

The recommendations of the “Stiglitz-Sen-Fitoussi” Commission

Commission on the Measurement of Economic Performance and Social Progress

1- GDP related issues

R1: When evaluating material well-being, **look at income and consumption rather than production**

R2: Emphasise the **household perspective**

R3: Consider income and consumption jointly with **wealth**

R4: Give more prominence to the **distribution** of income, consumption and wealth

R5: Broaden income measures to **non-market activities**

2- Quality of life

R6: Quality of life depends on people’s **objective conditions and capabilities**. Steps should be taken to improve measures of people’s health, education, personal activities and environmental conditions. In particular, substantial effort should be devoted to developing and implementing robust, reliable measures of social connections, political voice, and insecurity that can be shown to predict life satisfaction.

R7: Quality-of-life indicators in all the dimensions covered should **assess inequalities in a comprehensive way**

R8: Surveys should be designed to **assess the links between various quality of-life domains for each person**, and this information should be used when designing policies in various fields

R9: Statistical offices should provide the information needed to **aggregate across quality-of-life dimensions**, allowing the construction of different indexes.

R10: Measures of both **objective and subjective well-being** provide key information about people's quality of life. Statistical offices should incorporate questions to capture people's life evaluations, hedonic experiences and priorities in their own survey.

3- Sustainable development and environment

R11: Sustainability assessment requires a **well-identified dashboard of indicators**. The distinctive feature of the components of this dashboard should be that they are **interpretable as variations of some underlying "stocks"**. A **monetary index of sustainability** has its place in such a dashboard but, under the current state of the art, it should remain essentially focused on economic aspects of sustainability.

R12: The **environmental aspects of sustainability** deserve a **separate followup** based on a **well-chosen set of physical indicators**. In particular there is a need for a clear indicator of our **proximity to dangerous levels** of environmental damage (such as associated with climate change or the depletion of fishing stocks.)