

Good Life Time (GLT): A New Framework for Measuring Social Progress

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Abstract

With the release in September 2009 of the Stiglitz report commissioned by French President Nicolas Sarkozy, as well as the OECD's project on Measuring the Progress of Societies, public discourse on the appropriate measurement of economic performance and social progress has intensified. This paper contributes by proposing a new framework and summary index for measuring social progress – Good Life Time (GLT). The GLT framework is analogous to and complements the System of National Accounts, but uses time rather than money as the fundamental metric. It is also based on explicit micro-data foundations. It brings together three major life domains – the confluence of good health, adequate income, and the time to enjoy them.

The GLT framework builds on the ideas of Sir Richard Stone's proposed System of Social and Demographic Statistics, multi-state life tables from demography, time based accounting ideas from Thomas Juster, time use diary survey data, and computer microsimulation methods. The GLT summary index is a decomposition of the widely used life expectancy indicator into portions of the life cycle at various levels of GLT, defined as having all three of adequate income and leisure time and good health. A principal conclusion is that for most people, the periods of the life course when they have the most leisure time, for example, they typically have either lower incomes or poorer health (e.g. the elderly). This kind of result points to possibly important gains in social welfare from a more fundamental re-examination of the way societies structure work and leisure over the life course.