# **Rebuilding a flourishing society**

### Helen Johnston

Senior Social Policy Analyst, National Economic and Social Council

# Introduction

Like many countries, Ireland is experiencing one of the worst economic recessions in its history. There have been many analyses and commentaries on how we have arrived in this situation and on what is required to stimulate growth and rebuild our economy.<sup>1</sup> But what kind of society do we want to rebuild, what might be its key elements and how might we achieve it?

Internationally, a number of commentators have turned their attention to these questions. Former French President Nicolas Sarkozy went so far as to set up the Commission on the Measurement of Economic Performance and Social Progress (CMEPSP), chaired by the Nobelist economist Professor Joseph Stiglitz, which reported in September 2009. His rationale for the establishment of the commission was to address concerns that have been raised about the adequacy of current measures of economic performance, in particular those based on GDP figures. He also had concerns about the relevance of these figures as measures of societal well-being, as well as measures of economic, environmental and social sustainability (CMEPSP, 2009).

The OECD, too, has been giving increased attention to this issue, primarily through its Global Project on Measuring the Progress of Societies (Morrone, 2009). The project exists to foster the development of sets of key economic, social and environmental indicators to provide a comprehensive picture of how the well-being of a society is evolving. In addition, it is concerned with encouraging the use of these indicator sets to inform and promote evidence-based decision-making. The European Commission has also made a contribution, issuing a communication to the EU Council and the

<sup>&</sup>lt;sup>1</sup> See, for example, Bergin et al. (2009), Honohan (2009), Lane (2010), NESC (2009a, 2009b).

European Parliament on the need to move beyond GDP in measuring progress (European Commission, 2009).

Drawing on these sources and other material this paper aims to (a) consider the importance of measurement in setting the policy agenda and (b) reflect on how these broader measures can inform policy in trying to rebuild a flourishing society.

#### What gets measured gets done

In launching the report of the CMEPSP, Joseph Stiglitz stated that:

In an increasingly performance oriented society, metrics matter. What we measure affects what we do. If we have the wrong metrics, we will strive for the wrong things. (Stiglitz, 2009)

These sentiments are aptly illustrated in the following quote by Robert Kennedy:

The Gross National Product counts air pollution and cigarette advertising, and ... the destruction of the redwood and the loss of our natural wonder in chaotic sprawl ... Yet [it] does not allow for the health of our children, the quality of our education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages; the intelligence of our public debate or the integrity of our public officials. It measures everything, in short, except that which makes life worthwhile.<sup>2</sup>

#### Current measure of progress – GDP

In recent times progress has been synonymous with growth. Growth is traditionally measured using GDP, which is the total value of all goods and services in an economy during a specified period. The derivation and method of calculation of GDP is widely accepted by economists and politicians across the world, with GDP/GNP used as the main comparator of economic growth across developed economies.<sup>3</sup>

<sup>2</sup> Robert Kennedy cited from 1968 on the New Economics Foundation's website www.nationalaccountsofwellbeing.org [12 April 2013].

<sup>3</sup> GNP is the total value of all goods and services in an economy during a specified period, plus income earned by its citizens (including income from those living abroad), minus income of non-residents located in the country. In Ireland, where there is a large number of foreign-owned multinational companies, there is a relatively large difference between GDP and GNP. In Ireland GNP is considered a better measure of growth because it measures the level of output retained by Irish citizens. Often both measures – GDP and GNP – are presented for Ireland.

However, GDP/GNP as a measure is closely related to production in a market economy and therefore 'more geared to measure the aggregate supply side of economics than the living standards of its citizens' (CMEPSP, 2009, p. 85).

# Limitations of GDP as a measure of growth

A number of limitations of GDP as a measure of growth have been expressed. Drudy (2009) provides a useful overview of the limitations, identifying six main shortcomings.<sup>4</sup> Firstly, GDP does not include goods and services that are not exchanged through the market. In the developed world these mainly relate to goods and services provided by households, especially by women, such as care of children, older people and people with disabilities, as well as the production of goods for household consumption.

Secondly, there is no distinction in the types of goods or services or the use to which they are put. Therefore, destructive goods such as lethal weapons are treated in the same way as benign goods such as food and medicines. Thirdly, GDP does not take the costs of production into account. This shortcoming is gaining greater attention as people and governments become more concerned about environmental damage, pollution and depletion of finite resources. Fourthly, GDP as an economic measure of growth is poorly related to the economic and social objectives of society. For example, a focus on economic growth does not necessarily lead to increased employment an overriding objective for most countries. Fifthly, GDP does not take assets or wealth, such as land or housing, into account. Sixthly, GDP ignores the distribution of income. In periods showing high GDP, symbolising strong economic growth, high-income earners tend to benefit more than low-income earners. Thus, a high GDP can bring about greater income inequalities.

# Consequences of over-reliance on GDP as a measure of growth

The evidence of the over-reliance on GDP as a measure of growth, and the pursuit by governments of economic growth to the exclusion of other economic, social and environmental objectives, has recently become apparent. Irish economist Jim Power referred to this phenomenon as 'akin to a bird flying on one wing' (Power, 2006). This

<sup>&</sup>lt;sup>4</sup> The limitations of GDP as a measure of growth and well-being are rehearsed in a number of publications, including Anderson (1991), CMEPSP (2009) and Jackson (2009).

statement was in reference to the extraordinary economic growth in Ireland in the mid noughties, which Power argued was based on an unsustainable model where the total focus was on quantity of production, the economy and consumption over quality of production, wider quality-of-life issues and sustainability. He contended that the preoccupation with measuring economic growth using only GDP was prioritising economic growth over the broader concept of societal welfare.

Others have also made this argument. For example, in relation to the EU, Rodrigues (2010) claims that the current development model is unsustainable for three reasons: (i) because patterns of consumption and production are undermining the climate and ecological balance of the planet, (ii) because the ageing population is undermining the financial basis of social protection systems and (iii) because the current financial system is undermining conditions for the long-term investment that is necessary to ensure sustainable growth and jobs in making the transition to a low-carbon and knowledge-based economy.<sup>5</sup> She posits that a singular focus on the level of material resources, as measured by GDP, is an unsatisfactory approach and that other dimensions of people's well-being need to be taken into account such as 'access to capabilities, to useful activities, to initiative, to environmental and physical security, social protection, democratic rights, social integration and sense of belonging to a larger community' (Rodrigues, 2010, pp. 5-6).

In their book *The Spirit Level* Wilkinson & Pickett (2009) argue strongly that 'more equal societies almost always do better', yet GDP does not take the distribution of income into account. A strong emphasis on GDP growth has, in fact, led to societies becoming more unequal and, in Wilkinson & Pickett's view, almost every modern social and environmental problem (they list ill health, lack of community life, violence, drugs, obesity, mental illness, long working hours, big prison populations) is more likely to occur in a less equal society.

A number of researchers have highlighted the limitations of GDP by correlating GDP growth and happiness. For example, both Richard Easterlin (1974) and Richard Layard (2005) have argued that

<sup>&</sup>lt;sup>5</sup> Maria João Rodrigues is Professor of European Economic Policies at the Institute for European Studies, Université Libre de Bruxelles (IEE–ULB), and at the Lisbon University Institute (ISCTE–IUL), and is Special Advisor to the EU Presidencies and to the European Commission.

happiness and life satisfaction do not necessarily increase in line with personal or national income. Layard (2005) has reported that income has more of an effect on happiness levels in poorer countries than in richer countries. Income is important to meet basic needs, and it also provides people with opportunities for a better and more meaningful life; for example, through better education, health and housing (NESC, 2009c). However, once people and/or countries become relatively well off, the evidence suggests that their reported levels of happiness remain the same. This phenomenon has been referred to as the 'Easterlin Paradox', after Richard Easterlin, who described the 'paradox' of substantial income growth in western societies over the last fifty years without a corresponding rise in reported happiness levels (Easterlin, 2005).

In summary, the limitations of GDP, along with the other factors that are important to people and the well-being of society (equality, justice, democracy, environmental sustainability), make a strong case for the consideration of measures of progress and well-being additional to GDP.

# Additional measures of progress and well-being

Many commentators have argued that additional approaches are required to measure the progress and well-being of societies.<sup>6</sup> One of the considerations in the measurement of growth of an economy is the extent to which attention is paid to the country's aggregate growth visá-vis the growth and well-being of individuals within the country. GDP measures the aggregate growth and enables comparisons between countries and over time. However, as noted earlier, this aggregate approach can disguise disparities within the population of a country, especially increasing inequalities.<sup>7</sup> The people in a country play a central role in its economic and social progress so that a case can be made for the need to take individual well-being into account when considering the growth and prosperity of a country. The National Economic and Social Council (NESC) has recognised that 'in a globalised world, the strength of Ireland's economy and of its society will rest on the same foundation - the human qualities of the people who participate in them' (2005, p. xxiii). People live in families (or

<sup>&</sup>lt;sup>6</sup> See, for example, Boarini et al. (2006), CMEPSP (2009), Diener et al. (2009), Easterlin (2005), European Commission (2009), G20 (2009), Jackson (2009), Layard (2005), Matthews (2006), NESC (2009c), New Economics Foundation (2009a, b), OECD (2009, n. d.), Sen (1999).

<sup>&</sup>lt;sup>7</sup> Increasing inequalities are often a by-product of fast economic growth.

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have family connections) in communities that are part of the wider society, environment and economy. These elements of people's lives are interconnected.

While there are debates about the various dimensions of people's lives and the emphasis to be placed on them, the discourse tends to include the following domains: economic resources, work and participation, relationships and care, community and environment, health, and democracy and values (NESC, 2009c).<sup>8</sup> In most discourses there is recognition of the importance of economic resources, both to meet basic needs and to participate in the society within which one is living. Income and material goods are also elements of social comparison, where income is associated with status, power and worth, so that its distribution and its value impact on an individual's well-being (Bruni & Porta, 2005; Kahneman, 1999; NESC, 2009c). Conversely, poverty, financial insecurity and debt have negative effects on well-being. However, as highlighted earlier, income is only one, albeit important, dimension of well-being.

A central component in people's well-being is the opportunity to develop and utilise their capabilities through engagement in meaningful activities (Sen, 1999). Education and work enable people 'to flourish' (Flanagan, 2007) by optimising their capabilities, as well as providing an income, contributing to a sense of purpose and providing social interaction and status. This is why unemployment is so detrimental to well-being (Layard, 2005). As well as sentencing people to live on a low income, unemployment undermines self-respect and social relationships.

People are essentially social beings so that the quality and stability of their relationships are a central element of their well-being. Loving, secure and consensual relationships have a positive effect on people's well-being while loss of a family member/friend or conflictual relationships can have a detrimental effect. An aspect of relationships is the provision and receipt of care. The quality of the care and the supports available can have an important bearing on well-being, both for the care giver and the care receiver (NESC, 2009c).

<sup>8</sup> The NESC domains are cited here as they have been derived in an Irish context. The CMEPSP (2009) has cited a similar list of eight domains: (i) material living standards (income, consumption and wealth); (ii) health; (iii) education; (iv) personal activities, including work; (v) political voice and governance; (vi) social connections and relationships; (vii) environment (present and future conditions); and (viii) insecurity, of an economic as well as a physical nature. There are many other listings of domains that are important to people's lives and wider society but, for the most part, they contain similar elements configured in various ways.

Likewise, the community and environments within which people live have an important influence on their well-being. The accommodation within which they live, the social capital in the community, as well as the quality of the immediate environment all help to determine quality of life and well-being. In much of the literature proposing multidimensional measurements of growth, the environment is treated as a separate domain, in the context of sustainability and the need to be aware of the consequences of the depletion of finite resources (CMEPSP, 2009; New Economics Foundation, 2009b).

In all of the discourses health is identified as a central domain of human well-being. Population health and life expectancy have improved immensely in Ireland and throughout the world in recent years, largely due to an improvement in living conditions and medical advances. However, the growth and development of societies can be curtailed by the increasing incidence of chronic conditions and mental illness that undermine people's well-being. People's behaviours affect their well-being and there have been mounting concerns about the impact of diet, smoking, alcohol consumption and lack of exercise on people's health and well-being (Barry et al., 2009; Farrell et al., 2008; Layte et al., 2007; Morgan et al., 2008; World Health Organisation, 2004).

The sixth domain proposed by NESC (2009c) comprises democracy and values. The quality of government, people's involvement in a democratic society, trust and peace are significant features of individual and societal well-being, whereas crime and fear of crime undermine community connections and well-being. At societal level, a belief in a 'common good', involving recognition of rights and responsibilities, empathy with others and values of citizenship, has been shown to contribute to the overall well-being of society (NESC, 2009c).

It is difficult to characterise the relationships between individual and collective well-being. This is partly because each individual's wellbeing is a unique combination of these six (or other) domains, which may change depending on the person's circumstances or with time. People's well-being is also known to be affected by comparing themselves with those around them and with the values pertaining in society.

In accepting the need for a multidimensional approach to progress and well-being involving considerations beyond GDP, there is then the challenge of measurement. How can these more complex aspects of growth and well-being be measured?

#### Measurement issues

Much of the material on additional measures of progress and wellbeing focuses on how 'domains of well-being' can be measured. One approach is the development of a 'well-being index' to complement GDP. A number of indices have been developed to capture these broader dimensions of growth and well-being. The best known of these is the Human Development Index (HDI), which is calculated and presented by the United Nations Development Programme.<sup>9</sup> Another oft-cited example is the Gross National Happiness (GNH) Index used by Bhutan, a small Buddhist country in the Himalayas. Bhutan uses this index with the objectives of ensuring that prosperity is shared across society and that growth is balanced with preserving cultural values, of conserving the natural environment and of establishing good governance.

Canada has developed a Canadian Index of Well-being (CIW), which incorporates eight domains of well-being: living standards; healthy population; time use; ecosystem health; educated populace; community vitality; civic engagement; and arts, culture and recreation. Other examples include the Genuine Progress Indicator,<sup>10</sup> the Happy Planet Index (HPI)<sup>11</sup> and the Index of Economic Well-being.<sup>12</sup>

The merits of an index include the ability to monitor changes over time and to make comparisons between regions and countries using a single number. For these reasons, indices hold a number of attractions, especially from a political perspective, enabling a policy focus on achieving particular outcomes. However, as alluded to in the limitations of GDP discussed earlier, indices can be opaque, making it difficult to identify the real drivers of change and hiding unanticipated consequences. Judgements have to be made on which components to

<sup>9</sup> The HDI incorporates three components: life expectancy at birth, knowledge (adult literacy and education enrolment) and GDP per capita.

<sup>10</sup> Included in the Genuine Progress Indicator is the value of time spent on housework, parenting and volunteer work, plus the value of services of consumer durables, plus services of roads and streets minus 'defensive expenditures' (to guard against crime, accidents and pollution), minus social costs (divorce, loss of leisure time), minus depreciation of environmental assets.

<sup>11</sup> The HPI is 'happy life years' divided by 'ecological footprint'. 'Happy life years' is life expectancy at birth multiplied by life satisfaction. The ecological footprint of an individual is a measure of the amount of land required to provide for all their resource requirements plus the amount of vegetated land required to absorb all their carbon emissions.

<sup>12</sup> The Index of Economic Well-being covers current prosperity (based on measures of consumption), sustainable accumulation and social issues (reduction in inequalities and protection against 'social' risks).

include, how they should be measured and then 'weighted' within the index, and how the various components relate to each other.

Another approach is to report progress using 'satellite accounts' to augment national accounts (Matthews, 2006, p. 40). Satellite accounts have been used to present information on health, environment, education and skills, household production and activities of nongovernmental organisations. The benefit of this system is that a more comprehensive picture of progress is available than that obtained using national accounts alone, but that the additional information is made available 'without overburdening or disrupting the system' (Matthews, 2006, p. 40). As with the other approaches discussed, difficulties exist in the assignment of monetary values to non-monetary activities, and the construction and interpretation of the accounts can be complex.<sup>13</sup>

The most common approach, however, is to use a 'suite of social indicators', where key indicators of progress and well-being are presented side by side. The advantage of this approach is its transparency whereby the various 'domains' of progress can be readily compared and assessed. In Ireland an example of the use of a 'suite of indicators' approach is *Measuring Ireland's Progress*, which was first published in 2003 by the Central Statistics Office (CSO) and has been published annually since. The report presents more than 100 indicators in tabular or graphic form across 10 domains.<sup>14</sup> The *Measuring Ireland's Progress* series is complemented by subject-specific reports.<sup>15</sup> The NESC's *Well-being Matters: A Social Report for Ireland* (2009c) also presents a 'suite of social indicators' across the life cycle.<sup>16</sup> The *State of the Nation's Children* reports (Department of Children and Youth Affairs, 2012; Department of Health and Children, 2006,

<sup>13</sup> An example of this approach is the Netherlands, which uses an integrated system of accounts for the measurement of progress in its System of Economic and Social Accounting Matrices and Extensions (SESAME). SESAME combines the central national accounting framework with social and environmental modules.

<sup>14</sup> The 10 domains are economy, innovation and technology, employment and unemployment, social cohesion, education, health, population, housing, crime and environment.

<sup>15</sup> The reports include: Women and Men in Ireland, Ageing in Ireland, Equality in Ireland, Regional Quality of Life in Ireland, Non-Irish Nationals Living in Ireland and Children and Young People in Ireland.

<sup>16</sup> This report presents information in two volumes. Volume I provides a conceptual understanding of well-being and an indicator framework, along with an overview picture of well-being in Ireland. Volume II uses the indicator framework to present information on children, people of working age, older people and people with disabilities.

2008, 2010) present some 60 indicators on children's well-being and have been doing so since 2006 on a biennial basis. These indicators chart the well-being of children in Ireland, track changes over time, benchmark progress in Ireland relative to other countries and highlight policy issues arising.

The OECD has been to the forefront in pursuing measures beyond GDP, and of particular note is the development of their *Better Life Initiative*. The OECD's publication on measuring well-being, *How's Life?*, presents information on income, jobs, housing, health, work and life balance, education, social connections, civic engagement and governance, environment, personal security and subjective well-being across OECD countries (see OECD, 2011). The *How's Life?* publication is part of the *Better Life Initiative*, which also includes an interactive composite index of well-being that aims to involve citizens in the debate on societal progress.<sup>17</sup>

Other measurement debates are associated with the use of objective or subjective indicators. As well as objective 'quality of life' indicators such as income, employment, education, health, housing and so on, there is increasing interest in subjective indicators. Subjective indicators ask people how they feel about their lives. They reflect the 'ambitions, attitudes and values of individuals or of the nation' (NESC, 2009c, p. 49). The New Economics Foundation has produced a set of 'National Accounts of Well-being', which provide a cross-country comparison of how people feel and experience their lives through measures of personal and social well-being (New Economics Foundation, 2009a).

The UK is currently undertaking a programme of research on measuring national well-being. A component part of this programme of research is gathering information on how people think and feel about their own lives (Office for National Statistics, 2012). These subjective findings are being used to complement existing socioeconomic indicators to garner a fuller picture of the nation's wellbeing. For instance, the initial results show that 45 per cent of unemployed people rated their 'life satisfaction' as below 7 out of 10, which was over twice as much as employed people, only 20 per cent of whom described their life satisfaction as below 7 out of 10. These findings illustrate the additional effects of unemployment on people,

<sup>&</sup>lt;sup>17</sup> Information on the index – Your Better Life Index – is available at www.oecdbetterlifeindex.org.

over and above the material aspects that can be measured objectively.  $^{18}$ 

An important element in the UK's and other well-being programmes is consultation with people about what matters in their lives. For example, the UK programme started with a three-month national debate on the question 'What matters to you?' to improve understanding of what should be included in measures of the nation's well-being. Through their work on measuring well-being for development and policymaking the OECD has found that developing better well-being metrics is not an end in itself, but is a way of engaging different actors in a reflection on the type of society that they want to create, and of changing the policies and behaviours to move in that direction (Durand, 2013, p. 7).

In their research work on bringing alternative indicators into policy, Hák and his colleagues (2012) found that one of the lessons to emerge on how indicator promoters and producers can achieve their intentions is to develop the indicators with the audiences at whom they are targeted. In Ireland a conference at NUI Galway in June 2012 brought together scientists, community organisations and policy-makers to discuss well-being. The conference included interactive workshops where barriers to well-being were discussed and options for overcoming these barriers were developed (NUI Galway, 2012). There is potential to further develop and expand this approach in Ireland.

A review of the various approaches (summarised above) leads to the conclusion that to adequately measure economic growth and societal well-being, a combination of objective and subjective indicators is required across a number of 'domains', to reflect the multidimensional aspects of economic, social and environmental progress. The involvement of a wide range of stakeholders is helpful in designing the indicators and in getting 'buy in' to the type of society and progress that is desirable.

# Policy dimensions in rebuilding a flourishing society

As stated by the CMEPSP (2009, p. 7), 'what we measure affects what we do' so that 'if our metrics of performance are flawed, so too may be the inferences that we draw'. In this context, Diener et al. (2009, p. 6)

<sup>&</sup>lt;sup>18</sup> It is noteworthy that in Ireland the CSO has incorporated a subjective well-being module in to the 2013 SILC (Survey of Income and Living Conditions). The SILC is an annual household survey covering a broad range of issues in relation to income and living conditions.

pose the pertinent question of the 'desirability of well-being as a guide for government policy'. Providing examples in four policy areas – health and medicine, the environment, the economy and work life, and the quality of community life – they argue that systematic measures of well-being are required to inform leaders and citizens. They contend, convincingly, that better information about well-being would allow policymakers to achieve their current goals more effectively and efficiently.

Along similar lines, NESC (2009c) suggests a 'well-being test'. It is envisaged that such a test could be applied in devising or reviewing policies and programmes. The key elements of a 'well-being test', as set out by NESC (2009c, p. 156), are:

*Capability* – a focus on what an individual can do with a view to developing capabilities;

*Agency* – respect for the capacity of individuals to make decisions about their lives;

*Purpose* – recognising the importance of having a sense of purpose by encouraging and supporting people to engage in meaningful activity;

*Social interaction* – the recognition that we operate in the context of a set of relationships within families, communities and wider society;

*Common good* – as individuals and as societies we do better in more equal and fairer societies; and

 $\hat{Sustainability}$  – we live in a finite world and have to use our resources wisely now and for future generations.

Likewise, a UK trust has assessed six case studies with a view to identifying what needs to happen to ensure that measuring well-being is made to matter in policymaking practice (Wallace & Schmueker, 2012). The study found that well-being measures are at their most effective when they are supported by a combination of strong leadership, technocratic policy processes and building momentum through wide buy-in from civil society, citizens and the media.

### Learning from the past

To place these suggestions in context, it is important to learn from the past in planning for the future. In building the foundations for future prosperity it is helpful to reflect on how a more comprehensive and sustainable approach could be taken to support human flourishing and well-being. For example, we may think differently about the desirability of fast economic growth, opting instead for a deeper and more enduring prosperity. We may focus on intensive rather than extensive growth and place a higher priority on sharing of gains and losses.<sup>19</sup> We may take the view that future prosperity is best secured by moving away from an exclusive focus on growth towards a more economically, socially and environmentally sustainable model of development. We may seek a more equal society based on the evidence that more equal societies tend to have lower levels of poverty and higher levels of social cohesion.

#### Future focus

While there is no doubt that economic growth is necessary to create jobs and stimulate our future development, it currently seems unlikely that, in Ireland, we will experience the high growth of the late 1990s to early 2000s in the near future. In the likely scenario of lower growth levels, quality-of-life and well-being issues take on a greater significance.

On two fronts, then, there is an impetus for a focus on broader measures of well-being, rather than economic growth alone. Firstly, of *necessity* at a time of low growth, people may place more value on quality-of-life issues; and secondly, it is *desirable* that economic growth does not come at the expense of social and environmental objectives. This brings to mind the mantra that 'growth is a means to an end, and that end is better lives for all citizens' (OECD, 2013).

Adopting this approach requires a focus on different indicators, as outlined earlier in this paper, but also greater connections between policymakers and implementers, and researchers and statisticians, as well as the involvement of local communities and citizens.

This type of approach is articulated by international bodies such as the OECD, in their 'Roadmap',<sup>20</sup> and the EU, in their communication *GDP and Beyond: Measuring Progress in a Changing World*. The CMEPSP (2009) also argued for such an approach, specifically of the

<sup>&</sup>lt;sup>19</sup> Extensive growth is achieved by using more resources. Intensive growth is achieved by using a given amount of resources more productively.

<sup>&</sup>lt;sup>20</sup> The OECD 'Roadmap' was agreed at an OECD World Forum on 'Measuring and Fostering Well-being and Progress', held in Busan, Korea, in October 2009. The 'Roadmap' sets out an OECD commitment to progress its own work through the Global Project on Measuring the Progress of Societies and to play a leading role in progressing the recommendations in the report of the CMEPSP.

need to take into account quality-of-life and sustainability indicators as well as economic indicators in measuring economic performance and social progress. In particular, the CMEPSP emphasised the need to improve measurement as 'what we measure ... has a significant impact on the way in which our societies look at themselves and, therefore, on the way in which policies are designed, implemented and assessed' (CMEPSP, 2009, p. 9).

# Conclusion

GDP is commonly used to measure growth. This paper has presented some of the limitations of using only GDP as a measure of progress. These limitations have been accentuated by the recent global economic crisis. The paper has argued that a broader approach is required which reflects the multidimensional nature of growth and development. This broader approach makes a case for the incorporation of social and environmental indicators into the measurement of progress, as well as economic growth.

A key issue is how these broader dimensions should be identified, measured and presented. While much of this work is still in its development phases, there is an increasing body of literature arguing for this more comprehensive approach. The issue is particularly relevant to public policy as it reflects the social, economic and environmental objectives of our countries and societies. The current model of economic growth has been called into question – as well as contributing to the global economic crash it has led to increased social inequalities and environmental degradation. A more sustainable, egalitarian and developmental model is required to work towards rebuilding a flourishing society.

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