

Years of Growth and Years of Recession and their Impact on the Economic Well-being of Households: It is Time We Go Beyond Aggregates

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A key issue in economic performance has concerned not just the intensity or the size of economic growth over time per se, but also its implications for the “quality of growth” over space and across groups and, in particular, for “whose growth” and “what growth has actually meant to different groups” and, more generally, social progress. Eventually, our growth perspective has widened and the limelight has switched from sheer size to distributional impacts and, increasingly, “whose growth?”, “is growth pro-poor?” and “is income growth benefiting most the worst-offs or rather the rich”? Definitely, the Stiglitz/Sen/Fitoussi Commission is marking a novel change of gear along the road of the Measurement of Economic Performance and Social Progress, which was once quite popular at the end of the 1960s and the 1970s.

For long, these different growth aspects, concerns and perspectives have been studied separately and judged on sheer quantitative trends, e.g. income growth rates, poverty rates and coefficients of inequality over time; or by twinning different aggregate indicators (e.g. the Kuznets inverted U-curve) or “navigating” multidimensional spaces (e.g. PGI triangles or curves), with or without imposing principles and properties etc.. Likewise, “social progress” has increasingly been mapped with myriads of different aggregates and indicators (e.g. the “1970s OECD list of social indicators”); and, eventually, such as it is now fashionable, indicators of social progress or other measures tailored on new concepts such as functionality, happiness (gross and net) and increasingly fashionable “neighborhoods indicators” which allow to finely focus on “small areas and groups”.

Following a paper published in 2009 in the *Rivista di politica Economica*, by the present authors on income growth curves, i.e. the shapes or “accumulations” of the growth curve, from poorest to richest groups, which underlie aggregate income growth rates and allows to judge “patterns” and whether the distribution of the benefits of growth has been pro-poor or not, we wish to propose a new paper in which we consider not just “income growth curves” for large groups (deciles), categories and/or circumstances, but rather, look inside smaller, more homogeneous selected income groups and observe how “odds” and “merits” may be associated with distribution all along income curves, from lowest to richest families, and depending on other circumstances and endowments. In particular, the analysis will consider and study factors of “possible advantage and disadvantage” and their association with “distributive performance”.

Concerning data, both Eu-Silc and Bank of Italy statistics will be used. We expect that this will permit to obtain detailed “distributive growth maps” which will allow to (i) observe much more

detailed panoramas than has so far been the case; (ii) open up new vistas for distributive analysis and how new value added can be created if statistics are made available à la carte, that is in ways (aggregate and micro level) that can be tailor-made to suit purpose and, thus, permit to map quality of growth aspects, which so far have remained hidden behind aggregate coefficients, triangles and properties; and, last but not least, (iii) force to reconsider data quality in a contest in which “what statistics hide under the carpet” is no less important than the information which is now supported for aggregate distributive analysis.