sun revolves around the Earth. For many, ideology prevails over information: in sum, the objective figure does not count. Also, one's state of indisposition or well-being influences one's perception. When asked, "How many days out of the last 30 days you had at least two hours of sunshine?" Copenhagen residents cited too many and Budapest residents too few: a difference of a substantial nine days. Interestingly, Danes (see chart) top the classification for optimism while Hungarians trail the list. And it is by no means certain that people actually believe these wretched statistics. There is increasing distrust of national governments and hence also of statistics organisations, which are considered an offshoot of governments. The standards of independence and international control that should guarantee their credibility are no longer sufficient in a world in which "the powers-that-be" are distrusted in any case. Yet measures have to be taken; in fact, the multiplication of the number of bodies operating in modern society (not just public powers and companies, but associations of various types able to influence the collective reality) and the decentralisation to individuals of many important decisions regarding their lives, which were resolved, for better or for worse, by the State in the past (for example, pension plans or the multiplication of choice in matters of education and health) make it increasingly important to have precise information at one's disposal.

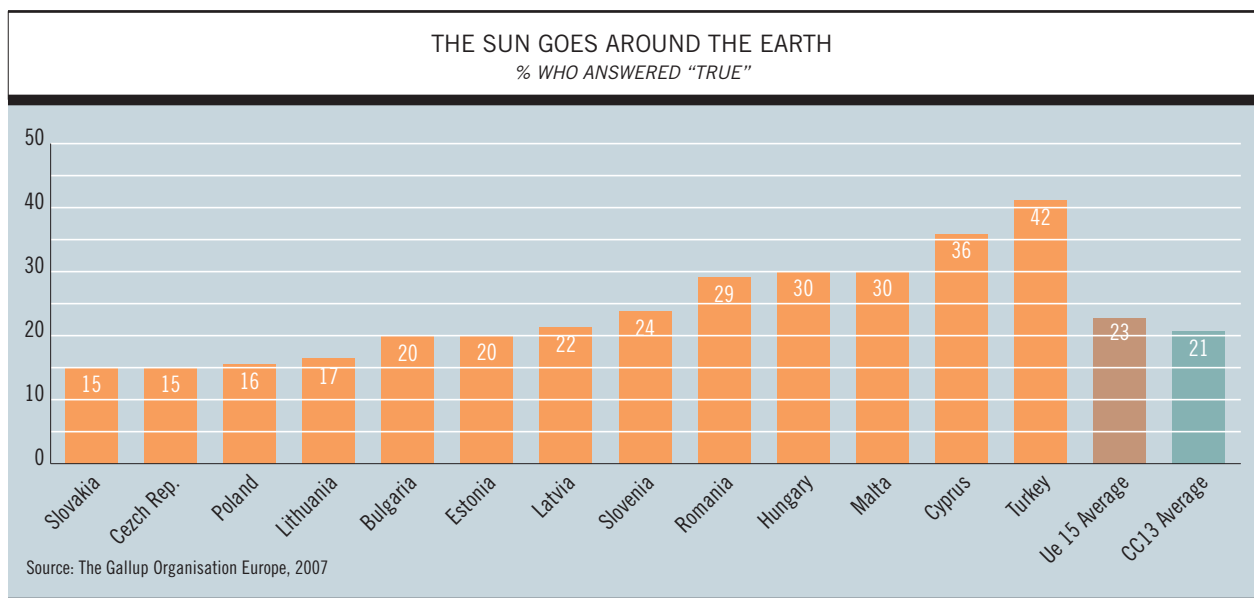
This, then, is the core of the problem: going from objectives that have come down from above (like the growth of GDP at the national level or the Millennium Development Goals for the world as a whole) to new objectives shared by the

According to Enrico Giovannini, OECD's chief statistician, many parameters contribute to happiness, meant not as a state of being but as a wider category of well being that goes beyond the mere measurement of income

large majority of people everywhere. This is not easy. Take, for example, the first of the eight Millennium Development Goals: “Reduce by half the proportion of people living on less than a dollar a day between 1999 and 2015 (at 1990 levels: about a dollar and a half at today’s levels). Substantial progress has been made in this direction, but in the meantime economists have proved that it is often the poor themselves who show reluctance towards initiatives that could increase their income but would upset their way of life. A study by Abhijit Banerjee and Esther Duflo of MIT, published by the “Journal of Economic Perspectives” and quoted by the “Economist”, concretely analyses how “the poorest on Earth” live and why it is so difficult to induce them to change their “economic behaviour” even when they would rationally have everything to gain. Many view rational economic advice (such as using fertilisers or changing the crop they cultivate) as a leap into the dark. It is perhaps for this reason that initiatives such as micro credit, which leave men and, above all, women in villages the choice of how to invest the small capital that they can borrow, are more successful than many aid actions that have come down from above. Communities basically wish to decide their objectives, and statistics tries to adapt itself. Numerous sets of local indicators were presented in Istanbul, above all databanks

that merge these experiences. For example, the Community Indicators Consortium ([www.communityindicators.net](http://www.communityindicators.net)) is a network to exchange data and information on best practices. Likewise, the Compendium of Sustainable Development Indicator Initiatives set up in Canada puts together detailed news related to 600 local initiatives.

This exchange of information over hundreds, perhaps thousands of different systems to measure progress is enhanced by “Web 2.0” technologies, i.e. more interactive new Internet tools. Once they have been accredited by the system, the leaders of different projects independently modify their pages, thereby guaranteeing more timely updating speeds. The same technologies are entrusted with making statistics easier to understand and more acceptable to citizens: no longer only charts and tables, but data processing able to respond clearly and simply to citizens’ questions. The most ambitious project would seem to be [stateoftheusa.org](http://stateoftheusa.org), a partnership that calls itself “non partisan, non-profit, public-private” to draw up and make about 900 indicators on the United States easily accessible, from the ecosystem to criminality, from immigration to the Federal budget. The project came about as a result of a request from the Government Accountability Office, Congress’s investigative arm in Washington, and



should be operational in a few months' time. However, many are active on the path of accessible statistics, including in unexpected directions. In issue 13 of **east** we described the initiatives of the Swedish foundation Gapminder, which builds dynamic graphics from which we understand how major statistics such as per capita GDP and infant mortality evolve over time in each country. The news is that Google has purchased Trendalyzer, the Gapminder software. Hans Rosling, Gapminder's founder, expected the sale to lead to a leap in quality in data availability for those who wish to rev up and build their own graphics. But Larry Page and Sergey Brin, the founders of Google, showed him another business concept. "People want to sit down at their computers and relax they way they do in

front of their television. Don't give us data, give us short pre-packaged films". In sum, people waver between the desire to independently decide what it is really important to measure (and improve) in their lives and the desire to receive the information that interests them in the way that is simplest and easiest to understand. Global statistics is moving on these two tracks, which can also seem anything but parallel: the more detailed and complicated indicators are, the harder it is to supply a comparative and accessible reading of them. This is precisely the challenge of "sociestique", a neologism that works better in French than in other languages (how would one translate it: societistics? socistics?), but that Giovannini used in his conclusions in Istanbul to illustrate the challenge of making statistics increasingly

## ISTANBUL DECLARATION

**We, the representatives of the European Commission, the Organisation for Economic Cooperation and Development, the Organisation of the Islamic Conference, the United Nations, the United Nations Development Programme and the World Bank**, recognise that while our societies have become more complex, they are more closely linked than ever. Yet they retain differences in history, culture, and in economic and social development.

We are encouraged that initiatives to measure societal progress through statistical indicators have been launched in several countries and on all continents. Although these initiatives are based on different methodologies, cultural and intellectual paradigms, and degrees of involvement of key stakeholders, they reveal an emerging consensus on the need to undertake the measurement of societal progress in every country, going beyond conventional economic measures such as GDP per capita. Indeed, the United Nation's system of indicators to measure progress towards the Millennium Development Goals (MDGs) is a step in that direction.

A culture of evidence-based decision making has to be promoted at all levels, to increase the welfare of societies. And in the "information age", welfare depends in part on transparent and accountable public policy making. The availability of statistical indicators of economic, social, and environmental outcomes and their dissemination to citizens can contribute to promoting good governance and the improvement of democratic processes. It can strengthen citizens' capacity to influence the goals of the societies they live in through debate and consensus building, and increase the accountability of public policies.

We affirm our commitment to measuring and fostering the progress of societies in all their dimensions and to supporting initiatives at the country level. We urge statistical offices, public and private organisations, 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.

Official statistics are a key "public good" that foster the progress of societies. The development of indicators of societal progress offers an opportunity to reinforce the role of national statistical authorities as key

serve the interests of society, not only the State. This challenge forms the basis of the declaration (see text on page...) signed by representatives of the European Union, the OECD, the Organisation of the Islamic Conference, the United Nations, UNDP and the World Bank. The declaration defines the MDGs as a step towards measuring the progress of societies with systems that go beyond conventional economic measurements starting with per capita GDP, but its formulation also makes it clear that new roads will have to be built. Human communities are invited to “define for themselves what ‘progress’ means in the 21st century” and the exchange of information and international debate on these themes are recommended.

In the OECD’s view, the global project announced in Istanbul will be the backbone

of this research, to be developed through a database and a newsletter until a future conference that could be held in Seoul in 2009. Some may ask why the moderator of this debate is not the U.N. but the Paris-based organisation, which has an institutional focus on its own members, the most developed countries. It could be mere role politics: it is easier for the OECD to promote research and exchange work, to subsequently help the U.N. to define objectives for the post-2015 period. However, it may also be a sign that more homogeneous, pared-down organisations can move faster than a big elephant herd such as that United Nations and its agencies.

providers of relevant, reliable, timely and comparable data and the indicators required for national and international reporting. We encourage governments to invest resources to develop reliable data and indicators according to the “Fundamental Principles of Official Statistics” adopted by the United Nations in 1994.

To take this work forward we need to:

- Encourage communities to consider for themselves what “progress” means in the 21st century;
- Share best practices on the measurement of societal progress and increase the awareness of the need to do so using sound and reliable methodologies;
- Stimulate international debate, based on solid statistical data and indicators, on both global issues of societal progress and comparisons of such progress;
- Produce a broader, shared, public understanding of changing conditions, while highlighting areas of significant change or inadequate knowledge;
- Advocate appropriate investment in building statistical capacity, especially in developing countries, to improve the availability of data and indicators needed to guide development programs and report on progress toward international goals, such as the Millennium Development Goals.

Much work remains to be done, and the commitment of all partners is essential if we are to meet the demand that is emerging from our societies. We recognise that efforts will be commensurate with the capacity of countries at different levels of development. We invite both public and private organisations to contribute to this ambitious effort to foster the world’s progress and we welcome initiatives at the local, regional, national and international levels.

We would like to thank the Government of Turkey for hosting this second OECD World Forum on “Statistics, Knowledge and Policy”. We also wish to thank all those from around the world who have contributed to, or attended, this World Forum, or followed the discussions over the Internet.