

Genuine Progress and Well-being Indicators

By Fred G. Thompson

The purpose of this paper is to identify and describe a new approach to determining a nation's progress, and the well-being of its citizens, in place of the present widely used Gross Domestic Product (GDP). This new approach is often referred to as Genuine Progress Indicators, or Well-Being Indices.

BACKGROUND

Interest in a new method of describing national progress and human well-being was generated by an initiative of Joe Jordan, a former member of the Canadian Parliament representing Leeds-Grenville in Ontario. On February 14, 2001, through the efforts of Joe Jordan, first reading was given to a Private Members Bill labeled The Canada Well-Being Measurement Act. It was introduced in Parliament as Bill C-268 and given first reading. Mike Nickerson of Seven Generation Initiative, Lanark, Ontario, should also be recognized for his work in this area. It was subsequently determined from a review of the available literature that many attempts have been made in Canada and other countries to develop a more meaningful alternative to GDP for measuring a nation's progress and human well-being. Present approaches, including GDP, are not only inadequate but in some respects may be quite misleading.

METHODOLOGY

This study was confined to searching the Internet; only limited direct contact was made with the individuals and organizations. There are limitations to this method of collecting available information on the subject. Perhaps surprisingly, this study has revealed that the shortcomings of traditional approaches to measuring national progress and human well-being have been recognized by many individuals and organizations

It was discovered during the search that only New Zealand, among the many projects identified, publishes actual results of the countries national data. It would therefore appear that much of the work now being carried out is a "work-in-progress." It was also found that although a first draft of this paper was pre-

pared early in 2004, by mid-2005 much of the information had changed and new sources discovered. By mid 2006 the scene may again change, perhaps for the better, and with more reliable data and an indication of trends.

Most of the organizations working on "genuine progress indicators", as reported in this study, feature the factors of environment and sustainability. In addition, they sometimes include the factor of human or social capital. In the case of "well-being indicators", however, the situation is reversed and the human and social factors receive greater emphasis.

It is also of interest to note that a consensus has not yet been reached on common terminology or a single descriptive phrase. Word terms now in use include:

- Genuine Progress Indicator, or Genuine Progress Index
- National Well-Being, or Index of Well-Being
- Quality of Life Indicators

FINDINGS in CANADA

1) Canada Well-Being Measurement Act

As described above, the Canada Well-Being Act received first reading in the Parliament of Canada on February 14, 2001. It was described in Hansard as "An Act to develop and provide for the publication of measures to inform Canadians about the health and well-being of people, communities and ecosystems in Canada."

An election was held soon after the proposed Act was introduced and the legislation was shelved. However, as noted below, the Atkinson Foundation has since picked up this initiative.

2) National Round Table on the Environment and the Economy (NTREE)

The NTREE has developed a set of six factors to measure well-being in Canada. Although five of the six factors included by this Ottawa based organization are environment related, there is also a Human Capital factor. The latter features the level of education of Canadians. The organization recommends that Statistics Canada expand the Human Capital factor to include measures of national, human and social capital. These data, they report, should then be included in the system of National Accounts on an ongoing basis.

3) International Institute for Sustainable Development (IISD).

As with the NTREE, the IISD factors of measurement include largely environmental factors with less content of the human and social aspects.

The IISD has developed a unique measurement indicator called "Dashboard": It is a brightly coloured graphic display showing measures in the domains Social, Environment, Economic, and Institutional. The title Dashboard was chosen as the display reminds one of an instrument panel of a car or airplane. The measures are from data chosen from the U.N., World Bank, OECD and international agencies for some 200 countries. At present the data are of one particular year so trends are not shown. The creators include many apologies for any lack of accuracy or discrepancy of data but a feature of the Dashboard is its enormous potential in comparing these factors among various countries of the world. It would take many hours to fully understand the full function of the device, but its possibilities are certainly worth exploring. The program can be downloaded without charge at www.iisd.org/cgsdi/dashboard.htm.

The IISD has also produced a Compendium of Measurement and Assessment. It comprises 590 entries of organizations worldwide that produce some form of analysis, research, measurement or activity related to Sustainability. This may be downloaded at www.iisd.org/measure/compendium/searchinitiatives.aspx

4) GPI Atlantic

GPI Atlantic of Halifax, Nova Scotia, is a non-profit research group founded in 1997 to develop an index

of sustainable development and well-being called The Genuine Progress Index. At present they are applying their work to the province of Nova Scotia. As discussed below, they are also working with the Atkinson Foundation in the development of a Canadian Index of Well-Being. GPI Atlantic periodically publishes a newsletter called GPI News, which contains news of their activities and other groups in Canada and around the world. They publish an extensive catalog of papers on the environment and topics related to GPI Atlantic. For more information visit their website at: www.gpiatlantic.org

GPI Atlantic encourages communities in the province to adapt their research to the local community. Glace Bay and King's County have responded to this opportunity. For more information refer: www.gpiatlantic.org/community.shtml.

5) Atkinson Foundation

The Atkinson Foundation took over the earlier parliamentary efforts to enact the Canada Well-Being Measurement Act and is collaborating with the GPI Atlantic group to develop a Canadian Index of Well-Being (CIW). Together they publish a quarterly Newsletter called Reality Check - The Canadian Review of Well-being and the first issue appeared in May 2005. A report is promised for the fall of 2005 covering the areas of population, living standards and time use. Refer: www.gpiatlantic.org/realitycheck/

6) Pembina Institute

Pembina Institute of Alberta is a non-profit organization that does research on a wide variety of energy and environmental issues. As advisors to the National Round Table on the Environment and the Economy, the Sustainability Measurement team is developing national environmental and sustainable development indicators. The team is also working closely with others, including Canadian Policy Research Networks and GPI Atlantic, to develop a Canadian index of well-being and sustainability. Their website is: www.pembina.org

7) Ontario Social Development Council

The Ontario Social Development Council has developed, as part of its overall concerns, a Quality of Life Index (QLI). The QLI was conceived as a commu-

nity development strategy to monitor the living and working conditions of the people of Ontario.

QLI is defined as: "The product of the interplay among social, health, economic and environmental conditions which affect human and social development."

The purpose of the QLI is to provide a tool for community development which can be used to monitor key indicators that encompass the social, health, environmental and economic dimensions of the quality of life. Factors they include are: social, health, economic, environment with their various sub-sets. Further information can be found at their website: www.qli-ont.org/indexe.html

8) Association of Professional Engineers and Geoscientists of BC (APEGBC)

The Committee on Sustainability of the Association of Professional Engineers and Geoscientists of BC has developed a Well-being of Nations Assessment with the support of The World Conservation Union and the Canadian International Development Research Centre.

The Assessment is based on four separate indicators: Human Well-being Index, ecosystem Well-being Index, Well-being Index, and Well-being/Stress Index. These indices are combined into a Barometer of Sustainability.

Using these measures of assessment, their ranking of nations shows: Sweden as first, Canada 7th and the US is 22nd. For more information see: www.sustainability.ca/index.cfm?body=sourceview.cfm&Id=422

9) Federal Government

An Index of Social Health (ISH) for Canada was developed for the Department of Human Resources Development as a modification of the one developed by the Institute for Innovation in Social Policy at Fordham University in the United States. The Index is based on a set of 16 socio-economic indicators dealing with issues of health, morality, inequality, and access to services that affect individuals and society as a whole. A full report on this program is available: www.hrdc.gc.ca/sp-ps/arb-dgra/publications/research/r-97-9e.pdf

10) Calvert-Henderson Quality of Life Indicators

The Calvert-Henderson Quality of Life Indicators is the result of the work of the Calvert Group of So-

cially Responsible Investing programs and the futures consultant Hazel Henderson. Ms Henderson is well known for her over 20 years of work consulting on systems to measure real output in National Accounts. The Quality of Life Indicators unbundle central social, economic, and environmental issues into 12 distinctive domains of quality of life to show indices in each of the fields of education, employment, energy, environment, health, human rights, income, infrastructure, national security, public safety, recreation and shelter. See their website for more information: www.calvert-henderson.com

FINDINGS OUTSIDE of CANADA

1) ReDefining Progress

Redefining Progress is the name of an organization based in Oakland California that has developed a Genuine Progress Indicator (GPI). As described on their website, the GPI begins with the personal consumption component of the GDP, excluding capital investment, government spending, and net exports. Beyond these general economic measures, the GPI factors in social, environmental, and economic phenomena that diminish or enhance quality of life. The social category includes such items as the cost of crime, family breakdown, and contributions made by unpaid housework and childcare. It would appear that the GPI includes a rather large number of factors that are not expressed in monetary terms. A bibliography of publications on the development of the GPI is available at: www.RedefiningProgress.org

2) New Zealand

New Zealand is perhaps the only country that actually applies their well-being indices and shows where various social groups score. In 2002 they enacted the Local Government Act requiring all regions in the country to submit regular reports on their environmental, cultural, and economic well-being. To do this they established the Economic Living Standard Index (ELSI). One report provided the following classification of New Zealand living standards:

Level 1: Living in severe hardship, the lowest end of the living standards continuum and comprises four percent of the population.

Level 2: Marks the significant hardship part of the continuum and makes up a further five percent of the population.

Level 3: Represents some hardship and consists of 11 percent of the population.

Level 4: Described as fairly comfortable living standards and is enjoyed by 15 percent of the population.

Level 5: Described as a comfortable standard of living and accounts for 22 percent of the population.

Level 6: Represents a good standard and almost a third (31 percent) of the population

Level 7: Has the highest living standards of the population; one in every nine New Zealanders or 11 percent.

Additional information is available on their website: <http://www.msd.govt.nz/work-areas/social-research/living-standards/living-standards-2000.html>

3) Australia

Australia has developed the Australian Unity Well-being Index to promote greater public and political awareness of factors underpinning well-being. Their website: http://acqol.deakin.edu.au/index_wellbeing/

4) Clemson University

Clemson University of Clemson, South Carolina, has developed an Economic and Social Well-Being Index that has been applied at the State level as well as the South Carolina County level. Their website is: www.scfuture.clemson.edu/today&tomorrow/indices/

5) United Way

The United Way in the US has developed The United Way State of Caring Index to show major social needs in the face of economic expansion. It incorporates 35 indicators over the period 1991-2001 covering social needs in the following areas: Economic, Education, Health, Voluntarism, Safety, Natural Environment and others. They use the Index to help local agencies establish a Results Oriented Community Agenda. Methodology is shown on their website: <http://national.unitedway.org/stateofcaring/>

6) Minnesota

The Minnesota Progress Indicator is built on 42 economic, environmental and community measures. It is stated that this approach is a more realistic and comprehensive way to gauge the state's progress towards smart growth and sustainable development. It is also suggested that what gets measured tends to get done. The concept was inspired by the work of the Redefining Progress group in California. See their

website for further information: <http://www.eqb.state.mn.us/SDI/progressind.html>

7) Sustainable Seattle

The city of Seattle, Washington, through citizen group participation selected 40 issues for setting up a true measure of progress. Like other groups, the city was not satisfied with the GDP type of data as indicators of true progress. Further details can be found on the website: www.sustainableseattle.org/index.html

8) ISEW

The Index of Sustainable Economic Welfare (ISEW) was developed by Friends of the Earth and the University of Surrey, Guildford, UK. It is an attempt to measure the portion of economic activity which delivers genuine increases in our quality of life, in one sense 'quality' economic activity. For example, it includes a subtraction for air pollution caused by economic activity, and applies an addition to count unpaid household labour such as cleaning or child minding. It also covers areas such as income inequality, other environmental damage, and depletion of environmental assets.

ISEW encourages other groups to create a similar approach and expresses a willingness to help in this regard. ISEW's website: http://www.foe.co.uk/campaigns/sustainable_development/progress/

CONCLUSIONS

While there are many organizations developing indicators of "genuine progress", "well-being" or "quality of life", there is not a common methodology, and therefore a comparison between programs is difficult. However, trends can be developed in particular cases which could provide information on where improvements might be made. It would be useful for Statistics Canada to observe the development of these indicators of "genuine" progress and well-being which could lead to the adoption of a regular reporting of indices to assist in national and local policy making, as well as improvement in the sustainability and well-being aspects of national life.

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