

## \*Global Social Indicators

Social Economics & Public Policies – Marcelo Neri

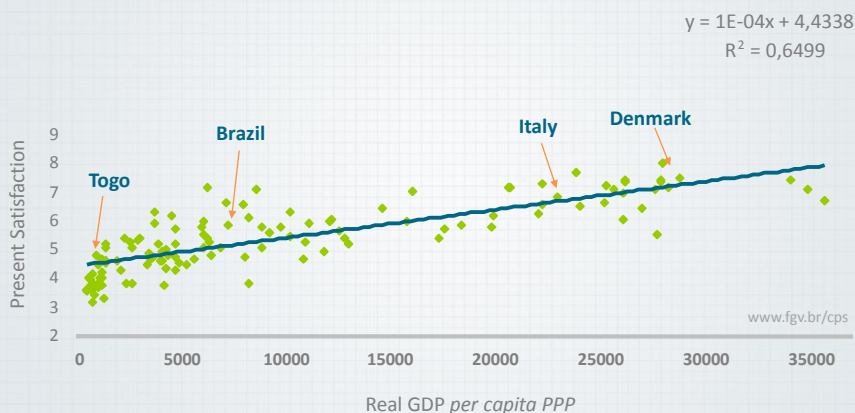
<https://cps.fgv.br/en/cursos?subtema=16&titulo=&tipo=All> [https://www.cps.fgv.br/cps/bd/curso/Global-Social/1BES6\\_SDGs\\_HDI.pdf](https://www.cps.fgv.br/cps/bd/curso/Global-Social/1BES6_SDGs_HDI.pdf)

- **HDI** (Human Development Index )
- **IHDI** (Inequality Adjusted HDI)
- **PHDI** (Perceived HDI - Subjective)
- **MPI** (Multidimensional Poverty Index )
- **Happiness and Well-Being** (Also Beyond GDP)
- **MDGs** (8 Millenium Development Goals)
- **SDGs** (17 Sustainable Development Goals)
  - International Poverty Lines (1,9 U\$S a day PPP), Shared Prosperity (Bottom 40%), My World (Subjective Priorities)
- **Expert Commission Advices** (Stiglitz, Sen.. (Mis)Measuring Our Lives)

### Does Money bring Happiness?

Happiness and Well-Being

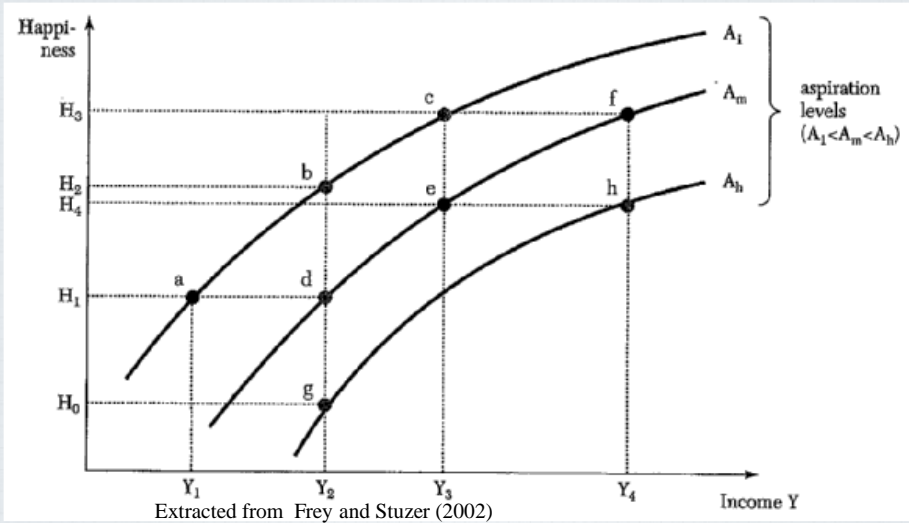
Present Satisfaction x Real GDP *per capita*



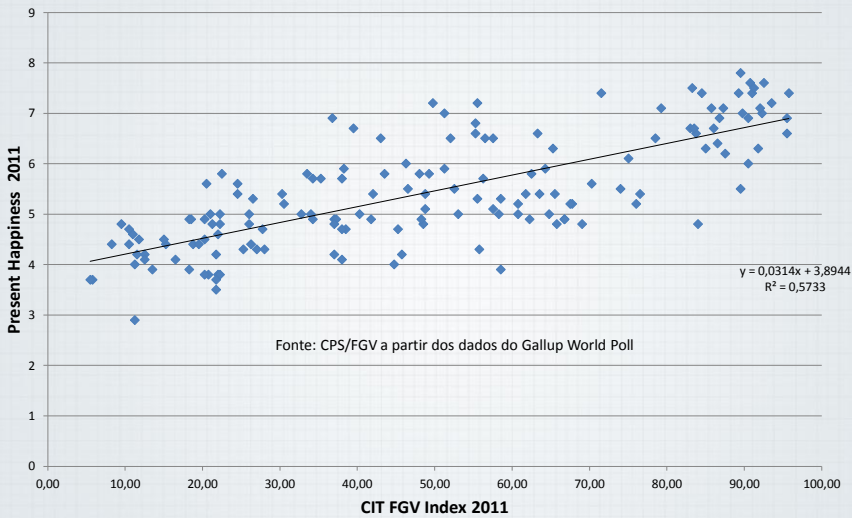
Brazil was above the International norm given by GDP;

Source: FGV Social from Gallup World Poll 2006 – Adapted from Deaton (2013)

## The Problem of Adaptation



## Relation between Happiness & CITs Coverage (%)\*



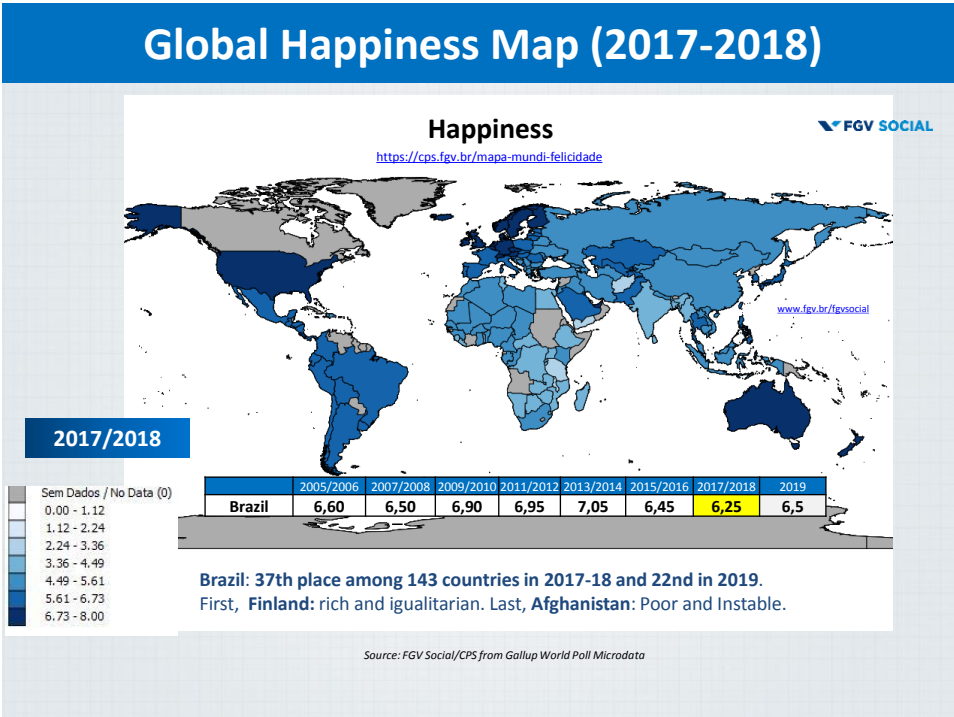
no country more insensitive to a material proxy than Brazil (see next slide)

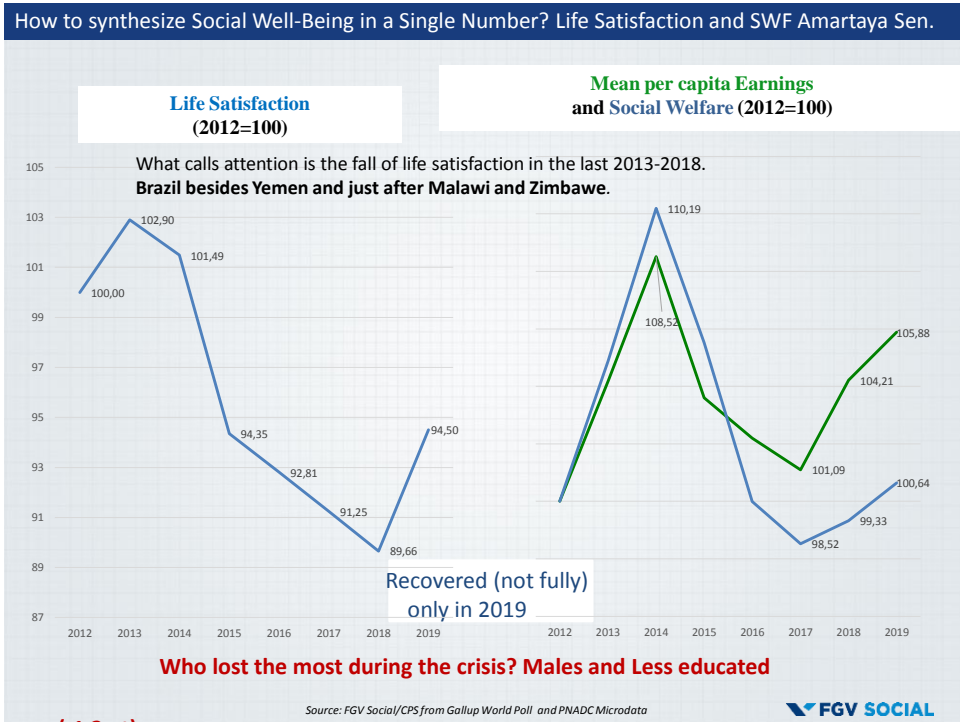
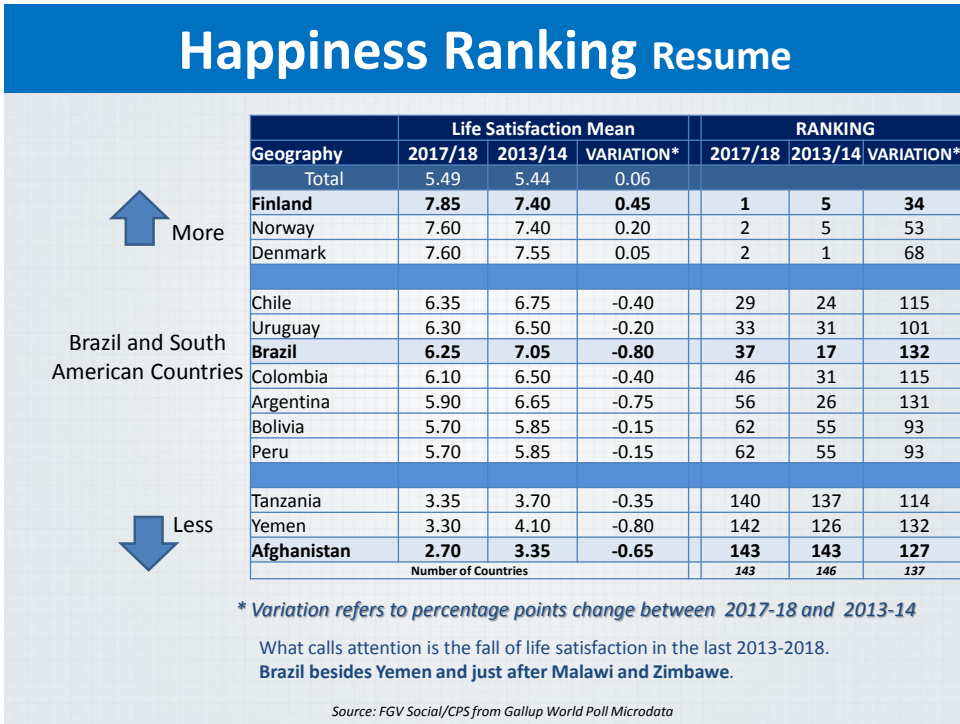
**Life Satisfaction Differentials of Correlations: Interaction Country\*CIT (Wealth proxy (CIT Index))**

Country	coef	p-value	Country	coef	P-value
Chipre	1.4321	0.0003	paraguay	0.6005	0.0005
Arábia Saudita	1.403	0.0004	azerbaijan	0.5876	0.0001
Romênia	1.3162	<.0001	panama	0.5782	0.0004
El Salvador	1.0784	<.0001	jamaica	0.5658	0.0028
Cingapura	1.0459	0.0351	serbia	0.5652	0.0003
Uruguai	0.9434	<.0001	costa rica	0.5116	0.0038
Camboja	0.9371	0.013	afghanistan	0.5085	0.052
Polónia	0.9366	<.0001	ecuador	0.506	0.0015
Israel	0.9358	0.0009	china	0.4962	0.0002
Argélia	0.915	0.0016	bangladesh	0.4879	0.0737
Índia	0.9023	<.0001	albania	0.4833	0.0049
Sri Lanka	0.8853	<.0001	cuba	0.4789	0.0026
Venezuela	0.8746	<.0001	chile	0.4712	0.0054
Jordânia	0.8742	<.0001	bolivia	0.4699	0.0039
Marrocos	0.8589	<.0001	kazakhstan	0.4457	0.005
Palestina	0.8586	<.0001	bosnia herzegovina	0.4283	0.0095
Turquia	0.8275	<.0001	slovakia	0.419	0.0077
Miamar	0.7942	0.0009	philippines	0.4178	0.017
Peru	0.7883	<.0001	moldova	0.4164	0.0133
hungary	0.7759	<.0001	armenia	0.4137	0.011
egypt	0.7734	<.0001	indonesia	0.4109	0.0149
colombia	0.7605	<.0001	mexico	0.388	0.0342
dominican republic	0.7341	<.0001	ukraine	0.3817	0.0182
nepal	0.7088	<.0001	macedonia	0.381	0.0387
lebanon	0.6528	0.0018	uzbekistan	0.3461	0.0322
bulgaria	0.6503	<.0001	georgia	0.3404	0.0293
croatia	0.6394	0.0168	laos	0.3148	0.0359
argentina	0.6166	0.0016	iran	0.3126	0.0718
guatemala	0.6093	0.0003	russia	0.2521	0.082

Source: FGV Social/CPS from Gallup World Poll Microdata 2006 – Brazil Omitted category – 132 countries Only Statistically significant shown

**Global Happiness Map (2017-2018)**





**\*\*The Millennium Development Goals (MDGs)**

From 1990 to 2015 (launched in 2000)

Agreed by 189 countries



**Millennium Development Goals Targets**

Reduce by half the proportion of people whose income is less than \$1/day Reduce by half the proportion of people who suffer from hunger	Ensure that all boys and girls complete a full course of primary schooling	Eliminate gender disparity in primary and secondary education preferably by 2005, and in all levels of education no later than 2015	Reduce by two thirds the mortality of children under five
Reduce maternal mortality by three quarters	Halt and reverse the spread of HIV/AIDS Halt and reverse the incidence of malaria and other major diseases	Integrate principles of sustainable development into country policies & programs; Reverse the loss of environmental resources Halve proportion of people without safe access to drinking water and basic sanitation Improve the lives of at least 100 m slum dwellers (by 2020)	Develop open, rule-based, predictable, non-discriminatory trading and financial system Address special needs of LDCs, landlocked countries & small island States Deal w/ debt burden Develop & implement strategies for decent work for youth w/private sector, make available benefits of new technologies, especially ICT



**SUSTAINABLE DEVELOPMENT GOALS** succeeded MDGs as reference goals for 2015-2030

*"(...)We are resolved to free the human race from the tyranny of poverty and want and to heal and secure our planet. We are determined to take the bold and transformative steps which are urgently needed to shift the world onto a sustainable and resilient path. As we embark on this collective journey, we pledge that no one will be left behind."* (Transforming our world: the 2030 Agenda for Sustainable Development – Preamble)



## **\*\*Expert Commission – Stiglitz, Sen, Fitoussi ((Mis)Measuring Our Lives)**

**Also Arrow, Atkinson, Deaton, Heckman, Kanehman, Piketty...**

### **Recommendations#**

- 1:** When evaluating material well-being, look at income and consumption rather than production
  - 2:** Emphasise the household perspective
  - 3:** Consider income and consumption jointly with wealth
  - 4:** Give more prominence to the distribution of income, consumption and wealth
  - 5:** Broaden income measures to non-market activities
- #Focus on Pages 11-18 Executive Summary**

### **Expert Commission (cont)**

- 6:** Quality of life depends on people's objective conditions and capabilities (health, education, etc) measures of social connections, political voice, and insecurity
- 7:** Quality-of-life indicators should assess inequalities
- 8:** Surveys should be designed to assess the links between various quality-of-life domains
- 9:** Statistical offices should provide information on quality-of-life dimensions
- 10:** 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.
- 11 & 12 – Environmental Considerations**

**\*OVERVIEW** (My Take on the Expert Commission directions)

A good guide can be found in the 2010 book *Mis-Measuring Our Lives* by two Nobel prize winners in Economics, Joseph Stiglitz and Amartya Sen. The book discusses the conclusions from an international committee of experts on how to measure social progress, and they can be summarized in four recommendations:

**Growth in household surveys** – The work calls attention to the need to improve the current economic development measures centered on the GDP. In particular, also to emphasize the growth prospects of the average income and expenditure of families interviewed in household surveys, to measure the improvement in mean living standards.

**Equality** – Measurements of income, consumption and wealth must be accompanied by indicators that reflect their distribution among people and social groups. This means we must keep an eye on the vertical and horizontal inequality of income flows and asset stocks.

- **Sustainability** – To consider asset stocks such as, for example, environmental attributes to incorporate the sustainability of performance indicators as time goes by, in other words whether current welfare levels can continue for future generations. The different assets inventories collected by the surveys and, especially, education and housing to analyze the stability of labor earnings and living standards.
- **Perceptions** – Lastly, the conjugation of objective and subjective well-being measurements by using questions raised in opinion polls relating to the assessment of their lives is designed to obtain a more realistic view of the quality of life in different countries. In other words, it is not enough to objectively improve our lives, but it is also necessary for people to recognize this development. Here, we use as a benchmark of subjective indicators, measurements of happiness or life satisfaction that has become more prominent in the recent economic literature.