composite socio-economic indicators

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Outline

• Overview of the chapter

• Remaining challenges (or issues/problems yet to be solved)

• Topics for future work
Overview of the chapter - I

1. Introduction
   1. Socio-economic concepts
   2. Composite indicators

2. Arguments for and against composite socio-economic indicators
   1. Pros of composite indicators:
   2. Cons of composite indicators:
   3. Weighting the pros and cons
Overview of the chapter - II

3. Steps for constructing composite socio-economic indicators

1. Using a conceptual model
2. Selecting domains and variables
3. Data treatment
4. Multivariate analysis
5. Normalisation of data
6. Weighting and aggregation
   1. Issues to be addressed
   2. Weighting approaches
7. Robustness and sensitivity
8. Index validity and links to other variables
Overview of the chapter – III
4. Dissemination issues
Conclusion 6-1: pros and cons of a composite socio-economic indicator
It is important to combine both worlds, that is, to present the composite indicator, as well as the separate indicators.

Recommendation 6-1: steps for constructing composite socio-economic indicators
Several steps are to be taken in the construction of composite socio-economic indicators

Recommendation 6-2: on dissemination
One cannot expect one single figure to tell the entire story of a complex phenomenon

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Remaining challenges

• Reaching full/more agreement on which domains and indicators to measure

• Building time series to track trends over time

• Have/keep stakeholders involved (governments as well as the general public)

• Getting as much attention as GDP
Topics for future work

- Which way of weighting is best in what circumstances
- Theory building
- Explore relation between objective and subjective measures
Questions?

Thank you!