



Measuring social progress

What should we consider as progress in the 21st Century? How can we measure such progress? These are two provocative questions that the global project on Measuring the Progress of Societies, directed by the Organization for Economic Cooperation and Development (OECD), attempts to elucidate. The importance of this initiative consists in that it tries to develop economic, social and environmental indicators that provide relevant information about societies' wellbeing and progress. In this way, it provides support to the decision making of legislators, government and academic authorities as well as those in charge of the business sector.

Humanity has been thinking about progress for centuries. For example, Plato and Aristotle thought that the expansion of knowledge allowed the gradual advance from an original or primitive state of nature towards higher levels of culture, economy and politics. Since then, some of the greatest thinkers of the Western world, people such as Bacon, Comte, Kant, Voltaire, Bentham, Stuart Mill, and Marx, among many others, have developed and refined their ideas and theories about social



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progress.

Notwithstanding this rich intellectual heritage, or perhaps because of it, during most of the twentieth century it was thought that economic growth was the best indicator of progress: the greater the Gross Domestic Product (GDP) the greater the level of social welfare. GDP, however, is a measure of production, it is not, and was never intended to be, an indicator of social wellbeing.

The deficiencies of using GDP as an indicator of wellbeing have been known for decades. The GDP measures the market value of goods and services produced by an economy during any given year. Non-market transactions are not counted. Therefore, childcare, cooking, and house cleaning are not includ-

ed in the national accounts, unless you pay a third party to do these things for you. Other socially valuable things, such as taking your child to ballet classes or to a little league game, taking your elderly parent for a walk in the park, or attending your child's Christmas play at school are not counted in GDP. Industrial production is included in GDP but the accompanying pollution is not. Similarly, GDP includes expenditures on health, public safety, and education but it does not measure the quality of our hospitals, the safety of our streets or whether our children are receiving a better education. In short, GDP is a good measure of market production but a poor indicator of social wellbeing.

That is why the OECD is undertaking its global project on redefining and measuring social progress in the twenty-first century. The OECD, aware that during the Cold War the concept of progress was oftentimes used as a cover by the both the United States and the former Soviet Union to impose their respective political systems on societies that were perceived as underdeveloped, has stated clearly that it is up to each society to define what it considers as social progress. However, the OECD recommends

using a broad perspective in defining social wellbeing and proposes the use of the following indicators to measure progress: general context indicators, such as net national income and fertility rates; self-sufficiency indicators, such as employment and student performance measures; equity indicators, such as the Gini coefficient and the poverty rate among children; health indicators such as life expectancy and the incidence of mental illness; social cohesion indicators, such as crime victimization and suicide rates; and environmental indicators, such as CO2 emissions and endangered species.

The idea is to identify and measure the gap between our social reality and where we want our society to be in terms of each of these indicators. To the extent we know where we are and where we want to be, we will be able to identify what decisions we have to make in order to achieve those objectives. That is why we at the Center for the New Economy are developing a set of social indicators for Puerto Rico that we will make public and update every year.

In doing this we seek to achieve multiple objectives. First, we seek to provide accurate, reliable information about Puerto Rico's econ-

omy, society, and environment free of usual government propaganda and public relations spin. Second, we seek to stop, or at least slow down, what historian Barbara Tuchman called the "march of folly", which she defined as the pursuit by governments of policies contrary to their own interests, despite the existence and availability of feasible alternatives. Anyone who reads newspapers in Puerto Rico can attest that the march of folly is well on its way in Puerto Rico. Third, we seek to change the terms of the public debate whenever a new program or policy initiative is announced. Instead of asking is it efficient? Is it good for GDP?; we want to inquire: is it good or bad for Puerto Rico? In other words, we seek to restore moral considerations in public debate. Finally, we also seek to develop an agenda around which different social groups can converge and create a non-governmental space in which we can freely talk about, debate the meaning of, and advocate for social progress in Puerto Rico.

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