



Working Group
Measuring what we value

The performance measures that dominate the news and guide governments and businesses are focused on economic growth and profitability. Such a focus has been one of the factors, among others, of the unfolding social and environmental crises: non-material quality of life, social cohesion and inequalities, and the preservation of nature are neglected and the core economic activities externalize their social and environmental nuisances while reflecting an extractivist attitude toward human and natural resources.

Key concepts and measures that can serve to better align macroeconomic and macrosocial objectives with the social progress agenda already exist, by and large, in the academic literature on social ethics and business ethics, and there are broad frameworks such as the Sustainable Development Goals that are useful. But many details and issues remain to be settled, and practical implementation can be developed in various ways depending on data availability and methodological progress. Moreover, different groups and different cultures may have overlapping but somewhat distinct sets of values

There are also many specific domains where measurement can be better aligned with values, and this working group can review a few of them and show how improvements can be imagined. For instance, better indicators of quality of life at work, of the quality of public services (in health, education, security...), of respect for natural ecosystems would be very helpful for policymakers and actors. Governance (representation, accountability, participation) at different levels also calls for better assessment through specific indicators. Women's contributions to the economy and society still fail to be fully accounted for and recognized. More generally, populations that are undervalued (migrants, workers in modern slavery...) often remain hidden.

Better measures and indicators are not only useful for policymakers. Ethical consumers and ethical investors are also in great need of indicators guiding their choices of purchase and investment, and a lot of progress seems around the corner in this domain.

The aim of this working group need not be primarily to construct new indicators, but should at least include laying out guiding principles, highlighting overlooked domains, developing frameworks, and disseminating knowledge about the existing alternatives to the growth-profitability nexus, in coherence with the SDG framework. It would be important also to examine the actors and the strategies, and more generally, the changes in governance structures, that can facilitate the transition to better performance indicators.

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Proposed outline (for discussion)

Introduction: Systems and measures

Humanity faces a perfect storm in the 21st century. Multiple challenges (environmental degradation, social fragmentation, development gaps, geopolitical tensions, democratic backsliding, technological disruptions) form a web of systemic, interlinked, wicked collective action problems. To navigate these waters, it is essential to identify the levers of action and to have relevant indicators charting the situation, pointing to relevant trends and events, and providing relevant warnings. This is why IPSP has set up two crosscutting working groups, one on identifying the levers of systemic transformation and this one on “measuring what we value”.

The aim of this WG is to review the domains in which developing appropriate indicators is dearly needed. A few key points must be emphasized:

- The issue of finding relevant measures and indicators is much broader than the well-trodden question of finding good alternatives to GDP as a measure of economic performance. This WG will of course cover the “beyond GDP” debate, but will also look at indicators at the level of business organizations, as well as critical areas where better measures could be key to systemic transformation (see below). Coordination with the WG on systemic transformation will help identify domains in which measurement is currently lagging and would be important for pursuing the social progress agenda.
- The goal of “measuring what we value” should not hide the fact that “what we value” is a matter of sharp disagreement among social groups, as well as vast cultural variations. Moreover, the perspective of systemic transformation may require not only better collective action supported by better measurement tools, but also, potentially, substantial or even deep changes in “what we value”. This WG will be attentive to the issue of what different sets of values may imply for measurement.
- Measurement is often criticized for imposing a straitjacket on aspects of life which are not easily amenable to quantitative measurement, such as the quality of human relations. This WG will be open to a multiplicity of approaches, including qualitative approaches. However, since individual and collective decision-makers always end up trading off conflicting values and goals, even facts and patterns which are hard to quantify are always ultimately made commensurable with one another in the final steps of the decisions. In order to guide such decisions, rationalizable tools which can be openly discussed and criticized are better than implicit approaches which obscure the underlying value judgments.

1 Beyond GDP

The move from narrow economic measures to broader measures of social performance that include a set of non-monetary aspects of quality of life and due attention to distributive issues is consensual, and the debate bears on details of implementation. Some philosophical assumptions about the measurement of individual well-being cannot be avoided: should it be objective (e.g., the capabilities approach), subjective (e.g., satisfaction with life), or preference-based (e.g., equivalent income)? There are also complex issues around the assessment of sustainability and long-term prospects.

Two issues need to be distinguished and discussed: i) should we aim at a main alternative indicator of social performance, or at a set of alternative indicators, each reflecting a different perspective on well-being and social justice (e.g., utilitarianism vs. libertarianism vs. egalitarianism vs.



prioritarianism...)?; ii) should we emphasize dashboards of domain indicators or synthetic indicators aggregating all the information?

2 Beyond shareholder value

Just as for GDP, it is becoming increasingly consensual that profitability can no longer be the only performance criterion for business and finance, and that societal and environmental impacts must be incorporated in reporting. But whether progress in this domain is only a matter of harmonization among the multiple initiatives and weeding out ethical-washing and deceptive reporting, or still requires substantial research and innovation in methodology, needs to be sorted out.

It also appears important, in the perspective of systemic transformation, to coordinate efforts at the macro level (beyond GDP) and at the micro level (beyond profit). The prospect of constructing new accounting books that would nicely aggregate at the economy level, in similar fashion as the computation of value added by national accounts, is most probably out of reach. Nevertheless, the same broad social progress agenda should guide efforts at all levels.

3 Measuring the invisible

Social transformation can be supported by changes in the way in which various social groups are viewed and recognized. The contribution of women to the economy and to society more broadly remains vastly underestimated and this contributes to maintaining the current inequalities in status, task sharing, economic rewards, and quality of life. Likewise, there are many “invisibles” on which society relies, such as migrant workers (esp. the undocumented), enslaved or similarly bonded laborers, children, and making their contribution visible would help their cause.

At the other extreme of the distribution of advantage, many aspects of the elite’s life remain hidden from the rest of society and efforts to uncover their privileges are equally useful to fight unjust inequalities. This part of the work of this WG needs to be closely linked to the WG on systemic transformation in order to identify measurement gaps in the key cogs and mechanisms of the social machine.

4 Quality of life

Although efforts at measuring quality of life in dimensions such as health, longevity, or social status (employer vs. unemployed in particular) have been pursued, a lot remains to be done regarding the development of a framework for the assessment of quality of life in non-economic domains. For instance, the quality of social interactions (which includes relations at work) is hard to measure but is a key factor in human flourishing, according to social psychology.

This WG could review methods and identify priorities for the incorporation of relevant measures of particular aspects of quality of life.

5 Quality of governance

There are indicators of the quality of democratic institutions and the rule of law provided by a few NGOs, but the assessment of the quality of institutions is a taboo for many international organizations (perhaps with the exception of the OECD) and IPSP can play a role in proposing a framework for the creation of suitable indicators of governance that could be adapted to various levels of decision (governments, businesses, other organizations...), including the most global (multilateralism, the governance of large international organizations) and the most local (associations, townships, businesses). Several dimensions to be assessed could be distinguished, such as effectiveness, inclusiveness, deliberation, etc.



This part of the work should be linked to the work of the WG on information and social media, since the information system broadly defined is a key component of the public space in which the quality of collective decision-making is determined.

6 Life and planetary well-being

The social progress agenda is really a “planetary progress” agenda, and it is well known that measures of the health of ecosystems, the value of biodiversity, and the well-being of non-human living beings remain dramatically insufficient for informed decision-making. This WG will not be able to provide innovative measures that make a breakthrough in this field, but it may seek to offer a framework for organizing the various measures that would be desirable. In particular, it may review recent efforts to develop measures of well-being for animals and methods of interspecies weighting for decision-making.

Conclusion

The output of this WG should pinpoint priorities for the development of better measures, and propose a general framework for thinking about how measurement tools can fit in the general agenda of systemic transformation for social progress. In particular, the conclusion could reflect on the role of indicators in the dynamics of societal evolution and in the public debate, and the role of experts and statisticians in the production of measurement in the service of society.