

Measuring what Matters to Make a Difference

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"Too much and for too long, we seem to have surrendered personal excellence and community values in the mere accumulation of material things. Our Gross National Product now is over \$800 billion dollars a year, but that Gross National Product ... counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage. It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities. It counts Whitman's rifle and Speck's knife. And the television programs which glorify violence in order to sell toys to our children. Yet 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."

– Senator Robert Kennedy, Speech to the University of Kansas, March 18, 1968.

Let me start with a proposition which is at the heart of the movement to develop new measures of progress. We get what we measure. The indicators we choose to define success become the things we strive for. It follows that if we measure the wrong things we get the wrong outcomes. GDP growth is the dominant goal of policy makers. But GDP is not a good measure of success. At best it is partial. At worst it is downright misleading.

Now is not the time for a detailed lesson in the strengths and weaknesses of GDP as a measure of wellbeing. It is enough to note that Simon Kuznets, one of the fathers of the System of National Accounts, explicitly warned in 1934 that "the welfare of a nation can scarcely be inferred from a measure of national income." (Kuznets, 1934). His warning was prescient if unheeded.

Now a growing number of statisticians and economists are convinced that smarter measures of progress are needed for 21st century societies and they are working to develop them. Sometimes this means improving the way we measure things we know are important (like health or education): measuring outcomes in those areas, not outputs or inputs. Sometimes it means developing new

measures for things that are emerging as important but don't lend themselves well to quantitative measurement (how do we develop hard indicators of a society's vulnerability or resilience, its social cohesion, the quality of our governance?). But like it or not, if we want people to pay attention to the things that truly matter we need hard quantitative measures. That is what the policy makers and the media pay attention to: we get what we measure because we manage what we measure.

But before we can measure progress, or even some of the fuzzier aspects of it, we need to know what it looks like. And therein lies the problem. Statisticians and the economists are increasingly persuaded of the need to develop measures once they know what they should be measuring, but they are rightly uncomfortable with trying to decide alone what progress means to a society.

And *progress* is not well defined. Although we at the OECD have worked on an overarching framework (see Figure 1), we don't claim that this is the only way to conceptualise all of the things that matter for a society.

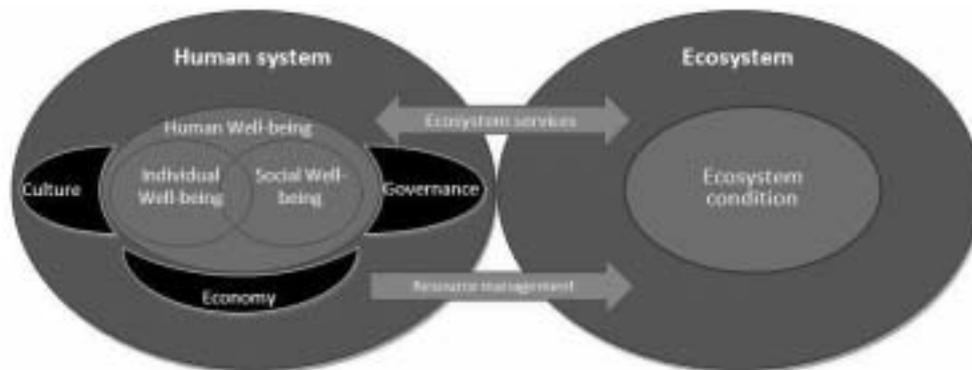


Figure 1. Proposed framework for measuring the progress of societies (Hall, Enrico, Adolfo, & Guilia, 2010).

In 2000 I worked at the Australian Bureau of Statistics (ABS), developing a new set of progress measures for Australia (ABS, 2002). We quickly realised that any set of measures needed to be owned by those whose progress we were seeking to measure: in this case the Australian people. So the statistics office needed to consult with Australian society.

The ABS undertook a quite limited, but ultimately successful, consultation with a distinguished group of Australians on which things we would need to include in a set of progress measures, and how we might define success in each area. This sort of work is bread and butter to futurists and I wonder how much easier, and more successful, the process might have been had we collaborated closely with them. Ten years later, as more and more societies start to grapple with developing sets of progress measures it seems clear that the community of futurists is a key ally from whom we can learn, and with whom we can hope to collaborate.

Consultation with the community seems to be a necessary, if not sufficient, factor for success in developing measures of progress. But the very process itself can bring benefits beyond the immediate goal of a stronger, more resonant, set of progress measures. This was something we saw to an extent in Australia. People with very different political ideologies would walk into a meeting to discuss how to measure "Poverty" (or Financial Disadvantage as we have to call it in Australia) on the defensive and ready for a fight. Two hours later, after agreeing on just about everything on the agenda, including why it is important to the nation's progress to tackle poverty, and how changes in poverty should be defined and measured, they would walk out of the room and off to the pub with their new found friends (where they quite possibly got into an argument over what policies were needed to tackle poverty, something we most certainly did not try to agree on in the meeting). There is a variety of other similar evidence from around the world: it appears that when debate is focussed on the metrics of measurement it can lead to far more productive conversations than jumping straight into arguing about what policies are needed.

Although the notion of measuring progress is built around data and indicators, it goes well beyond the statistics. Discussing what progress means for a society is a powerful way to reshape political debate. Ultimately it requires reaching collective agreement on the outcomes we desire, which in turn means agreeing on how we measure success. This area has a great potential to engage those who are trying to find policy solutions for problems where people almost always disagree. It might not lead to deciding on what policies are needed. But it can lead to claiming some common ground and building consensus about the outcomes that are being sought. It won't find the solutions for some of our wicked problems, but it can take us several steps in the right direction. Futurists have a role to play.

Let me end with a passage from another eloquent Senator which puts this much better than I can.

America, our work will not be easy. The challenges we face require tough choices, and Democrats as well as Republicans will need to cast off the worn-out ideas and politics of the past. For part of what has been lost these past eight years can't just be measured by lost wages or bigger trade deficits. What has also been lost is our sense of common purpose - our sense of higher purpose. And that's what we have to restore.

We may not agree on abortion, but surely we can agree on reducing the number of unwanted pregnancies in this country. The reality of gun ownership may be different for hunters in rural Ohio than for those plagued by gang-violence in Cleveland, but don't tell me we can't uphold the Second Amendment while keeping AK-47s out of the hands of criminals. ... This too is part of America's promise - the promise of a democracy where we can find the strength and grace to bridge divides and unite in common effort.

– Senator Barack Obama "The American Promise", Remarks to the Democratic National Convention, August 28, 2008.

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