

# Using Indicators for Rights-based Policymaking: Approaches and Examples

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## 1. The Purpose of Indicators: Why Measure?

If budget and policy decisions are to be made on the basis of principles that embody people's rights and reflect their needs, a mechanism must be in place to guide those decisions, to shape interventions, to measure the process they set in motion, and to assess outcomes. A comprehensive indicator system, if designed appropriately, can fulfill this role.

Indicators are analytical tools that use public statistics, and other quantitative and qualitative data, as evidence to inform and guide policymaking. Indicators can measure how well communities are doing and thereby prompt certain policy interventions. Large amounts of data are already available for use in indicator systems; currently, most of this information is not linked to policy development.

In addition to policy development, indicators can be used for a variety of purposes and by a variety of stakeholders. These are the main purposes of using indicators in national, state or local government:

- Descriptive: information to the public and policymakers; awareness-raising; transparency
- Prescriptive: a guide for public policy development; a statutory basis for government decisions
- Performance measurement: monitoring progress linked to goals or targets
- Civic engagement: promoting engagement and participation by residents

An indicator system can fulfill all or some of these functions. The most common function of indicators currently used in the United States is informational.

In the context of human rights budgeting, the main purpose of an indicator system lies in the direct and mandatory link to policymaking and budgeting. A purely informational system would not provide sufficient incentives for implementing policies that demonstrably meet people's needs. The indicator system would also have to be based on human rights principles, and would have to include a participatory component to enable Vermonters both to shape the development of indicators and to contribute to their measurement.

## 2. How Do Indicators Work?

The above outlined parameters for an indicator system that aids human rights budgeting follow accepted theories about the development of effective indicator systems. A common approach to arriving at meaningful measurement tools includes the following:<sup>1</sup>

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<sup>1</sup> Milan Dluhy and Nicholas Swartz, "Connecting Knowledge and Policy: The Promise of Community Indicators in the United States," in *Social Indicators Research*, Vol. 79, No. 1 (Oct. 2006), pp. 1-23.

- Indicators must be based on a normative, cohesive framework guided by values and a vision. “Communities have values and indicators should represent those values.”<sup>2</sup> Without a normative framework, indicator projects can acquire an opportunistic character if priorities change every year and if communities are shopping for new policy solutions without referring to principles, visions, and a core set of important questions.
- Indicators must have a clear public policy purpose: they must be translated into policy interventions through an analysis of the data collected. Measurements can be interpreted in many different ways; those who use indicators must agree on a theory about how to interpret the data. There must be clear rules and processes for how to link indicators to policy decisions.
- Indicators must be connected with budgeting: this is not only relevant for the purposes of human rights budgeting, but more generally, for enhancing accountability and promoting policy action.
- Stakeholders and communities must have a sense of ownership over indicators, and participate in their development as well as in the process of data collection. At a minimum, communities must have the opportunity to engage with policymakers and experts, and information produced by those experts must be accessible and widely available.<sup>3</sup>

The development and use of indicators must be based on a sound methodology to ensure credibility, reliability and effectiveness. By definition, a comprehensive indicator system is made up of composite indicators that are formed by compiling individual indicators into a single index. A composite indicator measures several dimensions of an issue (e.g. the right to work: unemployment, union membership, wage distribution), which cannot be captured by a single indicator. As mentioned above, the composite indicator should be based on a theoretical framework, which allows individual indicators or variables to be selected, combined and weighted in a manner that reflects the nature of the problem or issue. For an indicator system to link to policymaking, it is important that the variables can be influenced by policy interventions. A comprehensive indicator system addresses multiple domains of society (e.g. the economy, social relations, the environment), whereas a topical indicator system focuses on one domain (e.g. education).

Indicators can measure structures (laws, institutions, policies), processes (e.g. share of public expenditure), or outcomes (proportion of population affected). Developing indicators that measure all three of these aspects is recommended by UN agencies.

All indicators should be disaggregated by demographic categories that reflect prohibited grounds of discrimination, such as gender, age, race, nationality, sexuality, and disability, in order to enable an assessment of progress and outcomes for disadvantaged groups.

Indicators can be objective or subjective measurements, whereby “subjective” refers to data describing people’s views and opinions. Data collected for both of these measurements can come from administrative statistics, population surveys, community surveys, community needs assessments, impact

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<sup>2</sup> Ibid.

<sup>3</sup> Duncan MacRae Jr., “Policy Indicators: Links between Social Science and Public Policy Debate,” (The University of North Carolina Press: Chapel Hill & London, 1985), pp. 15-50; see Chapter 2.

assessments, qualitative interviews, and townhall meetings. It is important to take into account what these different types of data collection may mean for the reliability and comparability of data.

### 3. Beyond GDP

At international, national and state levels, Gross Domestic Product or GDP is the most conventional and widely used measure of economic development, yet criticism of this measure – and the equation of economic growth with standard of living – has grown significantly over the last 40 years. GDP measures all goods and services produced within a country in one year (along with Gross National Product, the market value of all products and services produced by the residents of a country in one year); it does not include non-market production, unpaid labor and value added by leisure. Additionally, so-called externalities such as environmental damage, resource depletion, and health risks are not included in the GDP calculation. Since it is well-evidenced that an increase in production and per capita income is not linked to a decrease in inequality or poverty, the one-sided view of development provided by the GDP measurement fails to capture most aspects of economic, social, political and civic well-being. GDP is a measure of market production rather than economic and social development.

Over the past few decades, a plethora of indicator systems has been developed across the world, either supplementing or substituting production and income-based metrics. Some are comprehensive systems, such as the composite Human Development Index (HDI); others are topical indicator systems that measure performance in specific contexts, such as population health, the well-being of children or the Consumer Price Index. A wealth of statistics are available, including indicators such as the Gini coefficient (income inequality) and unemployment and poverty rates, which are often aggregated into composite indices.

National and international agencies have mapped existing indicators systems and developed resource lists that give overviews of the various approaches to measurement. The Government Accountability Office (GAO) recently presented a comprehensive analysis of indicator systems, with a view to informing the development of a national indicator system in the United States.<sup>4</sup> Other overviews are available from the UNDP<sup>5</sup> and the OECD.<sup>6</sup>

### 4. Human Rights Indicators

United Nations agencies, along with other international development agencies, have long used indicators to guide their technical and development assistance across the globe. Over recent years, UN agencies have increased their efforts to render indicators more sensitive to human rights. For example, the United Nations Development Programme (UNDP) has expanded its well-known [Human Development Index](#), which is not based on human rights principles, with new sets of indicators designed to better measure inequality (the [Inequality-adjusted Human Development Index](#), the [Gender Inequality](#)

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<sup>4</sup> US Government Accountability Office, *Key Indicator Systems: Experiences of Other National and Subnational Systems Offer Insights for the United States* (March 2011) <http://www.gao.gov/new.items/d11396.pdf>. See also <http://www.gao.gov/npi/usadkni.pdf>.

<sup>5</sup> [http://www.undp.org/developmentstudies/docs/measuring\\_country\\_performance\\_2005.pdf](http://www.undp.org/developmentstudies/docs/measuring_country_performance_2005.pdf)

<sup>6</sup> <http://www.oecd.org/dataoecd/29/6/42613423.pdf>

[Index](#) and the [Multidimensional Poverty Index](#)). The UN has also pioneered the development of a conceptual and methodological [framework for economic and social rights indicators](#), with the goal of promoting the use of human rights indicators in all policymaking. An [illustrative list of human rights indicators](#) is available as an example for possible indicators, which ultimately have to be developed and agreed at national or local level. The UN emphasizes that human rights indicators must be adapted to the local context; there cannot be ready-made indicators or indices that would be equally relevant in all contexts.

## 5. Developing New Indicator Systems – A Plethora of Approaches

Over recent years, many new composite indices have been developed, often as part of a focus on environmental sustainability. Indices with an environmental focus include, for example, the [Happy Planet Index](#), which combines environmental impact with human well-being, the World Bank's [Genuine Savings](#), which supplements national income accounts with measures of intangible capital, depletion of natural resources, and environmental damage, the [Index of Sustainable Economic Welfare](#), which measures economic activity that increases quality of life, by taking into account environmental degradation as well as unpaid labor and income inequality, and the [Ecological Footprint](#), an index of environmental sustainability that measures the ecological impact of human activity and compares it with the rate of regeneration.

In addition to the proliferation of environmentally sensitive indices, the development of indices on social well-being has also progressed over recent decades. Social indices aggregate various social, economic and usually also environmental indicators into one measure. In addition to UN-led indicator systems, many indices exist as research tools, independent of government support, such as the [Index of Social Health](#), an aggregate measure that uses 16 indicators related to health, employment, education, security and income, the [International Index of Social Progress](#) with 40 indicators measuring economic, social and political wellbeing, the [Index of Economic Wellbeing](#), which includes four domains of economic wellbeing: (1) consumption, (2) accumulation of capital, productive resources, R & D, (3) income distribution, (4) economic security from job loss, poverty, divorce, and old age, and the [Calvert-Henderson Quality of Life Indicators](#), which covers 12 categories: education, economy, energy, environment, health, human rights, income, infrastructure, national security, public safety, recreation, and shelter. Specifically for the United States, the American Human Development Project at the Social Science Research Council has produced the [American Human Development Index](#), which compares U.S. states along three dimensions: ability to live a long life, have a decent material standard of living, and have access to knowledge. It currently only includes 4 indicators (life expectancy at birth, educational degree attainment, school enrollment, and median earnings, all disaggregated by gender and race), but an expansion is planned.

The [Gross National Happiness Index](#), with a U.S. initiative based in Vermont, has also drawn attention, although happiness research has been controversial due to its reliance on subjective measures. Yet there are many other social measurement approaches that rely on qualitative data and community surveys to measure aspects of economic and social development that cannot be captured in readily available statistics. An increasing interest in the concept of [social capital](#), which emphasizes the value of

social relationships for human and societal well-being, has led to the development of numerous measurement frameworks, for example by the World Bank,<sup>7</sup> that foreground the role of communities, networks and collective action as a key aspect of a society's well-being.

While the most common indicator systems tend to measure three domains – economy, society and environment – composite indicators also exist for issues of governance and civil and political rights. Moreover, many social indices include indicators on political participation, transparency and accountability.

International institutions have been leading the quest for better indicator systems. For example, the OECD convenes a global forum, [Measuring Progress of Societies](#), which meets every two years to discuss cutting-edge developments in development measurements. The OECD also developed an interactive [Better Life Index](#), an indicator suite that allows users to manipulate data on the website and choose specific quality of life indicators within 12 dimensions: housing, income, jobs, community, education, environment, governance, health, life satisfaction, safety, and work-life balance.

Some countries have actively developed and deployed national indicator systems; for example, Switzerland (MONET indicator system), the United Kingdom (a National Indicators Set<sup>8</sup> and, previously, Quality of Life Indicators<sup>9</sup> - both recently abolished by the coalition government), and Australia (Measures of Australia's Progress<sup>10</sup>).

## **6. Indicators Used by Governmental Bodies in the United States**

The recent Government Accountability Office (GAO) report on national indicator systems was prompted by a requirement in the Patient Protection and Affordable Care Act to develop a national indicator system for the U.S. Over the coming years, it is likely that increased efforts will be made to link policymaking to explicit goals and indicators.

Although large amounts of data covering many aspects of potential indicator systems are already being collected, for example in the [Current Population Survey](#) and the [American Community Survey](#), the use of indicators at national level is currently limited. For example, while the President's 2012 budget included several pages in the appendix listing key social indicators, this was done in a merely illustrative way, even though the document asserts that the "social indicators in this chapter provide useful information both for prioritizing budgetary and policymaking resources and for evaluating how well existing approaches are working."<sup>11</sup> Yet the individual indicators (not a composite index) are only listed, with GDP as the first indicator, rather than linked to any budget allocations or policy priorities. Topic or population-specific indicators are used by several government departments and national agencies. An

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<sup>7</sup> <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTSOCIALCAPITAL/0,,contentMDK:20642703~menuPK:401023~pagePK:148956~piPK:216618~theSitePK:401015,00.html>

<sup>8</sup> <http://www.communities.gov.uk/documents/localgovernment/pdf/735112.pdf>

<sup>9</sup> <http://www.audit-commission.gov.uk/SiteCollectionDocuments/AuditCommissionReports/NationalStudies/QofL2005.pdf>

<sup>10</sup> <http://www.abs.gov.au/about/progress>

<sup>11</sup> <http://www.whitehouse.gov/sites/default/files/omb/budget/fy2012/assets/spec.pdf> (page 95)

example of an indicator system linked to goals is [Healthy People 2020](#), by the Department of Health and Human Services, which has set specific national improvement targets.

At state and local levels, the use of indicators is more prevalent. The GAO report lists comprehensive indicator systems in the following locations: Boston, MA (Boston Indicators Project), King county, WA (King County AIMs), Virginia (Virginia Performs), New Mexico (Albuquerque Progress Report), Jacksonville County, Florida (Jacksonville Community Progress Report), Truckee Meadow Community, Nevada (Truckee Meadows Tomorrow Quality of Life Indicators), Orange County, California (Orange County Community Indicators), Santa Cruz, California ( Santa Cruz County Community Assessment Project), New York ( Long Island Index), Silicon Valley, California (Silicon Valley Index), Arizona (Arizona Indicators), Oregon (Oregon Benchmarks), and Maine (Measures of Growth in Focus).<sup>12</sup> Many more initiatives exist that are limited to specific topics or population groups.<sup>13</sup>

Even where no indicator systems exist, public bodies in the U.S. often measure performance or impact. Environmental impact statements (EIS) are perhaps the most prominent example of a regulatory tool designed to systematically report projected impacts against stated objectives, but they are not based on a national indicator system. According to EPA regulations, these statements must include discussions of the purpose of and need for the action, alternatives, the affected environment, and the environmental consequences of the proposed action.<sup>14</sup> This type of assessment is not required for most other types of policymaking, including budgeting.

## **7. Examples of Indicator Systems**

### **7.1 Rights-based indicators**

#### ***Equality Measurement Framework, United Kingdom***

Based on the Equality and Human Rights Commission's legal duty under the Equality Act (2006) to monitor and evaluate the United Kingdom's progress towards equality and human rights, the development of this indicator system was guided by human rights principles. In particular, the Equality Measurement Framework (EMF)<sup>15</sup> seeks to measure 'substantive freedom' or equality, which is defined by three aspects:

- equality of outcomes
- equality of process (fair treatment, or being treated with dignity and respect)
- equality of autonomy (empowerment, or the degree of choice and control)

The EMF is intended to monitor social outcomes from an equality and human rights perspective and provides a baseline of evidence to inform policy development. 48 indicators have been identified across

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<sup>12</sup> <http://www.gao.gov/new.items/d11396.pdf>

<sup>13</sup> <http://www.communityindicators.net/projects>

<sup>14</sup> <http://epa.gov/compliance/basics/nepa.html>

<sup>15</sup> <http://www.equalityhumanrights.com/key-projects/equality-measurement-framework/>

10 domains (life; health; physical security; legal security; education and learning; standard of living; productive and valued activities; individual, family and social life; identity, expression and self-respect; participation, influence and voice), comprising 88 measures overall.

The EMF's development included a multi-stage public consultation process with around 200 participants at public meetings held across the country, including groups at risk of discrimination and disadvantage. It has also been supported by a government department, yet its use is not dependent on government buy-in, as the Commission has an independent monitoring and enforcement function under the law (although attempts to change the law have been made).

## **7.2 Participatory indicators**

Over the past few decades, observers have noted a shift from broader societal monitoring to defining progress at the community level.<sup>16</sup> This has been accompanied by a new focus on civic engagement and community participation. Yet a review of community indicator systems across the country does not reveal genuine participatory approaches that are effectively linked to policymaking. Many localities employ indicators solely for increasing transparency and information sharing, and see the engagement of communities in the development or measurement of these indicators as an end in itself. Likewise, the transparency and user friendliness of statistics has been pursued as a stand-alone goal. For example, the Newfoundland and Labrador Statistics Agency (Canada) is operating [Community Accounts](#), an information system providing users at all levels with a reliable source of community, regional, and provincial data.

### ***Jacksonville Community Council, Florida***

The Jacksonville model<sup>17</sup> is considered one of the most successful community indicator initiatives in the U.S., and many similar projects around the country are based on it.<sup>18</sup> Jacksonville Community Council (JCC), a nonprofit organization, has led the development and measurement of community indicators for 26 years, each year publishing a Quality of Life Progress Report. In 1974, roughly 100 delegates from northern Florida –business professionals, public office holders, workers, and citizens –developed goals for the regional development of Jacksonville. Subsequently, each year, JCC has engaged communities in developing and reviewing indicators. It facilitates public engagement by organizing community meetings, discussions and events, and by administering an annual survey.

### ***San Antonio 2020, Texas***

San Antonio 2020<sup>19</sup> is a new initiative supported by the city's mayor and implemented with assistance of the Jacksonville Community Council (JCC). The goal is to develop a 10 year plan for the city, based on a vision, targets and indicators. A community visioning exercise has been completed, during which 5 public forums were held with almost 1000 people attending each event. During these meetings, the

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<sup>16</sup> See also Dluhy/Swartz, op. cit. , and <http://www.planning.org/pas/reports/subscribers/pdf/PAS517.pdf>

<sup>17</sup> <http://www.jcci.org/>

<sup>18</sup> <http://www.planning.org/pas/reports/subscribers/pdf/PAS517.pdf>

<sup>19</sup> <http://www.sa2020.org/>

community debated priorities for the city, working in small groups on specific topics. Additionally, over 5,000 surveys were filled out by San Antonio residents, and a website provided another opportunity for public input. An interactive “ideas” [website](#) remains operational. The [report](#) of the visioning phase identified 11 priority areas for the city, each with a vision, key and supporting indicators, and possible partners (e.g. government department, NGO, association, etc.) to implement that vision.

### **7.3 Institutionalized indicator systems**

#### ***Switzerland: MONET***

MONET (Monitoring der Nachhaltigen Entwicklung or Monitoring Sustainable Development)<sup>20</sup> is an indicator system used in Switzerland to inform policymaking and measure progress towards sustainable development. MONET is a joint project of the Swiss Federal Statistical Office, the Federal Office for Spatial Development and the Federal Office for the Environment.

The system of indicators is based on three major objectives: social solidarity, economic efficiency, and environmental sustainability. Importantly, the first principle is defined as ensuring human rights and further states: “Each member of society has a right to the dignity of human life and to the free development of their personality. Democracy, legal stability and cultural diversity are guaranteed.”<sup>21</sup> The second part of this definition maintains, “The limits of individual development are set where the human dignity of other contemporary individuals or of future generations is compromised.”<sup>22</sup>

The headline set of 17 indicators is organized based on four questions:

- Meeting needs—how well do we live?
- Fairness—how well are resources distributed?
- Preservation of resources—what are we leaving behind for our children?
- Decoupling—how efficiently are we using our natural resources?<sup>23</sup>

A total of 80 indicators measures progress towards the three overlapping objectives. Progress on each indicator is assessed using a “traffic light” color coding system that shows the trend of each indicator and an arrow that shows the direction of movement.

MONET is a government driven and institutionalized system designed to monitor the government’s sustainable development strategy. The indicator system is an integral part of the policy strategy.

#### ***Maryland, US: Genuine Progress Indicator***

Since 2009, the state of Maryland has integrated the Genuine Progress Indicator (GPI), pioneered by the Canadian provinces of Alberta and Nova Scotia, into its planning processes.<sup>24</sup> This indicator was

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<sup>20</sup> <http://www.bfs.admin.ch/bfs/portal/de/index/themen/21.html>

<sup>21</sup> <http://www.bfs.admin.ch/bfs/portal/en/index/themen/21/02/ind9.indicator.72701.927.html>

<sup>22</sup> Ibid.

<sup>23</sup> US Government Accountability Office’s report “Key Indicator Systems: Experiences of Other National and Subnational Systems Offer Insights for the United States,” <http://www.gao.gov/new.items/d11396.pdf>

<sup>24</sup> <http://www.green.maryland.gov/mdgpi/index.asp>

originally developed by Nordhaus and Tobin in 1973 as the Measured Economic Welfare (MEW) and in 1989 refined by Daily and Cobb into the Index of Sustainable Economic Welfare.<sup>25</sup> GPI measures economic growth similar to GDP, but it discounts unsustainable growth. In other words, this index determines whether a community's economic growth is sustainable in short and long term. "By differentiating between economic activity that *diminishes* both natural and social capital and activity that *enhances* such capital, the GPI and its variants are designed to measure sustainable economic welfare rather than economic activity alone."<sup>26</sup>

Other states with GPI initiatives include Minnesota, Ohio and Utah. A calculation of the GPI of Vermont has also been undertaken, published in 2004.<sup>27</sup>

Maryland's Governor, Martin O'Malley, initiated the process with an inter-agency working group and in partnership with the University of Maryland's Center for Integrative Environmental Research. They adopted the GPI with 26 indicators and developed an [interactive tool](#) for the public to explore online, allowing them to watch how investments and decisions in one indicator affect and are affected by other indicators.

This year, the Maryland Department of Planning (MDP) released state growth plan, PlanMaryland, which integrates GPI measurements.<sup>28</sup> The integration of the indicator system into public policy has also been pursued through legislation. Per Senate Bill 276/House Bill 295, passed in 2009 and titled *Smart Growth Goals, Measures, and Indicators and Implementation of Planning Visions*, local planning commissions or boards are required to submit annual reports to local legislative bodies beginning July 1, 2011. These reports must include specified smart growth measures, indicators, and information on a local land use goal.<sup>29</sup>

### ***Oregon Benchmark Indicator System:***

A widely cited and influential example of integrating indicators into policymaking and planning is Oregon Benchmarks, which was created as a part of Oregon Shines – a long-term strategic plan for Oregon.<sup>30</sup> The indicator system was developed in the early 1990s but funding for collecting and monitoring measurements was recently discontinued. The strategic plan is based on three objectives - quality jobs for all Oregonians; safe, caring and engaged communities; healthy, sustainable surroundings.<sup>31</sup> The corresponding indicator system has 91 "benchmarks," and 158 "benchmark indicators," compiled into 7 categories—economy, education, civic engagement, social support, public safety, community development, and environment.<sup>32</sup>

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<sup>25</sup> <http://www.oecd.org/dataoecd/29/6/42613423.pdf>

<sup>26</sup> Ibid.

<sup>27</sup> <http://www.green.maryland.gov/mdgpi/pdfs/GPI-Vermont.pdf>

<sup>28</sup> <http://www.plan.maryland.gov/home.shtml>

<sup>29</sup> <http://planning.maryland.gov/pdf/OurWork/SGG/SGG2.pdf>

<sup>30</sup> <http://www.oregon.gov/DAS/OPB/obm.shtml>

<sup>31</sup> <http://www.oregon.gov/DAS/OPB/obm.shtml>

<sup>32</sup> <http://benchmarks.oregon.gov/>

Benchmarks were conceived as the “yardsticks” that track Oregon’s progress toward the strategic goals. Moreover, they were integrated into the institutional context, because state agencies were required to link their own performance measures to the benchmarks. It is estimated that in 1993, 10 per cent of the state’s general fund budget was allocated to outcomes tied to performance specified in the Oregon benchmark initiative.<sup>33</sup>

### 8. Summary Checklist

Indicator systems have proliferated over recent years, along with their implementation at community level. A number of rights-based approaches and models exist, which could be used as guidance for Vermont. However, few indicator systems are effectively linked to policy-making processes (i.e. institutionalized and enforceable).

- Participatory indicator systems tend to lack a clear, institutionalized link to policymaking
- Indicator systems that are integrated in the policymaking process tend to be driven (and subsequently abandoned) by governments and lack participatory components

### Summary Chart

	<b>Rights-based</b>	<b>Participatory</b>	<b>Enforceable</b>
<b>United Kingdom, Equalities Measurement Framework</b>	Yes	Partly	Partly
<b>Jacksonville Community Council, Florida</b>	No	Yes	No
<b>San Antonio, Texas</b>	No	Yes	N/A
<b>Switzerland, MONET</b>	Partly	No	Partly
<b>Maryland, Genuine Progress Index</b>	No	No	Partly
<b>Oregon Benchmarks</b>	No	No	Yes

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<sup>33</sup> Dluhy/Swartz, op.cit.