Establishing Indicators for Measuring Social Progress in Hungary

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User needs

The Government decree on the adoption of the statistical data collection programme required the HCSO to elaborate a complex indicator system for measuring social progress

- Initiatives of international organisations on measurement of social progress
- The OECD's Global Project

Many dimensions of social progress are important for decision-makers and analysers

- Considerable and continuous structural changes since 1990
- Opposite-direction movement of key social and economic indicators
  - Growth/balance/real income
  - Income discrepancies
  - Unemployment
- Social provision systems should be reformed (pension system, health care)

The Hungarian statistical system produces a wide range of indicators suitable for international comparisons

- Euro indicators
- Structural indicators
- Indicators of sustainable development
- Laeken indicators

Criteria of selecting indicators

1. The system should provide a comprehensive picture of the development process, and present the most important dimensions of development
2. High-quality and timely data suitable for international comparisons, with time series back to 2000.
3. Objective indicators, which can be measured by standard methods. Indicators are output-oriented

Hierarchical structure of the indicator set

- 3 modules (economy, society, environment)
- Themes (23 head-line indicators)
- Secondary indicators describing the background of head-line indicator developments
- Detailed meta-descriptions of indicators

Example:

1. Economy

   1.3 Knowledge-based economy
   Head-line indicator: *R&D expenditure as a percentage of GDP*

   1.3.1. Importance of knowledge-intensive branches

   1.3.2. R&D expenditure
   - 1.3.2.1. Total
   - 1.3.2.2. Business enterprise expenditure
   - 1.3.2.3. Government expenditure

   1.3.3. Life-long learning

Head line indicators 1.

Economic indicators

- Volume index of GDP per capita
- Production per person employed
- Total R&D expenditure as a percentage of GDP
- Proportion of 25–64 year-old population participating in education, training

Environment indicators

- Emissions of greenhouse gases
- Change in stock of bird species
- Domestic material consumption

Head line indicators 2.

Society

- Natural increase or decrease of population
- Ageing index
- Proportion of 20 year-old population participating in education
- Early school-leavers
- Employment rate of population aged 15–64 by sexes
- Change of real earnings
- 20–24 year-old students entering the labour market
- Employment rate of 55–64 year-olds
- Uneven distribution of incomes S80/S20
- Poverty ratio
- Housing costs as a percentage of income
- Number of new dwellings per 1000 persons
- Life expectancy
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The first consultation with the scientific community

Participants are the commitees and institutes of the Hungarian Academy of Sciences

- **Written** consultation
- **Conference** about the results of the consultation and discuss the way forward

Results of the consultations with the scientific community:

The indicator set approach proved to be a proper solution

Although the range of indicators is quite wide, certain key indicators of social progress are missing:

- New indicators proposed (e.g. structure of consumption, divorce rate)
- Further breakdowns (by territorial units, sexes, age-groups)
- situation of Roma people
- state of political and public life, community functioning

Conclusion 1

The work should be continued

- Integrating the indicator set into a database will ensure the availability of indicators for a wide range of users to assess social progress
- The experiences gained from using the database will be utilised
- The indicators missed in the consultation process should be established

Conclusion 2
Establishing the indicator sets can be the first step of measuring social progress

- As in emerging countries the different dimensions of social progress develop unevenly, measuring social progress requires detailed indicator set
- There is a need for complex evaluations
- Experts work at international level should be continued to measure social progress in a comprehensive manner (composite indicators, account-based approach)

Conclusion 3
Tasks of national statistical institutes: initiating and implementing functions

- User-friendly information on available indicators to a wide range of users
- Taking into consideration user needs for new indicators
- Professional statistical help

Establishing the complex measurement of social progress is a work far beyond statistics.

It requires the co-operation of statisticians, scientific communities, civil society and the government.