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Well-being and the Wealth of Nations: How are They to Be Defined?

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ABSTRACT Questions relating to well-being have recently returned to the limelight, notably with the publication in September 2009 of the Stiglitz-Sen-Fitoussi commission report on the measurement of economic performance and social progress. Has this commission changed the terms of the debate on what a society’s wealth and well-being are? Has it proposed new paradigms? In accepting the limitations of GDP as a key indicator of well-being, has it developed a new theoretical foundation and new evaluation criteria suited to a very different situation and to very different priorities from those that prevailed at the time when GDP first became established as a measure of national economic performance? These are the main questions raised and reviewed by this paper.

1. Introduction

Questions pertaining ‘to the wealth of nations and the well-being of individuals’, as the eponymous title of Stiglitz et al. (2009b) puts it, have returned to the limelight recently, notably with the publication in September 2009 of the Stiglitz-Sen-Fitoussi Commission Report on the measurement of economic performance and social progress (Stiglitz et al., 2009a). Has this Commission changed the terms of the debate on what a society’s wealth and well-being are? In recognizing the limitations of GDP as a key indicator of well-being, has it developed a new theoretical foundation and new evaluation criteria suited to a very different situation and to very different priorities from those that prevailed at the time when GDP first became established as a measure of national economic performance? In order better to understand the issues at stake behind these questions, it is useful to examine the way in which the discipline of economics, to which the Stiglitz Commission declares its allegiance, has historically conceptualized and defined
well-being, wealth and progress. This is the purpose of the first part of this paper. In the second part, we examine the Stiglitz Commission’s proposals, while in the third and final part we consider the socio-political conditions under which new indicators of wealth might be developed: who constructs these concepts, how are they diffused and how do they acquire legitimacy, if indeed they do? We also examine, in the light of these conditions, some of the national and international initiatives that are being developed.

2. Defining ‘National Well-Being’

This section takes as its starting point the idea that the heuristic separation of theory and empirics does little to further understanding of how certain definitions of well-being and wealth have gradually come to dominate economic discourse, to the detriment of others. These choices, which combine theoretical and ideological positions with methodological and empirical decisions, have had performative effects on public action and on collective assessments and representations of what constitutes a nation’s wealth, the well-being of individuals and, from a dynamic perspective, progress. Thus, in a preparatory study for the ‘Beyond GDP’ conference that was held in 2007 at the European Parliament, Saltelli et al. (2007, p. 1) declare ‘we are convinced that even the simple attempt of measuring well-being may produce valuable lessons to be learned at a societal level.’ And with regard to these questions, there is no doubt it is economists who have been most active in gaining acceptance for their point of view and world vision in the competition among different disciplines over the last two centuries. Their ideas were obviously the ones that were most favored when it came to constructing the framework within which national accounts and their reference indicator, GDP, were developed.

2.1. Reducing Wealth to Production

In the introduction to An Inquiry into the Nature and Causes of the Wealth of Nations, Adam Smith ([1776] 1904, p. 65) indicates, without dwelling on it, that what he will be dealing with and what must lie at the heart of his inquiry is what he calls ‘the necessaries and conveniences of life’: societies’ progress and performance would have to be measured by this yardstick. Furthermore, there was an explicit link between the evolution of the volume of what was to be called production and progress of another kind, namely the kind that reflected the level of civilization a particular people had achieved. The end of Chapter 1 of the first book of The Wealth of Nations is quite unambiguous on this point: the volume of things produced increases with the division of labor, which not only leads to ‘universal opulence’, but also binds the members of society together, uniting them in cooperation as they strive to produce the abundance of goods that will make them ever more civilized.

Smith does not discuss the precise nature of the objectives pursued by men living in society, either in his commentary or in his account of how the first human beings began to produce and trade. There is no discussion, deliberation, contract or agreement on the aims that an organized society might pursue.
Contracts are individual and relate only to the services that some men are to provide to others and to the modes of exchange. In contrast to the proposals put forward by Rousseau, who supports the idea that men come together in order to form themselves into a political body, and for whom the purpose of any such association is the common good, Smith sees the first associations simply as a means to trade more easily. For Rousseau, the first contract, which required unanimous consent, is intended solely to further the common good of the body that has just been constituted. For Smith, the scope of ‘local’ contracts is confined to agreeing the mode of barter or exchange of ‘conveniences’ necessary to satisfy their needs. In the first case, the social order is perpetually evolving, it is discussed, it is the object of public deliberation, and it is undoubtedly at the mercy of the violence to which men’s ‘unsocial sociability’ might at any time lead; in the other case, there is no need for public deliberation since individual objectives are what matter, and institutions like the market guarantee the social order.

It is Malthus’s work that most clearly shows that the definition of wealth was formulated by political economists in what might be called a ‘play for power’ (Méda, [1999] 2008). The first chapter of Malthus’s *Principles of Political Economy* (1836; first edition 1820) is devoted to the question of how to define wealth. Malthus contrasts those who offer an excessively restricted definition with those whose definition is too broad, such as those for whom wealth is ‘All that man desires as useful and delightful to him’. Malthus goes on vigorously to rebut this latter definition, arguing that we cannot ‘apply discussions respecting the relative increase in the wealth of different nations without having some means, however rough, for estimating the amount of such increase’ (Malthus, 1836, p. 23). This definition of wealth is absolutely the result of a ‘prejudice’, of a value judgment that forms the basis for this definition (Fourquet, 1980). Although the ultimate objective was to enable nations to display their power and while the first attempts at calculating national income in the 17th century were initially intended to measure the extent of that wealth in order to establish the tax base and give an idea of power, what counted in the definition of wealth was certainly the possibility of displaying increases. Thus, only those elements that were quantifiable and whose increase could be easily tracked were going to be included in the definition of wealth, which once again demonstrates the inextricable links between the concepts and the empirics. Furthermore—and this point is crucial—the aim was also to strengthen the emerging discipline of economics and to legitimize its ability to be the science of measurement (Méda, [1999] 2008).

This therefore is the reasoning behind Malthus’s extraordinary conclusion, which defined both the scope of enquiry and the method, and which alone would be permitted to measure the progress achieved: ‘If then we wish, with M. Say, to make political economy a positive science, founded on experience,

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2In Rousseau, an initial agreement or social contract—the contract of association—was the basis upon which the contracting parties formed themselves into a collective moral body. He maintained that ‘the general will alone can direct the State according to the object for which it was instituted, i.e., the common good’ (Rousseau, [1762] 1913, p. 22).
and capable of making known its results, we must be particularly careful in defining its principal term, to embrace only those objects, the increase and decrease of which is capable of being estimated; and the line which it seems natural and useful to draw is that which separates material from immaterial objects’ (Malthus, 1836, p. 14). ‘I should define wealth,’ continues Malthus, ‘to be the material objects, necessary, useful, or agreeable to man, which are voluntarily appropriated by individuals or nations.’ Although expressing a flow, the notion of production adopted in the early national accounting systems is closely inspired by this definition.

2.2. The Quest for Individual Utility

The 19th century was also the period when wealth and utility began to be equated with each other. Jean-Baptiste Say aided and abetted the shift in the definition of utility from the accepted standard meaning (to be useful) to its ‘economic’ meaning: ‘To this inherent fitness or capability of certain things to satisfy the various wants of mankind, I shall take leave to affix the name of utility. . . . [T]here is no actual production of wealth without a creation or augmentation of utility’ (Say, [1803] 1880, pp. 25–26). In his Catechism of Political Economy, the opposing argument (‘for there are products, such as rings and artificial flowers, which have value but no utility’) is countered by Say in the following words:

You do not discover the utility of these products because you call only useful that which is so to the eye of reason, but you ought to understand by that word whatever is capable of satisfying the wants and desires of man such as he is. His vanity and his passions are to him wants, sometimes as imperious as hunger. He is the sole judge of the importance that things are of to him, and of the want he has of them. . . . We cannot judge of it but by the price he puts on them. It is enough for us to give them utility in his eyes in order to give them a value. (Say, 1821, pp. 6–7)

Utility is no longer an ontological characteristic of the thing but of the person and it no longer refers to needs, which are limited, but to subjectified wants, which are limitless (Goux, 1995).

2.3. The Prohibition on Preference Aggregation

Thus, GDP as a proxy of well-being became, and is now regarded as, all the useful and convenient things that a nation produces, the yardstick for valuation being the intensity of the individual desire that finds satisfaction in the market. It is not the entirety of a nation’s production that is recorded, simply that part of it that has been the object of a market exchange; it is clear, furthermore, that transactions are recorded from the point of view of an individual desiring an object and obtaining it at a certain price, which measures the intensity of his desire. Thus, national accounts, the apparatus for recording transactions, bears this double imprint: a nation’s wealth is what it produces and this production is entered in the accounts at the price paid for it in the market. This framework for recording wealth has gradually been extended, it is true, and from 1976 included, in France, the services
produced by local and national governments, which are essentially non-market (Gadrey & Jany-Catrice, 2006). However, this extension of the boundaries of GDP has not fundamentally altered the spirit of the national accounts.

Economists who specialize in national accounts like to remind us that GDP was never intended to be an indicator of well-being (Stiglitz et al., 2009a; Vanoli, 2002), and they readily acknowledge its limitations for that purpose. First, it records as wealth-producing activities that produce negative externalities or whose purpose is to repair damage that such externalities cause to the environment and to human beings; and it fails to include certain other activities, such as domestic work, voluntary work or leisure activities (Abraham & McKie, 2005).

Secondly, most economists deny the existence of a ‘subject’ (for example, ‘society’) able collectively to experience well-being. Under the influence of utilitarianism, most economists advanced the notion that individual interests and general interests are one and the same thing, and by the end of the 19th century had arrived at the view that individual preferences cannot be compared and cannot be aggregated. Since individual preferences cannot be compared or aggregated, there can be no such thing as a social well-being that is the result of a reasoned social choice.

Social choice theory, on the other hand, has been seeking since the mid-20th century, and particularly since the formulation of Arrow’s Theorem, to show that it is impossible to demonstrate the existence of an ideal procedure for aggregating the preference sets of individuals. As a specialist in national accounting states: ‘well-being can only be assessed subjectively, and it has been shown that it is completely impossible to aggregate individual preference scales in order to obtain a national preference scale. Thus the notion of national well-being has no theoretical foundation’ (Archambault, 1994, p. 142). This clearly closes the door on any collective measure of well-being. The French title of the book based on the Stiglitz Commission Report, speaks volumes: ‘Richesse des Nations et bien-être des individus’ (The Wealth of Nations and the Well-Being of Individuals)—well-being, the title suggests, accrues only to individuals; national well-being, as distinct from wealth, is not a useful category. As for the well-being of nations, we shall now consider whether it can be captured by instruments other than GDP.

3. How Can National Well-being Be Measured? The Temptation of Subjective Statements

If well-being is a purely individual characteristic, how might the well-being of a group of citizens who together constitute a community be measured? There are two possible approaches. The first is to rely on a subjectivist approach that consists of declaring that people are better off when they can satisfy more of their preferences and desires than they previously could. Supported by a particular concept of individual preferences, this approach bases its measurements on subjective data derived from questionnaires administered to individuals using various methods, ranging from simple questions on the level of ‘happiness’ to the construction of satisfaction indexes. Changes in these indexes can then be compared with those in other variables in order to show whether or not there are any correlations
The other approach, which may be considered complementary to the first, consists of selecting a certain number of fields to represent the various dimensions of a high-quality collective life. Time-series and cross-sectional data are then compiled and sorted to show the varying degrees to which individuals in different countries are able to access these various ‘goods’. The Stiglitz Report explores these two approaches in turn.

3.1. Well-being: An Individual Perception?

In the Executive Summary that forms the introduction to the Commission’s report, the authors firstly present well-being as a perception likely to be experienced by all the members of a group (citizens, populations, etc):

The commonly used statistics may not be capturing some phenomena, which have an increasing impact on the well-being of citizens. For example, traffic jams may increase GDP as a result of the increased use of gasoline, but obviously not the quality of life. Moreover, if citizens are concerned about the quality of air, and air pollution is increasing, then statistical measures which ignore air pollution will provide an inaccurate estimate of what is happening to citizens’ well-being. (Stiglitz et al., 2009a, p. 8)

A little further on, the authors also speak of ‘societal well-being’, writing ‘for a long time there have been concerns about the adequacy of current measures of economic performance, in particular those solely based on GDP. Besides, there are even broader concerns about the relevance of these figures as measures of societal wellbeing’ (Stiglitz et al., 2009a, p. 8). They soon come to the point: ‘Another key message, and unifying theme of the report, is that the time is ripe for our measurement system to shift emphasis from measuring economic production to measuring people’s well-being’ (Stiglitz et al., 2009a, p. 12; emphasis ours). However, the authors explain, such a system will necessarily have to be plural in nature, since ‘no single measure can summarize something as complex as the wellbeing of the members of society. ... Such a system should not just measure average levels of wellbeing within a given community, and how they change over time, but also document the diversity of peoples’ experiences and the linkages across various dimensions of people’s life’ (Stiglitz et al., 2009a, p. 12; emphasis ours).

Thus, the authors suggest beginning by measuring a form of ‘material’ well-being, focusing on income, before declaring that well-being is multidimensional and cannot be captured by income alone and then listing its various dimensions: material living standards (income, consumption and wealth); health; education; personal activities, including work; participation in political life and governance; social connections and relationships; environment (present and future conditions); insecurity, of an economic as well as a physical nature. These ‘dimensions’ are both individual states (state of health, state of security, level of education, and so on) and factors external to individuals but likely to influence their state (the environment). In its recommendations, the Commission suggests that both subjective and objective dimensions should be taken into account and that dimensions that are ‘predictors’ of life satisfaction should be more reliably measured (Stiglitz
et al., 2009a, p. 15). Thus, a dual procedure has been carried out in the Report, with individual satisfaction first having been presented as the synthetic indicator best able to capture the objective and subjective dimensions of well-being. Second, Chapter 2, which is given over to quality of life, seeks to show that measuring the resources to which each individual has access is insufficient to assess well-being, since ‘resources are means that are transformed into well-being in ways that differ across people’. In this chapter, the most detailed measurement of satisfaction seems to be the keystone of any attempt to measure societal well-being.

3.2. How Can Quality of Life Be Measured?

In addition to the approach based on consideration of individuals’ subjective well-being, the Commission recognizes as legitimate both Sen’s capabilities approach and an approach based on fair allocation. Both approaches emphasize individuals’ objective conditions and the opportunities open to them. Thus, the Commission lists the dimensions that are supposed to contribute to well-being and then stresses the need to take account of inequalities and the links between the various dimensions listed. The Commission proposes improving the measurement of impact of health and education on the quality of life, as well as the impact of work. The most clearly articulated premise underlying the whole of Chapter 2 of the Report is that ‘one of the most attractive promises of research on subjective well-being is to deliver not just a good measure of the level of quality of life, but also a better understanding of its determinants, as affected by a variety of objective features (such as income, health status and education)’ (Stiglitz et al., 2009a, p. 164). It also proposes measuring the way in which each individual gains access to political freedoms, to participation in political life, and to the social connections measured by social capital. However, the Report merely lists these various dimensions one after the other, without making clear how they are linked to one another. Little attention is paid to the role of social cohesion in well-being, or to the possibility that large inequalities might undermine it.

These approaches take the individual as their starting point. An alternative approach would be to take as a starting point the collective entity that is society. Social cohesion could be captured by a series of measures of inequalities, and the dimensions that have just been cited would be regarded as so many ‘collective goods’ or rights to which all individuals must have access. Similarly, instead of regarding participation in political life as a determinant of an
individual’s quality of life, it could be regarded as one of the criteria by which the vitality and hence the quality and sustainability of the society in question are to be judged. The starting premise for such an approach could be that individuals are already living in society and that the cohesion of that society and its ability to develop are just as important goals as the full development of the individuals that constitute it.\textsuperscript{4} It can of course be objected that this is an ethical value that some individuals may not share. However, the aim here is precisely to re-establish the fact that the selection of accounting methods and indicators must be informed not simply by theoretical concepts but also by certain ethical positions.

3.3. The Rejection of Synthetic Indicators and of Ethical Choices

In general, experts in national accounting (Arkhipoff, 1976; Vanoli, 2002) take a skeptical view of attempts to construct synthetic indicators, as do some economists (Baneth, 1988) and the Commission.\textsuperscript{5} The arguments advanced are similar: to say that social cohesion matters, that excessive inequality undermines it and that equality is at least as important as economic efficiency is to rely too heavily on ethical choices or value judgments (see, for example, Stiglitz \textit{et al.}, 2009\textsuperscript{a}, p. 230). In the eyes of mainstream economists, such a directly social approach constitutes an intolerable infringement of the axiological neutrality that the sciences in general and, more particularly, economics and national accounting should maintain.

This means, implicitly, that taking the sum of individual utilities to represent a society’s well-being is a more neutral idea. However, at several points in the history of economic ideas, the decision to use GDP as a proxy for a society’s well-being has been a primarily political choice (Fourquet, 1980), as were the theoretical concepts upon which the national accounts are more or less based. The Stiglitz Commission takes the view, for example, that bringing these various dimensions of quality of life together would be a normative choice and, for this reason, rejects the possibility not only of developing a composite indicator but also of taking into consideration the many initiatives that have adopted precisely this approach (Gadrey & Jany-Catrice, 2006). This overlooks a key question concerning how we might design indicators that are likely to provide a more accurate picture of nations’ social well-being or wealth than GDP (Fair, 2009; Jany-Catrice & Méda, 2010; Jany-Catrice & Zotti, 2009). The Commission does not examine how a common interest and a description of what counts for society might be constructed, collectively and as the result of a controlled and gradual process.

\textsuperscript{4}‘Life in society preceded the emergence of man by several millions of years. For human beings, the state of nature is the social state’ (Flahault, 2003, p. 64).

\textsuperscript{5}The Commission Report does contain one exception to this skeptical outlook: adopting an approach originally promoted by the World Bank, the Report explores the idea that adjusted net savings be defined to include a monetized index of environmental and social sustainability. The Report underlines the difficulties in monetizing in a same index such different dimensions of sustainability.
4. Indicators for a New Concept of Social Wealth

4.1. Recognizing the Collective and Improving the Processes of Democratic Deliberation

The dominant role ‘economic growth’ plays in collective representations of progress is one manifestation, among others, of an overly narrow approach to identifying what constitutes well-being in society. It is a symptom, furthermore, of a sort of depoliticization of public action (Porter, 1999; Ogien, 2010). And when politicians and experts note, as the Commission does, that there is a widening gap between progress, as indicated by economic growth, and social perception of that progress, their preferred remedy, more often than not, is to raise the question at a cognitive level, before raising it at the ethical and political levels, as if the major difficulty had first to do with technical and knowledge issues. From this perspective, the question of well-being is primarily one for experts; this position is explained by pointing, quite justifiably, to the ‘increasing complexity’ of societies. Whether that complexity be linked to the difficulty of evaluating the output of economies dominated by service sectors (the standard tools, with their industrial bias, are ill-suited to the peculiarities of services) or to ever more wide-ranging and interlinked environmental issues, the question of indicators of well-being and progress is considered firstly from the cognitive angle before being examined from an ethical and political point of view.

The Commission takes this question partially into account, but considers it from a very particular point of view, namely that of subjective indicators. It relies on the notion that measures of well-being can be approached by exploring individuals’ subjectivity in somewhat greater depth, which is one way of restoring individuals to the heart of the definition of well-being, and it attaches considerable importance to this so-called ‘subjective’ approach. Thus, Easterlin, one of the main advocates of this method, declared that, given the commission’s composition (leading economists, including five Nobel laureates), the credit it gave to this type of measure might mark ‘a radical break with the paradigm that has dominated economic thinking for decades’ (Easterlin, 2010, p. 120). And yet this approach takes as its starting point a strong hypothesis, namely that it is possible to survey individuals one by one about their levels of satisfaction with their lives or their levels of happiness, but above all it relies on the principle that the average level of satisfaction is a sort of average indication of a population’s collective well-being. Certain difficult questions, such as the protection of common goods, the preservation of water and air quality, climate stability, cultural diversity, density of social ties, etc, are not mentioned (Ostrom, 1990; Daly & Cobb, 1990). However, if individuals are asked to express their individual preferences,

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6What we here call common goods are not public goods as defined in the neoclassical sense. The reference to common goods assumes that a social community exists, and that there is a collective need to preserve fundamental rights. The difference between public goods and common goods is linked to the fact that the State often cannot provide, or even outsource the provision of, this collective quality: different stakeholders are required to produce this common good. For example, equality, air quality, professional
there can be no guarantee that common goods will be safeguarded. Issues around sustainability are undoubtedly incompatible with a subjectivist vision of well-being.

Alain Supiot (2010), a French lecturer on law, in contrast proposes the revival of two imperatives—social justice and social democracy—that have their roots in the 1944 Declaration of Philadelphia. Social justice ‘is a means of rooting [the] evaluation in the full diversity of experiences’, and requires that ‘the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare. . . . [T]he aim is to establish a consensus on what is the fairest possible or least unfair option at a given point in time’ (Supiot, 2010, pp. 118, 124). It is in this spirit that new initiatives—such as those promoted by the Forum pour d’autres indicateurs de richesse/Forum for alternative indicators of wealth (FAIR) or by the European Council (2009)—have been launched. The idea is to make use of consultative procedures, such as so-called ‘hybrid forums’ or even citizens’ conferences, in order to establish as broad a consensus as possible on the dimensions relating to well-being and on the value to attribute to each particular dimension, which can subsequently be given material expression by the allocation of a weighting coefficient.

Just as Ostrom (1990) suggests permanent collective forms of deliberation focusing on the definition and governance of common goods, many initiatives are jointly exploring the link between democracy and the indicators of well-being and progress. By way of example, once the authorities in one French region had identified and constructed a set of indicators, they organized a conference that sought to involve ordinary citizens (here a panel of 15 individuals) in putting together a representative and informed opinion on the new indicators. Even though the panel members worked with varying degrees of intensity and at varying paces, they all contributed to the collective process, which lasted several weeks. The experts and panel members involved in this experimental citizens’ conference observed that ‘a process of learning about complexity was established, which enabled those involved to become aware of and give due consideration to the complexity that characterises public action’ (Lefebvre, 2010).

4.2. New Indicators or a New Indicator?

It is widely accepted that well-being is a multi-dimensional concept. This of course raises the question of how far the various dimensions regarded as ‘common goods’ or rights to which all individuals should have access can be captured by a single indicator.

security. For the neo-institutionalists, the designation of particular goods as ‘common goods’ is not a matter of their intrinsic characteristics but rather is connected to the systems of collective rules that result from collective deliberations among actors (Ostrom, 1990).

7This document, which defined the mission of the International Labour Organization (ILO), insisted on the dignity of all human beings.
Is it possible to use just one indicator, or are several required? Everything depends on the uses of what might be called ‘indexing technologies’. As far as the management of public policies is concerned, a small dashboard based on a limited number of carefully selected indicators is generally the preferred option of experts and politicians (Clerc et al., 2010). However, this should not cause us to abandon the idea of a single indicator. There are two main reasons for this. The first is that, if the new indicators are to compete with the currently dominant indicators then they need to be explained, contextualized and put into a form that can compete with the dominant indicators on the latter’s own terms; i.e. the new indicators must be simple and striking. A single although multidimensional indicator is more likely to meet these criteria. The second reason advanced by advocates of single indicators arises out of the observation that there is considerable overlap and interdependency among the various environmental and social challenges we face. This means that the crisis with which our societies must cope are systemic. And this may give certain actors engaged in shaping reality an opportunity to effect their own selections and groupings.

4.3. How Is this Flagship Indicator to be Constructed?

As we have noted, this flagship indicator must have political meaning and must at the same time be capable of facilitating the actions that society defines as priorities. A single indicator made up of an ‘environment’ dimension and a ‘social’ dimension might be one possible, although debatable, solution. It might, for instance, be feasible to supplement the Human Development Index (HDI), which has been promoted by the UNDP since 1990, with an environmental dimension (see for instance Pineda, 2012). It was a hybrid indicator of this kind that Osberg & Sharpe (2002) sought to develop, even though their indicator of economic well-being, which comprised four dimensions (consumption, assets, economic security and inequalities), was limited to economic well-being (see also Jany-Catrice & Kampelmann, 2007), and was also criticized for not taking seriously into account the question of strong sustainability.

The Canadian Indicator of Well-being (CIW) is one of the most recent initiatives worthy of mention.8 The aim of the CIW is to explore various dimensions of citizens’ well-being and to analyze the various interconnections among them. These dimensions, which were identified and defined through forums that brought together experts, practitioners and voluntary associations, are divided into eight thematic groups that reflect the main issues at stake in sustainable human development: standard of living, health, education, time allocation, democratic engagement, community vitality, leisure and culture and environmental quality. Each of these dimensions is assessed by means of 8 to 10 indicators whose evolution since 1984 is tracked. Funded by various foundations and the province of Ontario, the Institute of Well-Being, which promotes this initiative, is made up of three bodies. The first is a consultative committee, whose members

8The CIW website can be accessed at: http://www.ciw.ca/fr/AboutTheCIWNetwork/ReflectingCanadianValues.aspx
are essentially academics and politicians, including former ministers and members of international organizations. The second is a group of experts for each dimension of the indicator, which includes in particular researchers and experts on the environment and national accounts from Statistics Canada, Canada’s national statistical agency. The third is an international advisory network, whose purpose is to promote the indicator at the international level. This organizational structure is intended to strengthen the project’s legitimacy.

Since 2005 the process has been based on various series of roundtables organized with a view to constructing an indicator that ‘reflects Canadian values’. The first series involved 250 participants, in 14 groups, including ‘representatives of government, business, the media and local and national NGOs.’ The purpose of the exercise was to put the concept of the CIW to the test, ‘to question the main actors and establish the basis for a community of users’. With more than 200 participants, the second series of roundtables was intended more specifically to inform local participants of the progress that had been made with the indicator construction process, to obtain their comments on the proposed framework and to consolidate a network of regional communities. The project will culminate in 2011 with the diffusion of a composite indicator. Based on ‘the dimensions that matter’ to Canadian society, this indicator will provide a general survey of the improvement or deterioration in overall well-being.

France has not been outdone in these initiatives. The Bip40, for example, was developed by a French working group known as RAI (Réseau d’alertes sur les inégalités/Inequality Watch) which, in 2003, developed a multidimensional indicator of inequalities and poverty with which to inform the French national debate. It is an acronym for ‘barometer of inequalities and poverty’. The idea, for its advocates, was to construct an alternative to the dominant views of what matters, which take account solely of economic and financial questions. This alternative indicator is made up of six major dimensions, namely health, housing, education, justice, work, and employment and income. They were all calculated on the basis of variables selected by the working group because they reflect inequalities (gender, social, intergenerational etc) and because they ‘matter’ in the French debate. In this sense they constitute, as it were, a summary of the major social problems in contemporary France. The weightings chosen by the working group for use in the aggregation process by which a synthetic indicator (the ‘barometer’) is obtained are the same for all the dimensions except two; ‘work and employment’ and ‘income’ carry double weights because of the major roles they play in the mechanisms that produce inequalities and poverty. They are also divided into sub-dimensions that deepen and widen the multidimensional vision of inequality and poverty. Thus, consumption, inequalities, poverty and wages are the sub-dimensions informing the ‘income’ dimension, while unemployment, insecurity, working conditions and industrial relations inform the ‘work and employment’ dimension. The 60 dimensions that make up the barometer are aggregated by the temporal standardization method (Miringoff & Miringoff, 1999), since evolution over time is regarded as one of the fundamental reference points individuals use when considering the direction of social progress. Over a 20-year period, each variable is standardized on the basis of its best and worst performance. The barometer constructed in this way varies between 0 (the value assigned to the best
year) and 10 (assigned to the worst year). Once calculated, it shows that inequalities and poverty have increased steadily over the entire observation period, despite some significant periods of respite (1981–83; 1989–91; 1997–2000; see Figure 1). This group exercise and the debating of its results gave citizens an opportunity to question the use, in determining the objectives of public policies, of indicators such as the monetary poverty rate and the inter-decile ratio, the regular declines in which over the same period contrast sharply with the evolution of the Bip40.

In one French region (Nord-Pas de Calais), a plan to construct an indicator of social health emerged after a year of consultation with working groups. These ‘hybrid forums’ (Callon et al., 2001), which brought together representatives of the regional authorities, producers of local social data and representatives of organized civil society—voluntary associations and campaigning groups such as housing campaigners DAL (Droit Au Logement), anti-poverty campaigners Secours Populaire, Secours Catholique, etc—debated, gave advice, helped to interpret the trends observed and assisted in the construction of an indicator with a view to estimating the region’s social health that could be used to compare the French regions with each other. This indicator of social health (ISH) is also based on the six dimensions used to construct the Bip40 at the national level, each of which is summarized by one or two variables. The choice of variables was shaped by the working groups’ debates and deliberations, which were guided by a genuine ethics of communication (Habermas, 1992). It is supplemented by two dimensions whose presence is intended as a reminder that, viewed from a broad perspective, a territory’s wealth also includes social capital or social assets, that is a ‘wealth’ of interpersonal and social ties.
Overall, this ISH is based on an ‘assumed’ vision of what constitutes a socially healthy society, with social health being assessed by the following six criteria: fair and reasonable access to consumption; access to income that is not based on unsustainable inequalities; access to housing for all; ability to defend employees’ collective interests; fair access to the labour market; and robust interpersonal and social ties (see Jany-Catrice, 2009).

When applied to the French regions, this ISH shows there is no positive correlation between levels of social health and levels of economic well-being as measured by GDP per capita or between the ISH and gross disposable income. Some of the economically richest regions, for example the Ile de France or the Provence-Alpes-Côte d’Azur region, are among the ‘poorest’ as measured by the ISH (see Table 1). Others, conversely, are richer in social terms than they are economically. This applies in particular to the Breton regions (Pays de la Loire, Brittany). Finally, some French regions fare badly in both dimensions of wealth as redefined: they are at the bottom of the rankings in terms of economic wealth and also perform badly in terms of social wealth, with these overall results being utterly insensitive to the weighing options used.

The aim of most of the initiatives is to have their indicator become the global reference point, in order to enrich public debate and shape future developments. For example, in the latest version of the Human Development Report, different

Table 1. French regions ranked by GDP per capita and their indicator of social health

<table>
<thead>
<tr>
<th>Region</th>
<th>Ranking by GDP/capita</th>
<th>Ranking by ISH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Île-de-France</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>Rhône-Alpes</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Alsace</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Provence-Alpes-Côte d’Azur</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>Champagne-Ardenne</td>
<td>5</td>
<td>16</td>
</tr>
<tr>
<td>Pays de la Loire</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Aquitaine</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td>Midi-Pyrénées</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td>Centre</td>
<td>9</td>
<td>13</td>
</tr>
<tr>
<td>Upper Normandy</td>
<td>10</td>
<td>18</td>
</tr>
<tr>
<td>Brittany</td>
<td>11</td>
<td>2</td>
</tr>
<tr>
<td>Burgundy</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Franche-Comté</td>
<td>13</td>
<td>8</td>
</tr>
<tr>
<td>Poitou-Charentes</td>
<td>14</td>
<td>9</td>
</tr>
<tr>
<td>Auvergne</td>
<td>15</td>
<td>3</td>
</tr>
<tr>
<td>Basse-Normandie</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Lorraine</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>Limousin</td>
<td>18</td>
<td>1</td>
</tr>
<tr>
<td>Picardy</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Nord - Pas-de-Calais</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Languedoc-Roussillon</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Corsica</td>
<td>22</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: Jany-Catrice (2009).
ecological synthetic indicators (such as the ecological footprint or the adjusted net savings) are presented besides the HDI. The United Nations is currently thinking of integrating an ecological dimension within its HDI, by adjusting it according to the breaching of some ecological thresholds. For those who would design the index—in the UNDP case, mostly technocrats and experts—this could support the idea that, living with a sustainable environmental footprint would be at least as important for well-being (and for improving everybody’s well-being) as having high life expectancy or a good level of education. But how to construct this index is still very problematic. Indeed, some may take the view that the various dimensions are not substitutable (defending the idea of the need for a strong sustainability), since the forms of compensation that this substitutability requires are purely theoretical (environmental damage being offset, for example, by social advances). Others would argue though that, due to the legitimacy of the UNDP, a combined index encompassing the HDI and the ecological dimensions, would be a first step towards a better consciousness of the sustainability issues.

The solution lies in acceptance of conflicting points of view on a subject dominated by controversies and differing values, an approach that is undoubtedly more useful than an opaque theorizing within hegemonic academic disciplines.

5. Conclusion

The question of well-being is once again in the media spotlight, due in no small part to the establishment of the Stiglitz Commission, with its remit to search for new indicators of wealth and well-being. The political and ethical content of these alternative ‘indexing technologies’, as we have described them in this paper, is evident and should persuade their designers of the need for democratic participation in the formulation of social indicators. After all, the political content of the indicators means that society as a whole has to be involved in helping to define the common goods that are to be preserved and how they should be measured.

The initiatives mentioned here, and many others, are intended to reactivate constructive debate, in part by questioning the processes by which the data acquired legitimacy. This applies as much to a national system of social accounts intended to guide policy as to a system of performance indicators for an organization. Definitions that question the meaning and purpose of action rather than its efficiency have to be negotiated and then opened up to debate. Broad agreement about the kind of world we want for ourselves requires shared conventions, the emergence of which may be facilitated by a variety of democratic processes.

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