



The Centre for the Study of Living Standards (CSLS) had developed the Index of Economic Well-being for the Canada and some OECD states, based on a paper written by Lars Osberg in 1985. It is comprised of the following components :

- Effective per capita consumption flows .
- Net societal accumulation of stocks of productive resources (tangible capital; housing stocks; natural resources stocks; environmental costs; net changes in the level of foreign indebtedness; human capital; and the stock of R&D investment).
- Income distribution (the intensity of poverty and the inequality of income).
- Economic security from job loss and unemployment, illness, family breakup, and old age.

This indicator has many qualities, including its focus on the importance of the intergenerational legacy in the reduction of poverty. However, applying it to the developing countries necessarily requires some arrangements because of their peculiarities. Likewise, as Osberg and Sharpe (2002) noticed, accounting the economic welfare of a complex society cannot avoid to voice both ethical and statistical opinions. Such value judgments are carried out through the choice of the components of welfare and of their corresponding weighting. The problems of the comparability of the data allows to build an international indicator which is more complex than a national one. This is one of the reasons which explain our choice to analyse countries that are in the same economic area (as it happens, the EMWAU zone), and this leads to some harmonization of the statistical standards between member states.

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