
OECD Forum 2011: Measuring Progress

Is life getting better? What does progress mean for our societies, and how can we measure it?

If money can't buy you happiness, what will make your life better – improved education, environment, housing, shorter working hours, a longer working life? And does progress mean the same thing to all people or in all countries and societies? Some emerging economies are showing double-digit growth as the global economy emerges from the crisis. But are people's lives getting better at the same rate?



The economic growth leading up to the crisis was in many cases accompanied by growing inequalities in society.

Such findings and the crisis itself have raised questions about whether traditional measures of a country's general economic health built around macro-economic statistics are able to capture the reality of people's lives in a complex globalised world.

But what would we measure to capture a more rounded picture of progress and well-being? Building the right tool is not easy – gross domestic product (GDP) was honed over decades in the 20th century to capture as fully as possible countries' economic health.

Experts are now looking at what a "better life" measure would include. At the OECD, the "Measuring Progress of Societies" project is fostering the development of key economic, social and environmental indicators to measure well-being of societies.

This is an ongoing challenge – shortly after the birth of the OECD, in 1962, US economist Simon Kuznets (Nobel Economics prizewinner 1971) wrote "Distinctions must be kept in mind between quantity and quality of growth, between costs and returns, and between the short and long run. Goals for more growth should specify more growth of what and for what."

This is the ideal moment to ask that question again and discuss exactly what a "better life" measure for the 21st century would include.