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ECONOMIC GROWTH, WELLBEING AND SUSTAINABILITY: MEASURING AUSTRALIA'S PROGRESS

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"The welfare of a nation can scarcely be inferred from a measurement of national income"

Simon Kuznets, creator of GDP, on GDP and wellbeing, 1934

Introduction¹

In 2002, the Australian Bureau of Statistics (ABS) became the first national statistical agency to produce a broad-focused measuring tool for assessing national progress, developing what was then known as Measuring Australia's Progress (now Measures of Australia's Progress or MAP; ABS: 2002). MAP was developed to help Australians assess whether life in Australia is getting better.

MAP was a watershed. While the ABS had previously produced separate sets of indicators to measure economic and then social progress through the System of National Accounts (ABS: 2013-14) and the development of social indicators, MAP brought together for the first time a compendium of indicators on key aspects of society, the economy and the environment to help answer the question –Is life in Australia getting better?

As the first national statistical agency to produce a diverse collection of national progress indicators, MAP generated significant international interest and in many ways set the standard for other nations to think about the ways in which they can measure their own progress. In 2003, then Australian Statistician Dennis Trewin topped the society category of The Bulletin's Smart 100 awards for this work.

Measures of Australia's Progress dashboard

In 2010, the ABS relaunched Measures of Australia's Progress, for the first time in an entirely electronic format, and for the first time incorporating a dashboard of key social, economic and environmental headline indicators to improve accessibility and visibility and help people, at a glance, to assess whether some key aspects of life in Australia are getting better (see Figure 1). In this way, readers can review progress across the social, economic and environmental domains and understand the issues unique to each.

The dashboard approach encourages readers to consider the indicators and make their own assessment of whether Australia is, on balance, progressing and at what rate. In using a dashboard approach, the ABS has avoided the complexity and contestability of a comprehensive accounting system, which is complicated to both compile and interpret, and the potential oversimplification involved in presenting a single progress indicator.

¹ *The opinions expressed in this paper are those of the authors and not the Australian Bureau of Statistics.*

Figure 1 – Measures of Australia’s Progress dashboard (ABS: 2012b)



Legend:

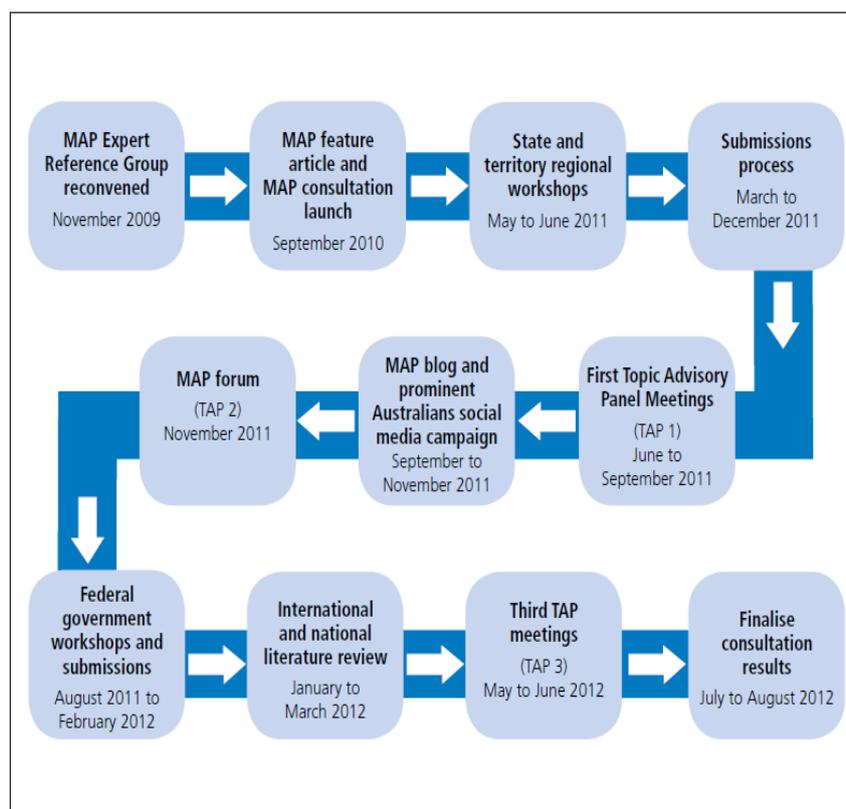
- Progress has generally been made in this headline indicator compared with ten years ago.
- This headline indicator has generally regressed compared with ten years ago.
- There has been no significant movement in this headline indicator compared with ten years ago.
- There is either no headline indicator for this area of progress or no time series.

Measures of Australia's Progress consultation

In addition to the changes introduced in 2010, almost a decade on from the first MAP release, and in light of recent international initiatives in progress measurement (most notably the Stiglitz-Sen-Fitoussi report; 2009), the ABS, guided by a MAP Expert Reference Panel, decided to undertake a national consultation to review MAP. ABS wanted to ensure that MAP remains relevant to today’s society and continues to measure what Australian society cares about. The consultation was developed around the notion that if we are to know if we are progressing, then we need to know where we are headed. The consultation (shown in Figure 2) was therefore designed to ascertain from the Australian public what their aspirations were for the nation’s progress. Once this had been articulated through the consultation process, the ABS would then look at the measures that might be available to inform on progress towards those goals.

The MAP consultation began in late 2010. There were several strands to the campaign, including an initial foray into the world of social media in order to engage with user groups who may not otherwise be interested in the ABS and its activities, such as younger people or those who do not regularly use ABS statistics. The ABS used various media and social media platforms, such as radio interviews, a Facebook page and, notably, a successful MAP 2.0 Blog. These provided members of the public with avenues to contribute their thoughts to the ABS on what matters most to them for the nation’s progress. In order to promote the social media campaign, the ABS approached a number of prominent Australians, including Dick Smith, Michael Stutchbury, and Lauren Jackson, to contribute their aspirations of Australia’s progress and these were posted on the MAP 2.0 Blog. In addition, the ABS hosted workshops across Australian capital cities, welcoming feedback from interested clients, ranging from state government stakeholders to business and community groups, and sought submissions from a range of Commonwealth Government agencies.

Figure 2 - The MAP consultation process



In addition, the ABS received submissions from businesses, community groups and councils. The ABS also examined:

- State and local government planning documents, which contained information on the goals and aspirations that guide development of these regions
- Community projects which aimed to track progress at the community level. As part of the consultation
- International projects being undertaken by other national statistical agencies and cross-national organisations, in order to understand how MAP fits in the broader international context.

To assist in on pulling the various consultation threads together, the ABS hosted a number of Topic Advisory Panels. These panels brought together experts from across business, community, the media, research and government sectors with extensive knowledge and experience in negotiating positive outcomes for the Australian public. The ABS held a number of workshops with these topic experts in order to discuss and distil the consultation feedback efficiently.

Measures of Australia's Progress - Aspirations for our nation: A conversation with Australians about progress

In November 2012, the ABS released the report *Measures of Australia's Progress – Aspirations for our nation: A conversation with Australians about progress* (ABS: 2012a). It details the consultation process undertaken by the ABS to discover what aspirations Australians have for national progress and provides an account of the consultation process and the feedback that the ABS received. It also sets out a framework of aspirations and themes, which were identified as important for measuring the nation's progress. A notable addition is that of a fourth domain, on governance, which received strong support through the consultation as a separate domain because of its key role as an enabler. In addition, the importance of family, community and the built environment were also identified as important to Australians.

The report marked the end of the ABS's active consultation with the Australian public, although as MAP is a constantly evolving product, members of the public were encouraged to provide feedback to the ABS.

Measures of Australia's Progress - a new era

In November 2013, the ABS released the new, refreshed Measures of Australia's Progress. Based on a strong conceptual framework based of the aspirations of Australians, the 2013 MAP was organised across four domains: economy, society, environment and governance. Each of domain contained a set of themes, which collectively summarise the aspirations that Australians told us were important for progress in these four areas; for example, health (society), opportunities (economy), a healthy environment (environment), and trust (governance).

The refreshed MAP continues the dashboard approach of 2002 to address the question, Is life in Australia getting better (see Figure 3). The new dashboard was built upon a strong conceptual foundation ensuring that readers are able to easily access key broader measures of progress.

Progress for each theme is shown by a green tick (for progress), a red cross (for regress), or an orange line (for little or no change). Progress is calculated by comparing two points in time; the most recent point where data is available, and an earlier period (which is dependent upon how much data is available). The blue question marks show where there is no current measure and highlights where we may be able to show indicators in the future.

More information about the headline indicators or measures 'behind' the dashboard symbols is found by simply clicking on the themes. For example, clicking on health will take you to the life expectancy headline indicator, which we use to measure the overall progress of Australia's health. The dashboard format allows readers to quickly view all domains of progress at once to more readily assess, on balance, whether life in Australia is getting better.

Figure 3- Measures of Australia's Progress 2013 dashboard (ABS: 2013)



Why a dashboard?

The MAP dashboard is able to provide an interactive gateway to a rich picture of progress within Australia. However, there is demand for a single composite indicator of societal progress; a single figure that provides a quick and simple view of progress.

Part of the power of GDP as a summary indicator of economic progress is the availability of a single figure. However, underlying the GDP is a well-founded and accepted model. Such a model does not exist for broader societal progress. This means that presenting a single indicator of societal progress is contentious and potentially problematic.

The two main approaches to creating a single indicator of progress are accounting approaches, generally using monetary or time based measures, and composite indicator approaches.

In an accounting approach, all relevant social, environmental, economic and governance factors are considered in terms of consistent measurement units - usually monetary. This approach is suited to some domains more than others. For example, economic goods and services are valued in monetary terms by observing the prices paid for them in the market. However, it is not always possible to use market prices, particularly for measures of the more intangible aspects of progress. To allocate a monetary value to intrinsically valuable but 'priceless' factors would involve a complex analysis of social values, which is difficult to undertake objectively.

The other main approach is the creation of a single composite index which combines a range of social, environmental and economic measures. Examples include the Human Development Indexes (UNDP: 2014) and the OECD's *Better Life Index* (OECD: 2014). Deciding which measures to include and how to weight each of the measures involves making social value judgements either explicitly or implicitly. For example, an index may weight each component equally, but only include one indicator of environmental progress; effectively diminishing the relative importance of the environment in societal progress. There is also a danger that a composite indicator will give potentially misleading signals, say if some measures show progress while others show regress.

The ABS has decided that the dashboard approach is currently the best tool for assessing societal progress. The approach highlights the aspirations of Australians and avoids issues of contestability and over simplification in approaches which seek to combine diverse aspects of progress into one measure.

Using the MAP framework

The MAP framework and the underlying aspirations provide valuable insight into the Australian context and perspective for measuring wellbeing, broader measures of progress, or monitoring sustainable development. To provide an example of the flexibility MAP framework, Figure 4 compares MAP 2013 to the 10 domains of Bhutan's Gross National Happiness Index (GNH Index, Ura et.al: 2012)). Clearly, there is a strong overlap between the GNH Index components and the Social domain of the MAP 2013 framework.

Figure 4 - Domains of the Gross National Happiness Index (Ura et.al: 2012) compared to MAP 2013 (ABS: 2013)

Bhutan's Gross National Happiness - Domains	ABS Measures of Australia's Progress, 2013			
Psychological Wellbeing	Enriched lives: Feelings; Spirituality			
Health	Health			
Education	Learning and knowledge			
Culture	Enriched lives: Popular Culture & arts			
Time Use	Enriched lives: Time & opportunity			
Good governance	Governance Domain			
Work	Jobs	Opportunities		
Community vitality	Community connections and diversity	Close relationships	Home	Safety
Ecological Diversity & Resilience	Environment Domain			
Living Standards	Enhanced living standards	Fair outcomes	A fair go	

Being based on aspirations, we are also able to delve into why the GNH domains are important to Australians. For example there is a strong overlap with MAP’s Enriched Lives themes, which is part of the Social domain. Underlying this theme are the following aspirations:

“Australians told us that many aspects of life that increase wellbeing and make life worthwhile are not material, and are intangible. Many participants in the consultation process wanted to acknowledge that these factors are important in people's lives. For example, many felt that emotions can be as important to people's sense of wellbeing as their material conditions and acts of altruism or caring can positively affect both the giver and receiver. Music, dance, art, poetry, film and the many forms of popular culture can bring depth and joy to people's lives, and clarify our values and identity as individuals and as a nation. Australians have a love of sport and the outdoors, and value the bonding, relaxation and insights that leisure time pursuits bring. People felt their connections with one another, with their pets and with nature; their sense of a higher purpose, their deeper beliefs and motivations; and their sense of identity and cultural heritage; can enrich their lives and our society as a whole.” MAP 2013

A similar comparison can be made to provide an Australian context for proposed Sustainable Development Goals, such as those proposed by the Open Working Group on Sustainable Development Goals (OWG: 2014). This comparison is shown in Figure 5.

Figure 5- Sustainable Development Goals (OWG: 2014) and MAP 2013 (ABS: 2013)

Open Working Group on Sustainable Development Goals: Proposed Goals	ABS Measures of Australia's Progress, 2013
1. End poverty everywhere	Fair outcomes
2. Hunger, food security, nutrition and sustainable agriculture	Health; A fair go; Healthy natural environment; Sustaining the environment
3. Healthy lives and wellbeing	Health
4. Education and lifelong learning	Learning and knowledge
5. Gender equality	Opportunities ; Fair outcomes; A fair go
6. Water and sanitation	Sustaining the environment
7. Energy	Sustaining the environment; Enhanced living standards; A resilient economy
8. Economic growth, full and productive employment and decent work for all	Opportunities; Jobs; Economic Prosperity; A resilient economy
9. Infrastructure, industrialization and	Enhanced living standards
10. Reduce inequality	Enhanced living standards; Fair outcomes; A fair go
11. Cities and human settlements	Healthy built environment
12. Sustainable consumption and production	Enhancing living standards; Sustaining the environment; A fair go
13. Climate change	Sustaining the environment
14. Oceans, seas and marine resources	Healthy natural environment
15. Ecosystems, forests, desertification, land degradation, biodiversity	Sustaining the environment; Healthy natural environment; Protecting the environment
16. Peaceful and inclusive societies, justice for all, effective and capable institutions	Governance; Safety
17. Means of implementation	Working together for a healthy environment; International economic engagement; Governance

The future of MAP

In 2014, the ABS announced it would not continue publishing MAP as one of a number of sustainable resourcing decisions. The MAP indicators and the dashboard continue to be available, providing a picture of progress in Australia to 2014. The MAP framework is a proud legacy, and one the ABS will consider building upon should resources become available in the future. In particular, the MAP consultation process and the refreshed edition of MAP 2013 were key milestones for Australia, adding significantly to understanding Australian's aspirations for whether life in Australia is getting better and to the field of measuring progress, both domestically and internationally.

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