

## **Citizen progress measures: a new democratic paradigm?**

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### **Abstract**

This paper examines some critical issues and opportunities for democracy and public policy posed by the growth of the global progress measurement movement. From the democratic perspective, these include: citizen progress measurement as a new and promising form of democratic re-engagement; the re-examination of democracy and the development of new indicators to define and measure a 'healthy' democracy; and the demonstration of clear linkages between healthy democratic and human rights regimes and outcomes, and broader individual and societal well-being.

In public policy, a global movement is now becoming a paradigm shift, that threatens to replace two long dominant assumptions: the primacy of continuous economic growth as the key driver of wellbeing; and the historically powerful but deterministic notion of the 'inevitability of progress'. In their place it offers a more holistic, integrated and nuanced model, that recognises the interdependence of economic, social, cultural, environmental and democratic dimensions for genuine well-being, progress and sustainability. And interestingly, this models signals a possible convergence between European and Asian public policy models, as from different starting points (Positivism, Buddhism) both seek to move 'Beyond GDP' and towards 'Gross National Happiness' (GNH).

The paper reviews work in Australia over the past decade at both local community and national levels as examples of these trends. Examined in particular are the development of citizen-engaged community planning and neighbourhood renewal schemes in which progress and well-being indicators play a central role; the development in several Australian states of state-wide local progress measurement frameworks as part of a commitment to devolved planning and stronger local democracy; and the evolution of national progress measurement systems, starting with the pioneering work of the Australian Bureau of Statistics on 'Measures of Australia's Progress' (a key inspiration for the OECD global project).

Finally, the paper discusses a more recent proposal for a broader, community engaged National Development Index (NDI) for Australia that aims to draw on the best practice of other models such as the Canadian Index of Well-being, Bhutan's GNH project and the outstanding OECD global project, 'Measuring the progress of society'.

The challenges for the Australian NDI will be substantial: to enable broad democratic and community engagement in its values and specific measures; to develop a satisfactory technical model of progress and well-being and an attractive and accessible public platform on which to display it; to produce a common set of indicators which can be used at all three levels of government (local, state and federal) to enable shared planning and goals; and finally, through concrete indicators and benchmarks, to build a credible long term vision for Australia's development.

## 1. Introduction

Citizen based progress measurement is a global movement, which has the potential to create a new paradigm for democracy and good governance.

The benefits for democracy may be substantial: new forms of democratic engagement; new ways to define and measure a 'healthy' democracy; the demonstration of clearer linkages between strong democratic and human rights regimes, and broader individual and societal well-being; and perhaps a significant contribution to the development of a more dynamic and participatory democracy for the 21st century.

I will illustrate my case with examples from my research, and from Australian work and other international models.

But first, I want to reflect briefly on why the measurement of progress is ultimately a democratic rather than a technocratic, issue. I choose to focus on this question because it is often overlooked in current discussions about progress measurement.

I contend that democracy and measurement of social progress are connected in fundamental ways, and around at least five specific issues. I will summarise these briefly and then return to each of them later.<sup>1</sup>

First, defining progress should be the proper responsibility of democratic citizens. This is because the way we define and measure progress officially and in public policy has a major impact on the lives of citizens and the development and priorities of nations and communities; and so in a democracy these collective decisions should be made democratically.

Secondly, democracy, human rights and good governance are themselves an integral part of the idea and the meaning of progress and they therefore should be measured in their own right. Social progress necessarily implies improving democracy and human rights.

Third, a healthy democracy produces progress and wellbeing in other areas: that is, the quality and effectiveness of democracy and human rights in a society is one of the key drivers of the wellbeing of its citizens. Societies stronger in democracy and human rights achieve better wellbeing for their citizens, as I will show.

Fourth, progress and wellbeing indicators are an extremely powerful tool for good democratic governance, especially in improving planning, evaluation, transparency and accountability.

Finally, we know that engaging citizens in developing the goals and measures of progress, whether for a community or a nation, is itself an important way to strengthen democratic process. It is one of the answers to the pervasive modern problem of democratic disengagement and alienation; it may even be a new form of democracy.

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<sup>1</sup> See End Note 2, '*Key links between democracy and measuring progress*' .

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## 2. Defining progress is a democratic task

‘Human advance is conditioned by our conception of progress’. Over a decade ago, the UN Development Program called for an end to what it described as ‘the mismeasurement of progress by economic growth alone’. It recognised that a new and ‘more legitimate’ paradigm must be ‘people centred, equitably distributed and environmentally and socially sustainable’.<sup>2</sup>

The term ‘more legitimate’ is crucial. The way we define and measure social progress is an issue of fundamental importance for democracy – and for human rights and good governance.

So let me now retrace some of the key democratic issues, step by step.

We must recognise that defining progress is a political act. Historically, control over measuring and definitions has always been a key tool of political power: for instance, how we define good and bad, true and false, just or unjust.<sup>3</sup>

And this is especially true of the act of defining and measuring progress. Progress is a politically powerful idea, but one that is complex and contestable. It is politically powerful because it conveys a sense of destiny, a force that can’t be stopped; and those who can define it wield power. Yet it has legitimately different meanings, and different impacts. What is progress? Progress for whom? And who should decide?

From the time of Aristotle and his notion of the good society, people have had different ideas of progress. Both within and between nations, what is progress for some is regression for others.

What grows the economy may kill the environment: what protects the environment may inhibit economic growth; what enriches information technology workers in one country may impoverish factory workers in another.

It is important to remember that the measurement of progress has not been seen as a democratic issue until recently, and in many places it still is not, being considered rather as the prerogative of governments or experts. And likewise, the idea of measuring democracy and human rights is neither well developed nor widely accepted.

In this respect, the OECD is to be congratulated for taking a global leadership role, with its steadily increasing focus on the democratic, as distinct from the technocratic, issues of progress measurement.

Some of the key democratic questions in measuring progress stem from the nature and use of statistics themselves. In modern societies, statistics are a powerful tool to manage people and control understanding: so they need to be democratised and made transparent.

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<sup>2</sup> End Note 3, ‘*UNDP on mismeasurement of progress*’

<sup>3</sup> End Note 4, ‘*Political power of definitions*’

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Progress indicators raise a crucial democratic issue about information and influence. We live in a complex and technocratic world, in which information is abundant but wisdom is not; and where we are poor in time if not resources.

Political and corporate managers increasingly insist upon summarised information and evidence based policy, and they have the clout and technology to ensure they get the best.

But ordinary citizens can only hope to have limited understanding of all the information they need to make sense of their world and make the best decisions about their lives, their families, their work and their government.

In these conditions, indicators and statistics are a powerful tool of influence on policy and decision making as well as on public reporting and debate, to the point where they may become a kind of societal DNA code.<sup>4</sup> Or a kind of mystical holy grail, that many people worship but few understand - like GDP. Thus indicators can become instruments for consolidating inequality or for democratising information.

But we must remember that statistical indicators are not mystical, they are the creation of people, people with problems and people with particular values and prejudices.

Statistics, firstly, are more than numbers: they are about people. Underlying them there is always a human story.<sup>5</sup>

And measurement is also a human act; it is rarely totally scientific or impartial. It embodies the values of the measurer. There is a prior act of choice as to what we measure. We measure what we think important and ignore what we don't.<sup>6</sup> For some people, it is more important to have an exact measure of the margin of an athlete's victory than the number of civilians killed in a war.<sup>7</sup>

We need to remind ourselves that 'indicators' are meant to be more than statistics. By definition, the function of an indicator is to tell us about something that is important, something that is collectively valued.<sup>8</sup>

And in a democratic society decisions about collective values and priorities should be submitted to a democratic process. Decisions about what is important, what is valued and what constitutes 'progress' - that is, where we should be going as a nation or community - are ultimately decisions of the citizens as a whole. They are democratic decisions. Who should say what is important? Whose values should prevail?

But to go one step further, measuring social progress is a more complex task than simply identifying collective values or relevant data. Logically, to construct a coherent set of progress indicators, you cannot simply bundle together a bunch of statistics or values. You must have some overall framework, some theory of what is progress or a good society.<sup>9</sup>

As active, democratic citizens, we need to discuss this question together and continuously.

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<sup>4</sup> End Note 4, *'Progress indicators as DNA codes'*

<sup>5</sup> End Note 5, *'Statistics, people, tears'*

<sup>6</sup> End Note 6, *'What counts and is not counted'*

<sup>7</sup> End Note 7, *'Measures that matter: Leunig'*

<sup>8</sup> End Note 8, *'Social indicators are about values'*

<sup>9</sup> End Note 9, *'To measure progress, you need a theory of good society'*

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‘Without a shared understanding of reality, fruitful democratic debate is almost impossible’.<sup>10</sup> The most important outcome of the OECD's project on measuring progress may ultimately be the fact that it has launched a global democratic debate about the meaning of progress.

And the progress measures we adopt should reflect the outcome of this debate.

In Canada, a process of extensive community debate led to the development of the Canadian Index of Wellbeing, and the central question asked was ‘What kind of society do we want Canada to be?’.

In Australia, as part of the development of our national project ‘Measures of Australia's progress’, we asked people what they thought were the most important goals for Australia's development.<sup>11</sup>

### **3. Democracy is part of the meaning of progress**

Now these are all reasons why the process by which we define and measure progress should be conducted openly and democratically.

But as we have seen, another way of viewing this relationship is that democracy and human rights are themselves an important component of progress. It is difficult to see how a society could be said to have made progress if human rights and democracy have declined. That is why we need strong indicators of the health and progress of democracy and human rights themselves.

The idea of measuring progress in democracy is very recent. Governments discouraged it, because they found it threatening. Statisticians were not enthusiastic either: there were, and still are, conceptual difficulties in measurement; and of course, legitimate differences in the meaning and understanding of what democracy is, and therefore what should be measured.

In most Western societies, democracy is a term with enormous emotional and political weight. We tell ourselves that democracy is so important that we must periodically send our young people overseas to kill or be killed in order to protect this precious commodity. But in practice, we are careless. In many established democracies today, commentators are describing a serious decline in the quality of democratic life and practice, amounting even to a democratic crisis. And yet for the most part we continue to rely on smug assumptions and bland outdated institutions. If we truly believed in the importance of democracy, we would subject it to regular review and audit; we would set goals for its continuous improvement; and we would be eager to introduce innovations and best practice from elsewhere.

Perhaps in the end actual democracy is simply too radical an idea for powerful people.<sup>12</sup> Well, not all people, because fortunately, change is beginning to happen in some countries: in the past decade, national inquiries into the problem of democratic decline have been

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<sup>10</sup> End Note 10, ‘*OECD: shared understanding of reality*’

<sup>11</sup> End Note 11, ‘*Most important qualities for Australia's progress*’

<sup>12</sup> End Note 12, ‘*Two major obstacles to democracy in USA*’

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instituted in Sweden, Norway, the UK and Canada; and democratic ‘audits’ have been undertaken in half a dozen more.

In Australia, we have tried to map the nature and extent of the ‘democratic deficit’ by surveys asking people which aspects of democracy they think most important, and which we perform well or poorly.<sup>13</sup> Interestingly, people nominated the honesty and integrity of politicians as one of the most important issues - and problems – for Australian democracy.

### **The concept of ‘a healthy democracy’**

Just as we need a theory of a good society in order to measure social well-being, in the same way we need a theory of a healthy democracy to measure democratic progress.

And as with social progress, the issues that matter to ordinary citizens in democracy can be very different from those which politicians or bureaucrats think important.

In early work, democratic indicators tended to be limited to the kind of structural issues beloved of political scientists and journalists (like voting, Parliament and free speech).

But over time, and as with measures of progress generally, a more comprehensive notion of democratic progress evolved, which included not just the existence of democratic institutions, but a range of non-institutional factors required for a truly healthy democracy.

A more balanced set of indicators of a healthy democracy would measure, not just elections, laws and governments, but also active and knowledgeable citizens, devolution of power, equality of wealth and democratic innovation.<sup>14</sup>

A broader model of democratic health incorporating this approach has been institutionalised in the framework developed by the Stockholm-based International Institute for Democracy and Electoral Assistance (IDEA), and it has been applied now as a benchmark measure in over a dozen countries.<sup>15</sup>

I am pleased to report that the Australian Bureau of Statistics was one of the first central statistical agencies to have included ‘Democracy, human rights and governance’ as a key dimension of progress in its internationally respected report ‘Measures of Australian’s Progress’.

## **4. Democracy is a driver of progress and wellbeing in other areas**

Earlier I made the claim that the quality and effectiveness of democracy and human rights in a society is one of the key drivers of progress and wellbeing.<sup>16</sup> Societies stronger in democracy and human rights achieve better wellbeing for their citizens in practice. Or, put another way, human rights and democracy are good for human wellbeing.

This is a difficult assertion to prove conclusively; but I think there is some strong circumstantial evidence.

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<sup>13</sup> End Note 13, ‘How Australians rate their democracy’

<sup>14</sup> End Note 14, ‘What makes a healthy democracy’

<sup>15</sup> End Note 15, ‘IDEA democracy audit framework’

<sup>16</sup> End Note 16, ‘Democracy and human rights contribute to wellbeing’

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At an individual level, there has been a growing body of evidence from the World Health Organisation and many social health researchers that links democracy, participation and social justice with stronger health and wellbeing outcomes.

Most recent, and perhaps most important, is the report of WHO on socio-economic determinants of health, released last month and entitled 'Closing the gap in a generation'. This report contains some unequivocal conclusions: 'Social justice is a matter of life and death ... Inequities are killing people on a grand scale'.<sup>17</sup>

At the local community level, the links between well-being and various forms of participation have been clearly established.<sup>18</sup>

There is also evidence from international comparisons. Recently my Australian colleagues and I put together a table of wellbeing measures for 14 OECD countries. Countries were ranked on their performance on 100 (unweighted) measures of wellbeing across over a dozen dimensions, mostly related to individual wellbeing.

We then compared a country's 'Overall wellbeing' ranking to its ranking in a number of other fields such as national wealth, environment public spending, democracy, peace and human rights. Rankings in these fields were also primarily based on compound indexes of multiple measures in each field.

The following table show the results.<sup>19</sup> The figure in the bottom row designates the correlation between overall well-being ranking and ranking in the particular field (a higher number indicates higher correlation).

The results are not conclusive, but there appears to be a fairly strong link, especially between countries in the top and bottom thirds, between a country's overall wellbeing outcomes, and its performance in three key dimensions: human rights, peace and democracy. And on these figures, levels of government spending, generalised trust and income equality would be a better guide to overall wellbeing than national wealth or environmental performance.

## **5. Social progress indicators mean better governance**

Social progress indicators and frameworks can also be an important tool for better and more accountable governance. As this table shows<sup>20</sup>, a well-developed progress and wellbeing framework can be used: to report conditions in the community; to measure progress and performance against community goals; for planning and priority setting; to enhance democracy and accountability; and to build communities and social cohesion.

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<sup>17</sup> End Note 17, 'WHO social justice and health'

<sup>18</sup> End Note 18, 'Community participation and wellbeing links'

<sup>19</sup> End Note 19, 'National wellbeing compared to other progress dimensions'

<sup>20</sup> End Note 20, 'Purposes of community wellbeing framework'

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## 6. Engaging citizens in progress measurement strengthens their democratic capacity

If progress measurement is indeed a global movement, then undoubtedly one of the key drivers of this movement has been the growth of local community indicator projects all over the world. The OECD has identified projects in the European Union, Latin America, Italy and France (see: Giovanni, E. 2008. 'Global movement for a global challenge'. Paris: OECD); in the US and Canada, hundreds of different community indicator projects have developed over the last 10 or 15 years, and in my own country there have been dozens.

These projects have had many different causes, including the need to redevelop local communities hit by economic restructure, new laws requiring local governments to develop well-being plans and progress measures, or simply the desire of local citizens to be more directly involved in planning the kind of communities they want their children to live in.

In the process, community-based well-being indicators have become a genuinely new form of democratic participation.<sup>21</sup>

This has a special significance in light of the wider problem of the democratic deficit, mentioned earlier: if community indicators lead to more active participation of citizens in local affairs, this is 'both a (desirable) goal in itself and an instrument for strengthening democracy in society at large' and at higher levels of government.<sup>22</sup>

In reclaiming the legitimate role of citizens as the active shapers of their local communities, we first need to throw off the debilitating and demeaning language of modern corporate governance theory. In this model, the citizen has been reinvented as a kind of passive customer of a large and diverse Corporation, known as the Government, whose core business is to provide services, although more often to outsource them to private providers. This customer service paradigm of government has powerfully served the interests of neoliberal and Small Government theorists, but a moment's reflection shows how misleading it is. Citizens are entitled to be treated as customers in some aspects of their relationship with government, but the democratic reality goes far beyond this homely business analogy. Unlike true market customers, citizens are also the ultimate owners and directors of the so-called business, as well as being co-producers, quality evaluators and auditors of the services, if you want to pursue this analogy.<sup>23</sup>

Defining, planning and measuring progress and development in their local communities is a real and meaningful task for citizens, but also a necessary one: because 'to be legitimate, societal indicators require the explicit involvement of citizens to determine what matters to them. (Only) then (can) experts .. try to devise the measures that citizens need'.<sup>24</sup>

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<sup>21</sup> End Note 21, '*Citizen measurement: a new form of democratic engagement*'

<sup>22</sup> End Note 22, '*Democratic value of local participation*'

<sup>23</sup> End Note 23, '*Citizens are more than customers*'

<sup>24</sup> End note 24, '*Canada (CPRN) case for citizen based progress measures*'

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## **7. Summary of Australian work**

### **National overview**

The development of progress and well-being indicators is very much alive and well in Australia, at all levels of government and in the community, and I want to provide a very brief summary of this work.

But first, a word about Australian government. With a total population of 21.6 million, Australia has a federal system of government, with eight state/territorial (provincial) governments, ranging in population from 340,000 to 6.9 million, and approximately 700 local/municipal governments, with an average population of 28,000.

Australia's Bureau of Statistics had been one of the key players in the OECD's 1970's project on social indicators, but after the OECD project was wound down in the early 80's, the idea of a national well-being measurement program was not pursued again in Australia until nearly 20 years later.

In the early 1990s, a combination of academic and community interest, and new energy from the ABS, led to a series of research studies, projects and conferences, and in 1995, the establishment of a parliamentary inquiry to examine the feasibility of a system of national indicators for citizenship and well-being. In 2000, with a new and dynamic leader, Dennis Trewin, the ABS established a major new initiative entitled 'Measuring Australia's Progress', and in doing so, it became one of the first national statistics agencies to produce an integrated framework of key progress measures which looked beyond GDP, to social, environmental, cultural and democratic, as well as economic, progress.

In the same period, local governments and community organisations across Australia had begun to take an increasing interest in developing community based progress measures for many of the same kinds of reasons that applied in other countries: to counteract economic decline, to improve planning, to re-engage alienated citizens, or because of new legislative reporting requirements. And at the state government level, having improved progress measures had become increasingly important both for long-term state planning, and as the basis for neighbourhood renewal programs in areas of major disadvantage.

Today, a wide range of local government and neighbourhood organisations actively operate community based progress indicator systems and projects. The state of Victoria (population 5.2 million) has a statewide system and website to support its 79 local governments (Community Indicators Victoria, discussed later), and a similar system is being planned for the state of Queensland. Both state projects owe a great deal to generous help from Canada's world-leading 'Community Accounts' indicator system developed by the provincial government of Newfoundland and Labrador.

### **Community Indicators Victoria**

Community Indicators Victoria (CIV) evolved organically, as different local communities and researchers shared their experiences and agreed on the need for a common platform to support improved local data, greater community accessibility, and sharing of best practice. Local governments, in particular, needed better information about well-being in their communities for planning, but were also seeking more meaningful ways to engage local citizens.

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Community research in the 1990s had established some strong common themes in answer to the question, ‘What makes a community a good place to live?’<sup>25</sup>

Around these themes, a broad model began to be constructed which we called ‘the healthy community model’.<sup>26</sup>

In 2005, the state health promotion organisation VicHealth funded a project aimed to help all 79 local governments develop a common community indicator framework to measure wellbeing in their municipalities and involve their citizens in the process. Over 18 months, local governments were asked to identify what they saw as the key priorities and the best measures for local well-being and to explore different methods of engaging their citizens in the planning and indicator development process. In 2007 CIV was set up as a cooperative resource based at Melbourne University, managed by local governments and universities, with support from government and the Australian Bureau of Statistics, and with a first class web-site.<sup>27</sup> Its mission is to provide reliable community indicators to all local governments and communities and to help them develop new models of community engagement and stronger capacity to develop and community use indicators.

At the heart of the CIV’s common model is its community wellbeing measurement framework, based on the inputs from all local governments. The framework is built around 5 wellbeing domains and 80 key indicators, as shown here.<sup>28</sup>

As we have seen, a Community Wellbeing Framework can be a versatile tool for better local governance and stronger local democracy, with uses that include reporting, planning, priority setting and community building (see note 20).

### **Neighbourhood Renewal Indicators**

One other interesting application of community indicators in Australia has been in the redevelopment of disadvantaged neighbourhoods. A critical requirement of good neighbourhood renewal policy is to involve residents themselves in all stages of redevelopment from planning and priority setting to implementation and monitoring. This was done by identifying resident leaders and training them to help design and administer community surveys and focus groups, in which the residents identify their needs and desired outcomes in concrete terms which can be then be readily be transformed into indicators. Interestingly, community surveys of this kind were sometimes criticised by academics as biased, but in fact, they provided better information and a stronger sense of ownership, than if undertaken as a detached academic exercise. Data obtained is jointly owned by residents and government. Community indicators developed in this way provide a strong foundation for reporting on progress by the residents themselves, using a simple scale for each of the key redevelopment goals, which residents themselves help to develop and administer.<sup>29</sup>

Surveys are now repeated every two years and the program is widely regarded as the one of the state government’s most successful community development programs.

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<sup>25</sup> End Note 25, ‘*Asking citizens what makes a good community*’

<sup>26</sup> End Note 26, ‘*The Healthy community model*’

<sup>27</sup> End Note 27, ‘*Community Indicators Web-site*’

<sup>28</sup> End Note 28, ‘*Victorian Community Wellbeing Framework*’

<sup>29</sup> End Note 29, ‘*Perceived changes in key NRP goal areas in last 12 months*’

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## 8. National Development Index proposal

Perhaps the most exciting and challenging community indicators project in Australia today is the proposal for an Australian National Development Index (NDI).

This ambitious project will seek to draw together the community indicators movement across Australia into a cooperative venture. Its aim will be to build an ongoing national progress and well-being framework that measures true progress against goals and benchmarks developed jointly by citizens and experts.

It was a project that had been dreamed about for some years, but took a giant step to realisation in 2008 with the election of a new federal Labor government, and the convening of a national 'Ideas Summit'. At the Summit, a thousand Australians met to discuss ideas for our country's development over the next two decades, and the idea of a national development index emerged as a strong priority.

The NDI is at an early stage in its life now, but it will be designed to draw from the best models available in the world. These include: the Canadian Index of Wellbeing and Bhutan's Gross National Happiness project (perhaps the most advanced national models in the world today) and the most important international project, the OECD's 'Measuring the progress of societies'. And we will be looking closely at the work of the Stiglitz Commission in France. We hope to work closely with all of these projects.

We are fortunate to have as a partner a national statistical agency (the ABS) which has already developed an internationally regarded statistical framework for measuring progress. The NDI will extend this work in a way that enables wider community participation, and the incorporation of actual policy goals as progress benchmarks, things which central statistics agencies cannot do.

The challenges for the Australian NDI will be substantial:

- to enable broad democratic and community engagement in both the values and the specific measures of the Index;
- to develop a satisfactory technical model of progress and well-being;
- to build an attractive and accessible public platform on which to display it;
- to produce a common set of indicators which can be used at all three levels of government (local, state and federal) to enable shared planning and goals;
- to create a fully funded support base structured so as guarantee the independence and integrity of the indicators: and finally,
- through concrete indicators and benchmarks, to build a platform both for public debate, and a credible long term vision, for Australia's development.

For the real underlying issue is about the future: what kind of society and communities do we want for Australia? And can we build them together democratically? This is perhaps the greatest value of democratic progress indicators: they enable ordinary citizens to participate in decisions about their communities and their future. Good indicators can do this by reducing complex generalisations to simple and understandable outcomes, and by providing straightforward standards to measure true progress. By doing this, they put citizens on an equal footing with experts and politicians, which, in issues of this kind they should be. As Albert Einstein reminded us:

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We should be on our guard not to overestimate science and scientific methods when it is a question of human problems: and we should not assume that experts are the only ones who have a right to express themselves on questions affecting the organisation of society.<sup>30</sup>

## 9. Conclusion

Certainly the scale at which community driven progress and sustainability indicators have grown in the past decade suggests that it is already a global movement.

In public policy, what began as a series of diverse experiments has now become a global movement; and why I believe that this movement may bring a paradigm shift in public policy, is because it threatens to replace two long dominant assumptions: the primacy of continuous economic growth as the key driver of wellbeing; and the historically powerful but deterministic notion of the ‘inevitability of progress’.

In their place, it offers a more holistic, integrated and nuanced model, that recognises the interdependence of economic, social, cultural, environmental and democratic dimensions for genuine well-being, progress and sustainability.

### East meets West?

And interestingly, this models signals a possible convergence between European and Asian public policy models, as from different starting points (Positivism on one hand, Buddhism on the other) both seek to move ‘Beyond GDP’ and towards ‘Gross National Happiness’.







This conclusion struck me accidentally but with great force in November 2007. After attending the European Union conference ‘Beyond GDP’ in the European Parliament in Brussels, I flew to Bangkok to be part of the Third Gross National Happiness conference. The language and values were different, and the settings and participants could not have been more unlike, but the message from both of these very different conferences was exactly the same: ‘It is time to end the mismeasurement of progress by economic growth alone, and to move to a new and more legitimate paradigm that is people centred, equitably distributed and environmentally and socially sustainable’.

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<sup>30</sup> End Note 30, ‘*Science, experts and human problems*’. These are the words my friend Marilyn Waring chose to end her pioneering book on the gender bias of the GDP, “Counting for Nothing”.

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## End Notes

<p><b>Links between democracy and measuring progress</b></p> <ol style="list-style-type: none"> <li>(1) Defining progress is the proper responsibility of democratic citizens.</li> <li>(2) Democratic development is part of the meaning of social progress.</li> <li>(3) Healthy democracy improves progress and wellbeing in other areas.</li> <li>(4) Social progress indicators are a tool for better and more accountable governance.</li> <li>(5) Engaging citizens in progress measurement strengthens their democratic capacity.</li> </ol> 	<p><b>Ending the 'mismeasure' of progress</b></p> <p>Human advance is conditioned by our conception of progress... It is time to end the mismeasure of human progress by economic growth alone.</p> <p>The paradigm shift in favour of sustainable human development is still in the making.</p> <p>But more and more policy makers in many countries are reaching the unavoidable conclusion that, to be <i>valuable</i> and <i>legitimate</i>, development progress—both nationally and internationally—must be people centred, equitably distributed, and environmentally and socially sustainable.</p> <p>(UNDP, 1996, Human Development Report)</p> 
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<p><b>The political power of definitions:</b></p> <p>'Just' or 'right' means nothing but what is in the interest of the stronger party. (Plato)</p> <p>The most powerful instrument of political authority is the power to give names and to enforce definitions. (Hobbes)</p> 	<p><b>Progress indicators as structural DNA codes</b></p> <p>Statistical indicators are the structural DNA codes of nations. They reflect a society's values and goals and become the key drivers of economic and technological choices.</p> <p>(Hazel Henderson)</p> 
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<p><b>Statistics are about people</b></p> <p>Statistics are people with the tears washed away</p> <p>Victor Sidel</p> 	<p><b>What counts and what is counted</b></p> <p>Not everything that counts can be counted, and not everything that can be counted counts.</p> <p>(Albert Einstein)</p> 
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**Social indicators are about values**

Social indicators ... enable us to assess where we stand and are going with respect to our values and goals.

(Raymond Bauer, 1966)



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**To measure social progress, you need a theory of a good society**

In order to measure quality of life, one must have a theory of what makes up a good life.  
(Clifford Cobb)

To develop social indicators that can evaluate the health of society, we are faced with the necessity of spelling out some more or less explicit working model of society.  
(Kenneth Land)



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**Democratic debate needs shared realities**

Without a shared understanding of reality, fruitful democratic debate is almost impossible.

(OECD, 'The OECD Global Project on Measuring Societies', Paris, 2007)



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**Most important qualities for Australia's progress**

Rank	Quality	Avg
1	Honesty and ethics in public life	9.42
2	Security and stability	9.33
3	Environmental responsibility	9.25
4	Democracy, open, accountable government	9.17
5	Efficiency in government, management etc	9.10
6	Economic strength	9.04
7	Happiness and health	9.02
8	Fairness	8.90
9	Education and creativity	8.74
10	Inclusiveness and community	8.65
11	International responsibility	8.65
12	High living standards	8.59
13	Diversity and tolerance	8.50
14	High technology	8.43
15	Political power	7.69
16	Competitiveness	7.68

Source: Mike Schwartz, Seton Hall Institute for Social Research, 'Community Indicators and Local Democracy 2002'



11

**Two great obstacles to democracy**

The two greatest obstacles to democracy in the United States are, first, the widespread delusion among the poor that we have a democracy, and second, the chronic terror among the rich, lest we get it.

(Edward Dowling, 1941)



12

**How do Australians rate their democracy?**  
**A = How important; B = How we perform; C = The gap (Average rating out of 10)**

	A	B	C
Fair taxation	9.0	3.4	-5.6
Honesty in public life	9.3	4.3	-5.0
Trust in other people	8.4	3.9	-4.5
Diverse media	7.9	3.7	-4.2
Equal treatment before the law	9.3	5.4	-3.9
Confidence in public institutions	9.0	5.1	-3.9
Good basic services (health, education etc) for all	9.1	5.5	-3.6
People taking responsibility for others	8.7	5.1	-3.6
Reasonable equality in wealth and power	6.8	3.3	-3.5
Upholding and respecting the law	8.6	5.5	-3.1
People participating in decision-making	8.1	5.1	-3.0
Equal opportunities for men and women	9.0	6.4	-2.6
Protecting basic human rights of all citizens	9.1	6.6	-2.5
Freedom of speech	8.1	6.3	-1.8
Religious freedom	8.2	7.5	-0.7
Freedom to do what we like if we don't harm others	7.4	7.1	-0.3
Having similar values and lifestyles	4.5	4.6	+0.1

Source: Mike Sabarwal, Institute for Social Research, Swinburne University of Technology. Results from study 'Citizen Benchmarks Survey' carried out in 1998-99 as part of the project 'National Citizenship Indicators' project.

- What makes a healthy democracy?**
- Fair and representative elections
  - Competent and honest governments
  - Fair and equal laws
  - Active and knowledgeable citizens
  - Shared belief in the public interest
  - Reasonable equality in wealth and power
  - Openness and transparency
  - Devolution of power, 'subsidiarity'
  - Trust between citizens and governments
  - Innovation, evaluation and change

**IDEA healthy democracy assessment framework**

I. Citizenship, law and rights	II. Representative and accountable government	III. Civil society and popular participation	IV. Democracy beyond the State
1. Nationhood and common citizenship	5. Free and fair elections	10. Democratic media	14. Democracy of international relations
2. The rule of law and access to justice	6. Democratic role of political parties	11. Citizen participation in public life	
3. Civil and political rights equal, guaranteed	7. Government effectiveness and accountability	12. Government responsiveness to citizens	
4. Economic and social rights equal, guaranteed	8. Civilian control of the military and police	13. Decentralisation to most appropriate levels	
	9. Minimising corruption		<small>Source: International IDEA, 2008. <a href="http://www.idea.int/publications/idea-democracy-framework">www.idea.int/publications/idea-democracy-framework</a></small>

**Human rights and democracy are**

**part of the meaning of progress and wellbeing ...**

**and an important contributor to progress and wellbeing in other fields.**

**Health and social justice links**

**'Social justice is a matter of life and death ... Inequities are killing people on a grand scale'.**

(World Health Organisation, 2008: 'Closing the gap in a generation')

- Community participation and wellbeing links.**
- Six hypotheses have been developed about the link between neighbourhood working and community empowerment, and wellbeing:
1. Wellbeing is higher in areas where residents have greater opportunities to become directly involved in the democratic process.
  2. Participation in civil society and having more opportunities to influence neighbourhood services increases wellbeing.
  3. Collective efficacy – social capital plus a willingness to take action – is linked to wellbeing.
  4. Wellbeing is higher amongst people who have regular contact with their neighbours.
  5. There is a link between contact between neighbours and people's sense of belonging, and a relationship between belonging and wellbeing.
  6. Changing behaviour or mobilising residents around green issues is often the basis of community engagement and empowerment and that this can have a beneficial impact on wellbeing.
- Source: Young Foundation, UK. See: [www.youngfoundation.org/work/local\\_innovation/communities\\_wellbeing\\_neighbourhoods](http://www.youngfoundation.org/work/local_innovation/communities_wellbeing_neighbourhoods)

**National wellbeing compared to other progress dimensions**  
Selected OECD countries, ranked by performance, c. 2000- 2007

Country	2	3	4	5	6	7	1	8
	National health	Environmt	Gov't spending	Democracy	Income equality	Peace	Overall wellbeing	Human Rights
Sweden	12	3	1	3	1	4	1	4
Norway	2	7	9	4	2	1	2	4
Denmark	3	2	2	2	6	2	3	2
Finland	10	10	3	1	3	3	4	1
Netherlands	5	8	5	5	5	8	5	3
Austria	6	1	6	12	8	5	6	9
Germany	9	6	11	9	7	9	7	6
Canada	4	12	10	7	10	6	8	8
Belgium	8	11	4	10	4	7	9	7
France	14	5	8	13	9	12	10	10
UK	13	3	12	8	12	13	11	11
Australia	7	14	13	6	11	10	12	13
Italy	11	8	7	14	12	11	13	11
USA	1	13	14	11	14	14	14	14
OWB correlation	6	5	10	12	13	14	NA	14

**Purposes of a community wellbeing framework**

Purposes	Applications
Reporting conditions	<ul style="list-style-type: none"> <li>In selected issues, localities or policy fields</li> <li>Current wellbeing of whole state or municipality (social, economic, environmental, democratic)</li> </ul>
Measuring progress and performance	<ul style="list-style-type: none"> <li>Selected government programs or policies</li> <li>Selected issues and localities</li> <li>Across all government agencies (or local governments)</li> <li>Current wellbeing of whole state or municipality (social, economic, environmental, democratic)</li> </ul>
Planning and priority setting	<ul style="list-style-type: none"> <li>Government agencies, LG departments</li> <li>For whole of state (or local) government</li> <li>As basis for local community plans</li> <li>As basis for long-term state or local plan for whole community</li> </ul>
Enhancing democracy and accountability	<ul style="list-style-type: none"> <li>More transparent &amp; systematic gov't reporting and performance evaluation</li> <li>More honest and accountable government</li> <li>Giving citizens full and accurate information about conditions in their state</li> <li>Involving citizens in decision-making about goals and indicators</li> </ul>
Building communities and social cohesion	<ul style="list-style-type: none"> <li>A framework for local community building and community planning</li> <li>Citizens together identify local community issues &amp; priorities</li> <li>Citizens define a common vision for Victoria (or their LGs) as a whole</li> </ul>

Source: Seaburne Institute for Social Research, 2000. Measuring Victoria's Progress. Hawthorn, Victoria: SSR (adapted)

**Citizen measurement: a new form of democratic engagement**

The idea of people taking charge of their own measurements of progress is a powerful and far reaching innovation that can bring about a new sense of civic engagement.

*(Sustainable Seattle, 2000)*

**The democratic value of local participation**

The democratic ideal in local government implies that active participation of the citizens in local affairs is both a goal in itself and an instrument for strengthening democracy in society at large.

(Kjellberg, F, 1995. "The Changing Values of Local Government" in *Annals of the American Academy of Political and Social Science*, vol 540, 40)

**More than customers: Citizens as partners in achieving public outcomes**

Citizens are ...	How?	Examples
<b>Customers</b>	Citizens are principal users and clients of public services and should be treated as valued customers by providers	Citizens' charters for service standards (UK)
<b>Owners and shareholders</b>	Citizens are owners: through their taxes, they invest in public service and assets. They are shareholders too: through their votes, they elect the 'boards of directors' who govern	Community reps on public services and utilities boards. Federal, state and local elections
<b>Issue framers</b>	As 'vision builders': helping define desirable future, strategic plans. As advisers on government policy committees etc.	Community indicator projects (USA, Canada etc.); community advisory groups
<b>Co-producers of services</b>	Citizens and community bodies are direct providers of community services on both a paid and voluntary basis, in cooperation with government	Non-government community services. 'Healthy cities program.
<b>Service quality evaluators</b>	As primary users of government services, citizens are best placed to assess their quality and effectiveness	Service user assessment forms. Students interviewing park users.
<b>Independent auditors</b>	Grassroots measurement by citizen groups is more likely to be independent and oriented towards actual community wellbeing outcomes	Citizen environment monitoring

Source: Epstein, P., Wey, L., et al. 2000. *Engaging Citizens in Achieving Results that Matter: A Model for Effective 21st Century Governance*. Minneapolis, Minnesota: Citizens League.

**Canada: the case for citizen based progress measures**

There is a growing sense that traditional measures of economic performance such as GDP, employment and income data do not capture the full story of what is happening in society. This has provoked a desire to monitor the state of social and economic well-being of society.

**To be legitimate, societal indicators require the explicit involvement of citizens to determine what matters to them. Then experts can try to devise the measures that citizens need.**

While there is much activity on quality of life indicators in Canada, there is no project that is national in scope, nor is there one that seeks input from citizens'.

Source: Canadian Policy Research Networks (CPRN)(c. 1997) [www.cprn.com](http://www.cprn.com)

### What makes a community a good place to live in?

% respondents who considered specific factors important

Community quality	%	rank
People are friendly, good neighbours, help others	91	1
Good local facilities: shops, schools, services, parks	89	2
People feel safe and secure	89	3
Nice environment, streets, well planned, no pollution	86	4
People look after their properties	82	5
Local government is responsive to people's needs	80	6
People can participate in local government decisions	74	7
Good local support: clubs, sports, neighbourhood houses	71	8
Community has a distinct character, a 'special place'	70	9
People get involved in local issues, activities	69	10
Good mix: different ages, groups, incomes, cultures	63	11
Good work opportunities available locally	59	12

Source: Institute for Social Research, Swinburne University of Technology, 2002. 'Community Indicators and Local Democracy' Melbourne. Data from a sample of approx. 3000 across three Victorian municipalities (Moreland, Surf Coast and Geelong) in 2001. Averages are unweighted.

### 'Healthy community' model

A healthy community is the product of six key factors:

1. Health, well-being and opportunities of individuals and families
2. Social relations: neighbourliness, networks, participation and trust, a sense of shared community in the neighbourhood
3. The environment and physical living conditions
4. Special 'sense of place', culture etc of the community
5. Services and facilities available
6. Governance and community participation in decision-making.

### Victorian Community Wellbeing Framework

Wellbeing Domain	A. Social	B. Economic	C. Environmental	D. Cultural	E. Democratic
Goal	Healthy, safe and inclusive communities	Dynamic, resilient and fair local economies	Sustainable built and natural environments	Culturally rich and vibrant communities	Healthy democracy and active citizens
Policy areas	A1: Personal health & wellbeing A2: Community connectedness A3: Early childhood development A4: Personal and community safety A5: Lifelong learning A6: Services availability	B1: Economic activity B2: Employment B3: Income and wealth B4: Work-life balance	C1: Access to open space C2: Transport accessibility C3: Energy use C4: Housing affordability C5: Air quality C6: Water quality C7: Biodiversity C8: Waste management	D1: Arts and cultural activities D2: Recreational & leisure activities D3: Cultural diversity	E1: Healthy democracy E2: Active citizens

Source: VeHealth et al. 'Measuring Wellbeing, Engaging communities: Final report of the Victorian Community Indicators Project (VICIP)'. VeHealth, Carlton, July 2006, pp. 39-40

[www.communityindicators.net.au](http://www.communityindicators.net.au)



### Perceived changes in key NRP goal areas in last 12 months

Latrobe & Wendouree areas, aggregate (%)

	Better	Same	Worse	Net
Housing	36	53	9	+ 27
Physical environment	22	64	11	+ 11
Public transport	12	75	2	+ 10
Government performance	16	66	11	+ 5
Local education, training opportunities	24	58	7	+ 17
Local economy	14	62	21	- 7
Health and welfare services	13	70	8	+ 5
Own health	21	54	26	- 5
Crime and safety	14	67	17	- 3
Community pride	27	61	8	+ 19
Community participation	20	55	13	+ 7

Source: Victoria, Department of Human Services, Neighbourhood Renewal Program, Consultant Report, 2004.

### Science, experts and human problems

We should be on our guard not to overestimate science and scientific methods when it is a question of human problems: and we should not assume that experts are the only ones who have a right to express themselves on questions affecting the organisation of society.

(Albert Einstein)