

AICESIS Seminar on Measuring Progress, Development and Well-Being
12-15 July 2010
Luxembourg

Day 1: Monday, 12 July 2010

Words of welcome to participants and presentation of programme

After the words of welcome by Mrs Marianne Nati-Stoffel, General Secretary of the Luxembourg ESC (Economic and Social Council), Mr Marc Hostert, Principal Private Secretary to Mr Henri Grethen, Luxembourg member of the European Court of Auditors, briefly explained the function and objective of the European institution hosting this seminar.

Dr. Serge Allegrezza, President of the Luxembourg ESC, then set out the objectives and origin of the Luxembourg initiative "PIBien-être¹". The ESC and the Luxembourg High Council for Sustainable Development (CSDD)² were officially requested to submit a report to the Prime Minister on the measurement of well-being. In order to successfully fulfil this assignment, they would have to rely on the Stiglitz-Sen-Fitoussi report and on the dialogue with civil society through the organisation of three workshops. The aim of this AICESIS seminar was to broaden the issues to all the ESCs, who would also have a role to play in defining the type of future society and in the selection of progress indicators.

Mr Markus Wauschkuhn of Inwent³, ESC partner in the organisation of the seminar, also praised the seminar's initiative and mentioned the importance of the Millennium Development Goals (MDGs). He suggested to go from a top-down approach to a bottom-up approach and felt that the ESCs could help define the appropriate key indicators for their country and for managing their public policies. It was also in this context that Inwent launched the project "The MDGs and beyond".

Mr Daniel Byk, Special advisor for the international cooperation of the Luxembourg ESC, was delighted by the fact that these issues are leaving the statistician-researcher-academic realm. In order to explain the importance of measuring the progress of societies, he played a video in which Mr Angel Gurría, Secretary-General of the OECD, explained that the main reason for the current global crisis is the failure in the governance of our societies. Mr Byk also stressed the importance of re-establishing the link between statisticians and consumers and reiterated that the problems of developed and developing countries are very similar. He then presented the 4-day programme of the seminar and invited all participants to introduce themselves and to explain their interests/their expectations for the selected topics.

¹ Name is a combination of PIB (GDP) and Bien-être (well-being)

² www.csdd.public.lu

³ www.inwent.org

Presentation by Dr. Josep Borrell Fontelles, President of the European University Institute in Florence, former President of the European Parliament

Politicians and public opinion only consider GDP growth, and ignore societal reality. Therefore it is necessary to alter the measurement of reality to be able to have an effect on it. GDP has demonstrated its limits, such as the fact that it rises with disasters and fear or not measuring progress and well-being. Nor does it count the impact on the natural environment or non-market output. But before “measuring in a different way”, we have to define the values to be taken into account and this is eminently political. The Stiglitz-Sen-Fitoussi Commission asserted that “we will not change our behaviours if we don’t change our performance measurements”. However initiatives, like those of this Commission, have been criticised because in the face of weak growth, they have been accused of looking for other indicators of countries' positive economic state.

In its recommendations however, the Stiglitz-Sen-Fitoussi Commission purely and simply states that it is better to take into account the output of administrations, to consider incomes rather than output, to measure inequalities and to improve statistics on the quality of life and environment. Indeed, GDP may well rise but not be distributed to the people, or be distributed unfairly. Although Germany’s GDP fell more than Spain’s, in Germany there was no increase in unemployment which reached 20% in Spain. Likewise the le GPI⁴ (Genuine Progress Indicator) has been stable for decades while the GDP/inhabitant has risen.

Other indicators were then suggested to make up for the GDP deficiencies. In this way, HDI completely overturns GDP rankings. In the United States, a list of 300 indicators is going to be published to inform citizens on the condition of the country. The World Bank created Adjusted Net Saving⁵) based on a capital approach, but this approach has its limits (China appears as an example just by virtue of the massive savings of its population.) Another current approach is also the Ecological Footprint⁶. As for the OECD, it offers a system of satellite accounts.

Moreover, one shouldn’t put the GDP on trial, because it measures economic activity extremely well and is not intended to state more than that. We have to concentrate on measuring inequalities, which have greatly increased over the past twenty years. The speaker then spoke about the Kuznets curve; in the initial stages of development, inequalities would spur in increase in GDP, whilst in the most advanced economies, inequalities would slow down economic growth. Another issue referred to was the existences of bubbles, be they financial or property bubbles, which tend to inflate GDP.

⁴ The Genuine Progress Indicator, (GPI) starts from measuring household consumption, to which are added contributions to well-being expressed in monetary terms, such as voluntary activities and domestic chores. Then we deduct the estimated value of lost natural wealth (damage to the environment, destruction of non-renewable resources, ...) and societal damage (unemployment, crimes, accidents, inequalities, ...).

⁵ The adjusted net saving measures the savings rate of a country after adjustment for education expenditure, capital depreciation, depletion of natural resources and damage caused by carbon dioxide and by emission of particles. A negative savings rate shows that a country has economic growth that is not viable in the long run. Source: World Bank

⁶ The OECD defines this as “a measure of the hectares of biologically productive area required to support a human population of a given size.”

Finally, reference was made to the issue of financing the increase of GDP by debt and the impact that this can have in a common monetary area.

Presentation by Mr Raymond Weber, President of the CSDD

Mr Weber started by explaining the full definition of sustainable development from the Brundtland⁷ report. Sustainable development thus reconciles economic, social and environmental concerns and is based on a new form of governance (participative democracy with access to information and more transparency). It is also being increasingly based on a holistic approach.

The Stiglitz was then criticised: even if it offers a clear diagnosis, its solutions are too economist and sustainable development is disconnected from two of its mainstays. The report also advocates Adjusted Net Saving (ENA), an indicator that is difficult to understand, furthermore based on the hypothesis that the various types of capital can be substituted, which is incompatible with the CSDD⁸ concept of sustainable development. Likewise, this report fails to address the issues of poverty, inequality, culture and democracy. It also says nothing about the structuring/linking of the three mainstays of sustainable development, even though this is the most interesting point.

Mr Weber then proposed a fundamental discussion on “the world we want” (Amartya Sen, 1998 Nobel Prize winner in Economics) by involving all of society in a democratic manner. It is appropriate to go from “a society of ‘have a lot’ for a few to a society of sustainable well-being for all” (FAIR⁹ group). We also mustn’t confuse ‘standard of living’ and ‘quality of life’ and the redefinition of our wealth dashboard means that we must question what has value and meaning, and what enables us to live in harmony.

As Isabelle Cassiers and Géraldine Thierry emphasised¹⁰, “we have to reconcile what counts and what we count”. Three requirements stand out: measuring results rather than output, measuring assets rather than flows, and integrating the issue of apportionment in the broad sense. For Patrick Viveret, philosopher and magistrate at the French National Audit Office, GDP is becoming “a thermometer that can make you ill”. After all, it doesn’t measure apportionment, the destruction of assets, social cohesion, or artistic or cultural creation. We therefore urgently need to change our wealth indicators and our lifestyles, following a far-reaching democratic consultation to determine “a civilisation policy”.

⁷ “Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts: the concept of ‘needs’, in particular the essential needs of the world’s poor, to which overriding priority should be given, and the idea of limitations imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.”

⁸ CSDD is the High Council for Sustainable Development

⁹ <http://www.idies.org/index.php?category/FAIR>

¹⁰ Isabelle Cassiers and Géraldine Thierry, “Au-delà du PIB : réconcilier ce qui compte et ce que l’on compte”, Regards économiques, 2009
<http://sites.uclouvain.be/econ/DP/IRES/2010018.pdf>

Mr Weber then mentioned that Tim Jackson, Professor of Sustainable Development for the Centre of Environmental Strategy at the University of Surrey¹¹, asserts that a growth in consumption does not increase happiness (and perhaps is even detrimental to it), and damages the environment. Professor Jackson then proposes “prosperity without growth” and criticises the myth of disengagement. The speaker also referred to Amartya Sen’s approach: “Prosperity can only be conceived as a condition that includes obligations and responsibilities to others”. Sen defines it as “opulence, usefulness and capabilities” Economic and social changes will also be necessary with the passing from a materialist economy to an economy of well-being. In closing, he mentioned the decline and repeated the need for a long democratic discussion, despite the urgency of issues raised.

Presentation by Mr Jon Hall, Project Officer of PARIS21¹²

Mr Hall began his speech by reiterating that people are unable to define what is important in our societies. GDP has become a measure of progress, even though its creators had warned against this tendency. Consequently one should measure what matters and this is fundamental to desired societal choices. Therefore there cannot be unanimity on what is important in all countries.

However, after examining all approaches for measuring progress in the world, the OECD proposed a progress framework. This framework is based on two systems: the ecosystem and the human system. There are also links between the two. Individual and social well-being is at the heart of the human system. Progress in this context can then be defined as “an increase in fair and sustainable well-being”. The measurement of progress incorporates health, freedom, knowledge, security, and social capital. The ecosystem includes air, water, etc. Culture, economy and knowledge also enable access to well-being. Economy is not an end in itself, but a means for achieving the well-being of people.

Mr Hall also noted the importance of subjective measurement for analysing how populations feel, including fear, confidence and happiness. For instance, for security, the measurement of fear is important. Objective data is also insufficient because everything can go objectively badly in a society, but individuals can be fine and adapt to a less than optimal situation.

Then, for a measurement to be good, there must not be any ambiguity and it has to show a long-term trend. For example, life expectancy is a good measure but not the number of patients treated, because a rise in the latter measurement can indicate deteriorating health conditions in the country rather than better care for patients. According to economic literature, the life span would also depend on well-being and social capital. The MDGs are good measures of progress despite the fact that governance, corruption, survival and subjective measures are missing from their list.

The participants were then requested to conduct a written study together on indicators of children’s health and of health in general and on the fact that Latin American countries have high levels of satisfaction despite low incomes.

Day 2: Tuesday, 13 July 2010

¹¹ Tim Jackson, Prosperity without Growth? - The transition to a sustainable economy, 2009, Sustainable Development Commission, www.sd-commission.org.uk/publications/downloads/prosperity_without_growth_report.pdf

¹² www.paris21.org/

Conclusion of the first day

The participants stressed the importance of this seminar that brings out the importance of conventional GDP despite its limits and the need to suggest additional indicators. However there is no ideal composite index for well-being, given the specificities of each country.

Mr Byk stressed that GDP remains an indispensable indicator, but that it isn't the be all and end all. He mentioned proposals which break away from a productivist view of growth in order to adopt a more resource-saving approach. He stressed the differences between developing countries and developed countries on the needs and wasting of resources, but reiterated that we all live on one and the same earth. He drew attention to the failures of governance and need to record and quantify its effects in order to correct them. Lastly, he mentioned the ever-greater pressure to take into account individual frustrations, problems and concerns.

Presentation by Mr Stefano Bartolini, Professor and expert on the Economy of Well-Being at the University of Siena

Mr Bartolini began his presentation by evoking the reliability of subjective measurements confirmed by the existence of a strong correlation with the objective data. He then explained the Easterlin paradox (strong rise in GDP/capita accompanied by a slight reduction of the number of happy people) and indicated that subjective well-being has increased in most European countries. Consequently, GDP trends cannot predict changes in peoples' happiness. One can however use social capital measurements (degree of participation in associations and in civil society) owing to their strong degree of positive correlation with well-being, in developing countries as well as in developed countries.

He then discussed the case of the United States, where the four determinants that most influence the level of well-being are the increase in incomes, social comparisons, reduction in interpersonal relationships and the drop in confidence in institutions.

With regard to social comparisons: if incomes increase for everyone, then the increase in well-being is less than if the rise in income were individual. Likewise, an individual feels well-being all the more with regard to his/her assets if these assets are greater than the assets of others.

In the United States, in total, the increase in incomes was more than offset by the drop in the three other elements. The sustainability of social relations is therefore very important, but given that there were losses in this area, an annual income growth rate of 10% would have been necessary in order to make up for these losses. GDP is therefore well and truly a component of well-being, but the quality of social relations is vital, as well as confidence in society. Moreover, during the same period in the USA there was an increase in working hours, which was not offset by a reduction in stress and an increase in leisure activities. One can therefore deduce that the reduction in social relations encouraged individuals to work more, and more work implies less time for social ties and consequently fewer social relations. So there is a bilateral relationship between economic growth and social poverty. However, individual can purchase goods to make up for a drop in social relations. What's more, psychology refers to consumption as providing an identity. To finance these extra goods, Americans have had to work more; as a result, private wealth has become a substitute for common wealth.

In Europe, on the other hand, confidence and participation in groups have increased and consequently, the well-being of populations has also increased. Mistrust reduces well-being but contributes to GDP. So within a few decades, security work has gone from 5% to 25% of jobs in the USA and naturally this has contributed to the GDP. What's more, this value is underestimated because it doesn't take into account the impact that the proliferation of judicial procedures has on GDP.

To use the GDP as indicator of well-being is therefore absurd and explains in part the current crisis: the increase in consumption was higher than the increase in salaries, thanks to debt. But this increase in consumption is due largely to a decline in social relations. However even if an increase in income does not necessarily create a rise in well-being for wealthy people in rich countries, it has a definite impact on the poorest individuals. Consequently, redistribution of wealth is of major importance in the Western countries. As for the developing countries, they haven't freed themselves from mass poverty and so growth is important for them. However this has to be achieved by giving more importance to social aspects.

In Europe, we have to concentrate on social relations and social cohesion. The United States and the United Kingdom have suffered the erosion of the well-being of their people due to the development of materialism and a degeneration of social relations. To create more social ties and so increase peoples' well-being, it will be necessary to review the organisation of cities and media, work differently, change the health and education system, and instil greater democracy. Mr Bartolini ended his presentation by asserting that reducing consumption does not necessarily reduce employment and that consuming a lot means working a lot.

Presentation by Mr Walter Radermacher, Director General of Eurostat

After referring to Eurostat's structure and missions, Mr Radermacher announced he was going to talk about the limits of measurements and the interaction between them and decision-making. He started by quoting a number of definitions on statistics and stated that the quality of statistics is connected to what happens in society. Statistical data has three objectives: it has to be based on theoretical foundations, have political meaning and be reliable. As it happens, one cannot always fulfil these three objectives, all the more so since there is a desire to reduce costs and administrative responsibilities burdening respondents whilst at the same time asking them to provide more and more elements. He then stated that statistics do not have to incorporate composite indicators, because due to their weighting, they depend on policies and observation is indeed different to a policy assessment.

As for the GDP, it constitutes the best measurement of macroeconomic activity because it is clear and easy to understand, but only measures monetary flows and consequently not progress. GDP does not take into account domestic output nor environmental quality or inequalities. It must however be kept and complemented by other tools. GDP also has the advantage of being produced every quarter, whilst for the other indicators we have to wait several years. Mr Radermacher then stated that the objective measurements are not adequate for measuring well-being because there are countries that are more or less optimistic/pessimistic, etc.

He then presented the European commission notice ¹³ on the EU 2020 strategy, which affirms that EU growth must be based on knowledge and technology, whilst at the same time preserving the environment and involving members of society. Overall objectives have been set for the entire European Union and now it's a matter of sharing out the efforts amongst countries. He then explained that “ the GDP and beyond”, the Stiglitz report and EU 2020 are very closely linked, but that the latter report falls under the political domain, whilst these Stiglitz report is a scientific document and that “ the GDP and beyond” requires a better quality of measurements.

He also stressed the quality of data and referred to the example of Greece, whose poor quality of data caused the crisis in the European monetary system. He then mentioned attempts to assign a monetary value to the environment and warned against monetarization “without limits”, because the economic concept of value stems from microeconomics and not from macroeconomics. Therefore it is risky to give a monetary value to a non-market element. Likewise recalculating GDP by monetarizing all components of well-being is not suitable because GDP would then become very difficult to calculate correctly. In addition any assessment of the value of nature can only be carried out by democratic institutions, thus by society. Accounts must contribute to policy decisions but must not replace them and nor must simple estimations resulting from a political process be “sold” like statistics. Lastly, statistics must be comprehensible.

Presentation by Mr Marc Bichler; Director of the Luxembourg Development Cooperation

After mentioning the definition and origin of the MDGs, Mr Bichler evoked criticisms concerning their lack of completeness in the fight against poverty. They do however constitute priorities for development decided by consensus and complemented by indicators enabling the measurement of progress achieved over the years. They form the largest effort the international community has ever made in this direction.

He then referred to the eight MDGs. These MDGs are also subdivided into sub-goals measured by indicators.

With regard to the amount of aid, the financial sources are development aid, local wealth, FDIs, migrants' income transfer, income from international commerce, etc. In the summer of 2005, the EU undertook the commitment to devote 0.7% of its GNI to development aid until 2015; this type of measure was a global first. A certain number of decisions were also taken on reducing the debt of developing countries.

With regard to the quality of the aid, a certain amount of progress was made. But the events of 11 September 2001 led to a reduction in aid. Kofi Annan, Secretary General of the United Nations at the time, found that he had no security without development and no development without security. Then there was also the economic and financial crisis which led to a reduction in all sources of development financing.

¹³ <http://ec.europa.eu/eu2020/pdf/COMPLET%20FR%20BARROSO%20-%20Europe%202020%20-%20FR%20version.pdf>

The MDGs' results are mixed, because all goals will not have been achieved in all countries. As regards primary education, good progress has been made but there have been major delays to the goal to decrease infant and maternal mortality. Generally speaking the approach is unsatisfactory: the political will and the associated means were not up to the task. However even if all the goals have been achieved by 2015, poverty will only have been reduced by half. Yet never in the past has so much progress made in development in one decade, even though the "race" of the MDGs was unfair from the outset. Instead of giving up, there must be a strengthening of efforts for the benefit of countries that are the most behind in achieving these goals, while not turning away from other countries.

There are new realities to be taken into account, such as growing insecurity, the economic crisis, global warming and migration. With regard to security, the solutions contributed by Luxembourg fall within the areas of post-conflict situations, humanitarian action, prevention, reconstruction support and direct support of populations. Luxembourg has decided to invest €9 million in a fund to combat greenhouse gases, with a view to come combating climate change and in order to ensure that the postponement of aid is not made to the detriment of the fight against poverty. With regard to migration flows, Luxembourg has set up multiplier effect for money sent by migrants to their countries of origin. With the crisis, total development aid has dropped by 21 billion; however the reduction in global GDP only accounts for 4 billion.

Luxembourg has nevertheless earmarked one per cent of its GDP for development aid and has maintained the amount of sums in value. Luxembourg is also relying heavily on the development of micro-finance, which is socially efficient and economically profitable (in Luxembourg, there are 25 private investment vehicles generating €2 billion of development aid in the form of micro-loans).

It is urgent to define priorities for the realisation of all MDGs. New initiatives are needed, like those announced by Ban Ki Moon, namely a concentration of aid for women's and children's health with a view to a knock-on effect on the other MDGs. He concluded by affirming that MDGs should not be abandoned simply due to delays.

Presentation by Mr Olini, Chairman of the working group on new indicators at the CNEL¹⁴

The CNEL issued a report¹⁵ on the indicators that are inspired by the Stiglitz report and the works of the OECD. Mr Olini noted that the subject of progress and well-being is relevant to people throughout the ages and illustrated his words with a fresco of the Siena Palazzo Pubblico (Town Hall), dating from the 14th century, which depicts the effects of good governance on cities and the countryside. He then explained that in order to be able to measure the effects of good governance, one has to rely on a series of indicators concerning all dimensions of well-being. According to Mr Olini, a policy review is required in which the social partners must play a major role.

He then detailed the subdivision of work in three stages:

¹⁴ CNEL - National Council for Economics and Labour (*Consiglio Nazionale dell'Economia e del Lavoro*)

¹⁵ Indicators of economic and social growth to be used to supplement GDP - observations and proposals

- the definition of progress and its components;
- the selection of indicators and
- setting up the monitoring of these indicators.

He ended his talk by reiterating that the indicators of well-being must be dealt with at several levels, including the specific nature of local circumstances, but also internationally reproducible indicators. Lastly, he criticised the EU 2020 strategy for not going far enough in discussions regarding the selection of indicators.

Presentation by Dr Alexandra Guarda-Rauchs Senior staff consultant at the Ministry of Economy and Foreign Trade

As a result of the economic slowdown in 2001, the government requested to set up a system of indicators for preventing future crises. Negotiations took place with the social partners, the subjective variables of the dashboards were incorporated and an approach was implemented based on the three mainstays of sustainable development; therefore many recommendations from the Stiglitz report had already implemented beforehand.

The definition of competitiveness used is very close to the definition of well-being: “is about the capacity of a nation to sustainably increase the standard of living of its inhabitants and to give them a high level of employment and social cohesion, while at the same time preserving the environment.” However at the time, standard of living was referred to rather than well-being. With regard to indicators, even if the Fontagné report and the Stiglitz report argued against a single indicator, there was pressure from all sides to develop one.

There are a multitude of composite competitiveness indicators, which results in the risk that people may decide to go “indicator shopping”. But it is important to see what is behind such composite indicators. As Mr Radermacher stated, a composite indicator is not a statistic because it includes policy choices in the weighting and incorporation applied. The composite competitiveness indicator shows that Luxembourg fell several places during the past years; only Sweden remains number one and stable but this favourable situation may be explained by the fact that Sweden was chosen as the benchmark.

The synthetic indicators have the advantage of being clear, simple and enable listing of a sort of ‘hit parade’, but they have the flaw of hiding individual developments, potentially contradictory developments, inverse correlation problems, etc.

There is also the danger of weighting inside synthetic indicators and Luxembourg decided not to weight, which is actually weighting in itself. Then via the European Commission Joint Research Centre website¹⁶, Dr Guarda-Rauchs showed the various possible types of presentation of a dashboard and the way weightings affect the final result.

Presentation by Mr Carlo Klein, Researcher at CEPS-INSTEAD

¹⁶ <http://esl.jrc.it/envind/dashbrds.htm>

One can measure well-being by directly asking individuals their personal feelings. The definitions of well-being suggest that seeking quality of life and well-being is the ultimate goal of our existence. However there are three concepts to be distinguished: happiness (instantaneous), overall satisfaction with life and quality of life (realising one's potential). For economists however, happiness and satisfaction are synonyms.

The theoretical starting point in economics is the maximisation of use. This is the capacity of a good or service to satisfy a need and has three components: the choice of one good over another to satisfy need, the sum of pleasures and difficulties and the way in which this good or service is obtained.

More specifically, subjective well-being is composed of simple indicators (selecting a number on a scale of values) and composites (intermediate score of different variables). The simple indicators are criticised, especially by psychologists, who prefer composite indicators reflecting several dimensions of well-being.

Satisfaction can also be calculated in more specific areas. For example, starting from EVS¹⁷, three indicators were established: satisfaction of residence, personal satisfaction and status satisfaction. The reply to the question "are you happy?" reflects personal satisfaction more than the other types of satisfaction. One can also use the other satisfaction indicators but that depends on the objectives of the study to be carried out.

Global indicators are generally used to detect the determinants of subjective well-being. On the other hand, when looking at more specific areas, more specific data is needed together with composite indicators in order to test the effects of the various policies.

Day 3: Wednesday, 14 July 2010

Following a presentation of the key elements required in order to "communicate well" by Messieurs Byk and Jean-Louis Schlessler, Communication consultant, the participants practised conducting radio and televised interviews.

Day 4: Thursday, 15 July 2010

Round Table Discussion of the different ESCs: The role of the ESCs in the measurement of progress

The main questions that the participants had to answer were:

- What work has been done on progress indicators in the different countries?

¹⁷ The European Values Study (EVS) is a survey conducted in Luxembourg in 2008 from a representative sample of the resident population composed of 1610 individuals ages 18 and up. It is the second of this type, the first having been conducted in 1999.

At national level, this survey is part of the VALCOS (Valeurs et Cohésion sociale) research project, co-financed by the FNR (National Research Fund) within the context of the VIVRE programme. At international level it is an integral part of a survey conducted in 45 European countries with the objective of identifying and explaining in Europe the dynamics of changes in values, and exploring the moral and social values that underpin European social and political institutions (www.europeanvaluesstudy.eu).

- What have you retained from this seminar and how is your ESC going to proceed?

Mr Sandro Tomaro, Official at the Italian CNEL: In June 2010, the CNEL had adopted a proposal on the subject (see the Italian contribution). In Italy, abundant data is already available and the Italian Statistical Institute, Istat, published a report containing one hundred indicators. The CNEL, in collaboration with Istat, is going to try to define around ten main areas for measuring the country's progress. A report is also going to be produced on the progress achieved in Italy in the course of the past one hundred and fifty years .

Mr Pascal Rouet, Administrator at the French EESC: The French EESC has used the ecological footprint, together with sustainable development indicators and the inclusion of citizens with their definitions¹⁸. The EESC proposed a dashboard with around 15 indicators. In September 2009, the Ministry of Sustainable Development created a Consultation Committee to prepare the National Conference on Sustainable Development Indicators, which was held early in 2010 and which the EESC took part in. Therefore it was no longer just statisticians and experts who drew up the list of sustainable development indicators. The next step will be to consult the citizens themselves including by educating them.

Mrs Hélène Lambatim Nadjilengar, Vice-President of the Chad ESC: The ESC are going to hold discussions with the stakeholders to see what their involvement is in the measurement of progress and to try to convince them before starting any national implementation .

Mrs. Iraima Capriles, Executive Director of the Dominican Republic ESC: Within the framework of the National Development Strategy, the ESC must take on the role of instigator vis-à-vis the government in order to find an indicator for the measurement of well-being. It will also be necessary to set up a communication strategy to encourage interested parties to work with the ESC . A consultation on development strategy will take place soon, which could serve as an opportunity to identify shortcomings and needs in terms of indicators and data.

Mrs Ba Seynabou Diaw, Special Adviser, Head of international co-operation of the Senegalese ESC: The ESC is going to be able to accomplish such an approach. An opportunity exists with the establishment of an economic and social observatory working with the bureau of statistics. There is also the strategy for reducing poverty, the strategy for accelerated growth, and the MDG work process. However, the impact of these procedures has not been analysed. The ESC office will be informed of this approach, as well as the Ministry of Economy and Finance. A proposal will also be made to set up a working group on progress indicators. It must be said that one of the difficulties for Senegal will be taking the underground economy into account. However if the process is started soon, the work can be used for the upcoming presidential elections in 2012.

Mr Louis Ndikumana, Secretary General of the Burundi ESC: This seminar will be presented to the ESC in order to convince them of the need to incorporate additional indicators. The problem is that

¹⁸ See: "Les indicateurs du développement durable et l'empreinte écologique (2009)", Opinion presented by Mr Philippe Le Clézio ;
<http://www.conseil-economique-et-social.fr/rapport/docton/09060215.pdf>

the conventional indicators must be in place before searching for other indicators with the national statistical institute.

Mr Lawani Arouna, Head of delegation from the Benin ESC: This seminar will be presented to the ESC and to the government. Statistical data problems will also be resolved. The National Governance Commission is currently working on finding indicators to move towards progress. There will also be a proposed round table with the NGOs, civil society, researchers, statisticians, trade unions, employers and the ESC to look for relevant well-being indicators.

Mr Zouari Abderrazak, University Professor of Economics and Management, member of the Tunisian ESC: The objectives are those of the President's electoral programme and they are encoded. The indicators are consequently specified. The ESC will also be able to campaign for satisfaction indicators or hear people in order to write up an analytical report on citizen satisfaction. **An annual AICESIS report on societal progress in all countries** will also be required.

Mr Halm Tamas, Secretary General of the Hungarian ESC: The progress indicators are not very developed and the country is currently undergoing a serious economic crisis. There was a parliamentary commission on the perspectives of future generations and the establishment of a sustainable development committee under the aegis of the parliament (with political parties, churches, members of the academy of sciences, etc.). A report called "A pioneering path towards the future" has also been published, which focuses on the ecological footprint in particular. The statistical institute has also developed 200 indicators, at the instigation of the OECD. However, due to the crisis the ESC has taken little action.

Mr Ba Abdoul Kader, Secretary General of the Mali ESC: There is going to be an appointment of specialists at committee level and a meeting with the sustainable development observatory. There will be a choice of areas of intervention, so as not to become prisoner of the various political issues. A dashboard of the Sub-African region will also be necessary and it is important not to rank the countries according to performance in the report that may be produced annually by AICESIS on societal progress.

Mr Jean-Paul Delcroix, Secretary General of the Belgian CNT¹⁹ : The CNT works with the regional institutions on these issues. The discussion is very difficult in Belgium: GDP remains the leading value but it was not able to predict the crisis. It is necessary to examine the possibility of developing prospective complementary indicators to guide public policy. The CNT hasn't directly worked on the topic, but the Federal Council for Sustainable Development gave an opinion in 2007²⁰ and proposed a panel of indicators with a true in-depth study of the validity criteria. The councils are involved in the European context of the Lisbon Strategy (to be checked). Citizens must be involved because selecting indicators effectively constitutes determining policies.

Mr Michel Kamano, President of the Guinean ESC: We have to encourage civil society to talk to the users and producers of statistics. In Guinea, an economic and social observatory is going to be set up, which should ensure good governance of the country and the production of good quality statistics.

¹⁹ CNT = National Labour Council (Conseil National du Travail)

²⁰ http://www.belspo.be/frdocfdd/DOC/pub/ad_av/2007/2007a15f.pdf

Closing Round Table Discussion

Mr Lucien Thiel, Representative and former President of the Luxembourg ESC, reiterated that he had pushed for a well-being measurement, but that it is difficult to talk about the GDP of well-being in the context of the current crisis. This had been done to provide a glimmer of hope and to give the country a long-term goal. The government took up the idea but the political world hasn't yet got hold of the discussion. Perhaps attention will first need to be given to the crisis. Besides that, GDP is too narrow and the GDP per capita is totally distorted in Luxembourg due to cross-border workers. For all these reasons, the progress of societies has to be measured differently.

Dr. Serge Allegrezza thinks that this work is not only a matter of statistics, and emphasised that every statistical system is a group of agreements. He reiterated that GDP is only a measurement of market output and that it is important to have an overall view of human well-being. This goes back to philosophical issues that must involve as many people as possible from civil society so as to have a participative approach. The crisis has ended up darkening the picture because people think, incorrectly, that one cannot deal with well-being if the fundamental needs aren't ensured (growth, unemployment, public finances, etc). And yet the unemployed and those on low incomes have less satisfaction, meaning that to concern oneself with conventional economic policies involves also being concerned about well-being. Should happiness be measured with objective or subjective data? There is a solid connection between objective and subjective indicators and therefore subjective measurements are reliable enough. However, the experience of the observatory of competitiveness should certainly not be repeated. One should establish a limited list of indicators as well as an exhaustive list. The ESCs are well equipped for such tasks due to their consensus culture. Finally ties with the academic world should be maintained, where these issues and indicators stem from, and thanks to whom we have ended up linking GDP with well-being.

Prof. Dr. Rolf Tarrach, Rector of the University of Luxembourg, explained the importance of measuring, because the only alternatives to measurements are trivial details. Furthermore, it is interesting to measure correlations and discover links of causality. Policy decisions depend on this knowledge of causes. We also have to have subjective measures because well-being is a subjective concept, despite all the difficulties this brings. Another difficulty is that often in social sciences, one concludes that one can say nothing but the real problem is that no one dares say so. It is also necessary to pay attention to reliability/coherence of subjective measurements, especially when they involve comparisons between individuals. All that should assist with policy-related action. Well-being is also often linked to power and is almost always comparative. Finally, single indicators are dangerous due to the weightings which result in subjective judgements.

Mr Patrick Venturini, Secretary General of AICESIS, ended the meeting with this proverb "I look at myself, I despair, I compare myself, I console myself" and congratulated Luxembourg on the organisation of this seminar. He welcomed AICESIS's dynamism and commented that the association's development potential was still very great. He also took the opportunity to announce future major international gatherings of AICESIS.