
Presentation by
the Honorable David M. Walker
Comptroller General of the United States

How Key National Indicators Can Improve Policymaking and Strengthen Democracy

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I'm pleased, honored, and fortunate to be here today. My doctor only gave the okay for me to travel on Monday afternoon. It's wonderful to be here in Istanbul, a beautiful city with an amazing multicultural heritage. Rudyard Kipling famously said, "East is east, west is west, and never the twain shall meet." But Rudyard Kipling clearly forgot about Istanbul, where at the Bosphorus east *literally* meets west.

My topic today is one that's near and dear to me: key national indicators. I gave my first international speech on indicators at the OECD's World Indicators Forum in Palermo in 2004, and I've addressed indicators in many domestic speeches and congressional testimonies. This topic finally seems to be getting the attention it deserves. In fact, the International Organization of Supreme Audit Institutions, commonly known as INTOSAI, has chosen key national indicators as one of two themes for its triennial congress in Mexico City later this year.

From the industrialized world to the developing world, all nations face a range of challenges. Some are long-standing and country-specific. But increasingly, nations face common challenges that transcend national borders, economic sectors, and institutional divides. I'd include here vital issues like economic interdependence, environmental protection, and global pandemic preparedness. Most of these are long-term challenges, which can take years or even decades to address.

At the same time, nations face the reality of finite resources. The challenge before us is how we can stretch those resources and get the greatest value for the money we spend.

Fortunately, nations today have several tools at their disposal to help them achieve these goals. Examples of these tools include strategic planning, scenario modeling, and indicator systems. I've chosen to focus on key national indicators because of their powerful potential to help countries prioritize resource allocation, improve government services, and promote accountability and enhance citizen engagement. With data from indicator systems, policymakers can better assess their current situation, make more informed decisions, and measure their progress over time and relative to other nations.

Gross domestic product, unemployment levels, infant mortality rates, and air quality indexes are all examples of commonly used indicators. As most of you are well aware, a key indicator system pulls together these various measures to tell a more complete story about how a city, region, state, or nation is doing. Used effectively, information from key national indicator systems can help highlight problems and reveal opportunities. Such data can also inform agenda setting, improve planning, and promote better decision making and oversight. It can enhance public understanding and citizen engagement as well.

Several nations around the world already have some form of an indicator system. Australia, Canada, Singapore, and the United Kingdom, as well as international organizations like the

European Union, the U.N., and the OECD, all use indicators to measure economic, environmental, and social conditions over time. Clearly, indicator systems are helping to define what it means to be a leading democracy in the information age.

I know other supreme audit institutions (SAI) around the world are pursuing the adoption of key national indicators in their countries. I am hopeful that these SAIs will share their knowledge, experiences, and lessons learned. INTOSAI comes to mind as a natural clearinghouse for this information.

Several U.S. cities and localities are also using indicator systems. For example, the city of Boston is involved in a public-private partnership that's measuring and evaluating various quality-of-life issues. In addition, an indicator system used by a county in Florida revealed a lack of basic information on its growing elderly population.

Despite these successes, the United States still lacks an indicator system at the national level. Every year, our federal government spends almost \$3 trillion on a wide range of activities, provides hundreds of billions of dollars worth of tax preferences, and issues thousands of pages of regulations. Yet what's astonishing is the federal government does all this without knowing which programs and policies are making a real difference and which ones aren't. It's a little like an airplane pilot flying at night without an instrument panel. This must change!

The simple truth is it matters how a nation keeps score. Keeping score provides a clear sense of what a nation has achieved and what needs to be done. Indicators can reliably measure progress on a national level. With such fact-based information, public officials are more likely to ask well-framed questions and accurately analyze issues. They're also more likely to propose sound solutions and make wise decisions on appropriations, authorization, and oversight.

In countries that have used key national indicators, we've seen some improved government performance and better use of limited resources. In other words, we know that key national indicators can help a country better meet the needs of its citizens.

By educating policymakers and the public, key national indicator systems can also help to limit abuses of power. As the U.S. Supreme Court Justice Louis Brandeis once said, "Sunshine is the best disinfectant." Indicators can shed much-needed light on the vast breadth of government operations today.

With more honest and transparent reporting, it's clearer how various government programs and policies are working. Transparency has a remarkable ability to reduce waste, prevent corruption, and shift resources where they're truly needed. The data provided by indicator systems can help to ensure that no one is above the law and everyone is accountable for results.

Comprehensive, objective, and reliable information that's readily available to the public can also put pressure on politicians to make difficult but necessary policy choices. With greater public awareness, elected officials are more likely to consider the greater good, the bigger picture, and the longer term. With greater public awareness, elected officials are less likely to shirk their stewardship responsibilities to future generations.

Finally, the appropriate use of key national indicators can build public trust and confidence in government. Policy solutions backed by credible, objective information are more likely to gain public support. Indicators can help average individuals better understand complex issues and may encourage greater citizen engagement in the public policy process.

The increased transparency produced by indicators may even prompt voters to make better choices at the polls. In my view, an informed electorate is more likely to accept candidates who are prepared to make difficult choices. An informed and engaged electorate is also more likely to accept some degree of shared sacrifice today in order to help create a better tomorrow.

Governments in countries that lack key national indicators are more likely to remain inefficient and ineffective. Too many public officials in Washington and elsewhere suffer from myopia and tunnel vision. There's a tendency to focus on the problem of the moment. And all too often, the quick fix leads to overspending and overregulation.

For more than 80 years, my agency, the U.S. Government Accountability Office (GAO), has been promoting transparency and speaking truth to power. Some GAO reports look at whether taxpayer dollars are being spent appropriately. Other GAO reports examine whether government programs are meeting their objectives and the needs of society. Increasingly, GAO has been seeking to alert policymakers to emerging trends and future problems, such as the rising cost of health care and funding shortfalls in the nation's pension system.

As professional services organizations with extensive experience in statistics, supreme audit institutions like GAO can play a key role in promoting the adoption of indicator systems. SAIs can also make a range of contributions to indicator system efforts, such as suggesting ways to ensure the reliability and reasonableness of the data being produced.

As many of you know, GAO has been leveraging its knowledge and credibility to promote an indicator system at the national level in the United States. Many of the key players in this initiative are either former GAO executives like Chris Hoenig and Jane Ross or members of one of GAO's advisory boards, like Harvey Feinberg.

In fact, the key national indicator effort in America really got its start at a forum GAO co-hosted with the National Academy of Sciences several years ago. This led to the creation of a nonprofit group, the State of the USA, Inc., whose mission is to provide the American people with quality

information on key changes in societal, economic, and environmental conditions. State of the USA has received grants from several major foundations, and it has a prototype Web site under way. The State of the USA initiative has come a good distance, but there is a lot of work to do and the best is yet to come.

As I said earlier, I've been speaking out on key national indicators for some time. And not too long ago, GAO issued a comprehensive study comparing the use of indicator systems across various jurisdictions. The report assessed lessons learned and provided options for Congress to consider in establishing a key national indicator system for the United States.

GAO has also been working closely with Congress, federal agencies, key foundations, and prominent professional associations, particularly our National Academies, to advance this issue. I'm a big believer in partnering for progress by building bridges across government and among various sectors. In my experience, government, private industry, and nonprofit groups can all benefit from working together on projects of mutual interest and concern. That's certainly true in the case with key national indicators, whose benefits will be felt throughout American society.

While GAO remains a strong supporter of key national indicators for the United States, there has to be a limit to our advocacy efforts in order to preserve our institutional independence. Going forward, others will have to take the lead on this issue. This doesn't mean GAO won't be involved. We will. In this regard, GAO and a consortium of organizations from several sectors will continue to encourage Congress to pass related legislation in order to help make this important concept a reality.

In closing, an African proverb says tomorrow belongs to the people who prepare for it today. With key national indicator systems, nations everywhere now have a powerful tool to help improve government today while helping to create a better tomorrow. In my view, it's an opportunity that no government can afford to miss.

Thank you for your time and attention.

