

# Economic growth or happy people - Stiglitz report proposes changes in the focus of statistics

**The Commission on the Measurement of Economic Performance and Social Progress, chaired by Professor Joseph E. Stiglitz, presented its work on 14 September. This 292 pages report presents 12 recommendations, where the main message is to shift the focus of statistics from a production perspective into "well-being" and sustainability.**



Impartial and reliable statistical information is a prerequisite for a democratic society and a necessary condition for an open and competitive market economy. The role of modern statistics in this respect has a crucial role to underpin good policy decision making. However, it is not sufficient to measure various phenomena correctly, but also to measure the correct phenomena. Moreover, what we measure tends to significantly affect our behaviour and decisions.

Indeed, a culture of evidence-based policy emerged from the information and knowledge-based society. Our days' policy making are mainly based on sound evidence and the raw ingredient of evidence is information. Governments, the business sector and the civil society request high quality statistics and analysis in order to identify emerging social, environmental and economic issues, to take the appropriate policy decisions and to monitor the effects of these policies.

A challenge for statistics is to be sufficiently dynamic to be able to reflect changes in the society. After the Second World War, national and international statistical agencies contributed actively to the development of internationally comparable statistics. In order to monitor properly the reconstruction programmes of devastated nations and economies, priority was given to economic statistics and in particular national accounts. Then, progressively, the scope of official statistics extended to other domains of the society: e.g. demography, education, health, science and more recently, the environment. Unfortunately, there is no single indicator that can capture something as complex as our society and therefore, the priority was systematically given to monetary indicators, often derived from traditional national accounts data. The present financial turmoil, and the recent reflexion on the role and the place of the economy, constitutes perhaps a historical opportunity for users and producers of official statistics to reconsider what the real challenges for our societies are and to develop together a new system of statistical information for the next decades. Indeed, confronted by unbalanced economic development, the energy deadlock, the potential food crisis, and the unavoidable global warming, traditional socio-economic indicators should progressively become more outcome oriented and increasingly focus on the long term development.

These profound questions have been addressed on several occasions. Increasing concerns have been raised for a long time about the adequacy of current measures of economic performance, typically based on GDP figures. Moreover, statistics sometimes fail to communicate adequately on other important issues such as socio-economic and environmental long term development.

On the initiative of the French government, the Commission on the Measurement of Economic Performance and Social Progress, chaired by Professor Joseph E. Stiglitz, presented its work on 14 September. This 292 pages report presents 12 recommendations, where the main message is to shift the focus from a production perspective into "well-being" and sustainability.

The work of the Stiglitz Commission is not the first initiative addressing flaws of modern statistics. The "Measuring progress" programme, run for some years by the OECD (Organization for Economic Co-operation and Development) and other international organisations, has acted as a focal point for those governments trying to create new data sets or single index numbers to measure societal progress and, engage populations with innovative web or paper publications. The EFTA Secretariat participated in the Istanbul World Forum (27-30 June 2007) organised by the OECD and joined major international organisations in their commitment to measure and foster the progress of societies in all dimensions. The European Commission is also actively working to present a comprehensive strategy to move beyond GDP and has recently published a roadmap for developing new environmental and social indicators to measure the real prosperity and wellbeing of nations.

EFTA national statistical institutes, through the European Economic Area (EEA) Agreement and other bilateral and multilateral commitments, are actively participating in European and international programmes for the development of high quality statistics addressing emerging social, environmental and economic issues.

For more information please visit:

[OECD Global Project on Measuring the Progress of Societies](#)

[Beyond GDP and EU road map](#)

[Report of the Commission on the Measurement of Economic Performance and Social Progress](#)



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