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BEYOND GDP: MEASURING WHAT MATTERS

GDP has long been the standard way of measuring and comparing the economic performance of countries, but it cannot on its own give a complete picture of the well-being of a community. That requires the use of additional indicators that go beyond the purely economic. With the digital and green transitions set to shape our future, and as we emerge from the COVID-19 pandemic, we have an opportunity to develop the phrase 'beyond GDP' from a well-intentioned slogan to a tool that can help inform a more structured debate on social and environmental issues. However, as this paper shows, this requires addressing at least two key issues. The first of these is the selection and endorsement of indicators. This is important since the value of this exercise will depend on the extent to which indicators win political acceptance both within and beyond the EU. The second issue is how such indicators are to be used - will they be used for communication purposes, or as input to the policy-making process, or both? Unless there is clarity on these issues, 'beyond GDP' risks remaining an empty shell.

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WHAT DOES GDP MEASURE AND WHAT ARE ITS LIMITS?

In the West, the basic standard by which to measure the nation state has long been the size of its economy. The wealth of nations - first introduced by Adam Smith in 1776 - was the starting point. The economist Diane Coyle describes how the rapid economic growth resulting from the industrial revolution sparked increased interest in how to measure economic growth, and led to national income accounting gaining widespread acceptance¹. Over the same period, statistics as a discipline developed and matured. Modern GDP took shape during the 20th century as a result of a combination of political and economic forces². Thanks to the System of National Accounts (SNA), internationally agreed and revised from time to time (most recently in 2008), national accounts statistics have become virtually the only reliable and universal indicator to measure and compare the performance of over 200 nations and territories³. The SNA also sets the standard for measuring GDP, which is intended to be a comprehensive measure of the total gross value added produced by all resident institutional units in a country⁴.

Thanks to the regularity with which data can be compiled, the fact that it is a composite indicator, and its comprehensive nature, the value of GDP as a basis for macroeconomic policy is largely unchallenged. In the words of Coyle: 'GDP, for all its flaws, is still a bright light shining through the mist'⁵. There are, however, also clear limits to the use of GDP - which follow on from the fact that it was never developed as a universal benchmark. By concentrating on an economic metric, it cannot offer an assessment of the *well-being* of a society in the broader

WHY LOOK AT A SET OF INDICATORS BEYOND GDP?

Thinking about welfare began to change in the 1970s with the report from the Club of Rome on *The Limits to Growth* (1972)⁹. The end of the Cold War and the growth of the global economy prompted a fresh look at some of the fundamentals of what is required to create a flourishing society. This coincided with increased awareness generally of the importance to society of non-economic factors such as the environment and the provision of healthcare. It also became clear subsequently that ultra-liberal economic policies were leading to greater inequality, which tended to undermine the cohesiveness of societies.

Over recent decades, there have been a significant number of initiatives to try to encapsulate the concept of well-being in a more structured way¹⁰. These have gone under a wide

sense of the word. It ignores social and environmental aspects, does not reflect the distribution of overall wealth across a society, and lacks a forward-looking perspective. By way of example, extracting all the natural gas in the Netherlands' Groningen gas field would lead to a sharp rise in GDP from the sales of gas, but come at the cost of further earthquakes in the region. By its nature, GDP disregards economically unproductive yet socially beneficial activities (such as unpaid home care), with the result that it defines economic growth in a very limited way. Furthermore, as shown by the OECD in its 2020 *How's Life* report, 'while some well-being gains since 2010 have gone hand-in-hand with recent GDP growth, this is far from guaranteed in all cases - especially with regard to health, inequalities and the environment'⁶.

In addition, the dominance of GDP as a point of reference for measuring societies is sometimes considered to have nefarious consequences in that it can lead to an exaggerated focus on economic growth to the detriment of social and environmental goals. Pooran Desai, CEO of OnePlanet.com, reminds us that 'wealth creation is not just the creation and accumulation of financial capital - it is also the creation of environmental and social capital'⁷. Economist Mariano Mazzucato, who agrees with Coyle that GDP is 'inherently flawed', goes as far as saying that GDP 'is used to justify excessive inequalities of income and wealth while trying to turn value extraction into value creation'⁸. Following that line of thought, the pursuit of an ever higher GDP (and, more generally, the pursuit of 'growth' as an end in itself) looks unsustainable in the longer term.

range of headings of which 'beyond GDP' is only one. In 2008, French President Sarkozy set up a commission on the measurement of economic performance and social progress led by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi. Its aim was to identify the limits of GDP as an indicator of economic performance and social progress, to assess the feasibility of alternative measurement tools, and to discuss how to present the statistical information in an appropriate way¹¹. The resulting report prompted a resurgence of interest in the issue and led to a number of initiatives both in Europe¹² and beyond. These initiatives generally do not aim at *replacing* GDP by creating an alternative, but rather *complementing* it with a broader set of indicators that, at least partly, address aspects that GDP does not capture.

Beyond GDP Key Events Timeline



Sources: *Institute du développement durable et des relations internationales (2015)*¹³ and *European Commission*

Why is the issue on the agenda now? Periods of economic decline or uncertainty have sparked renewed interest in ways to measure well-being and incorporate it in the policy debate in a more structured way. Crises of different sorts can prompt economists to reflect on the limits of GDP, and encourage those in other disciplines to question the traditional monopoly by economists over how we measure our lives. Crises are an occasion for wider reflection on the nature of our societies, and can

create opportunities to 'build back better'. The COVID-19 pandemic has had far-reaching impact on our collective and individual well-being, and in some cases has accelerated long-term socio-economic trends, for example in the area of work¹⁴. As a result, some consider the response to the crisis as an opportunity to re-think some of the fundamentals of how we organise our societies, to re-define what is important, and to look at how different metrics could help us do this.

SHOULD THE EU TAKE UP THIS ISSUE?

Europe has traditionally taken a broader view of what is important for a society to flourish, linking economic and social progress. The European model of society includes an unparalleled level of social protection, a lower level of inequality than, for example, the US¹⁵, and relatively affordable rental housing¹⁶. However, although the social dimension is generally regarded as a key element in supporting and sustaining the EU's social market economy, it has suffered from the EU's limited competences in this area. This has led to relatively limited importance being attached to social objectives compared to internal market, macroeconomic and fiscal objectives¹⁷. The result is a somewhat distorted message about what the European model of society is, and what is considered to be important.

Although EU policies already take into account a range of indicators other than GDP, these differ depending on the issue and policy area, and there is no systematic or consolidated assessment of key aspects related to well-being. Over the past decade, there have been a number of initiatives to try to redress this imbalance¹⁸. These include the Charter of Fundamental Rights of the EU (adopted in 2000 and legally binding as from 2009) and the European Pillar of Social Rights (launched 2017)¹⁹ and its corresponding Action Plan (March 2021)²⁰. The Europe

2020 targets - with five headline targets that reflect a broader view of how Europeans assess a prosperous society - have been key to building up a statistical capacity for measuring living standards and developing the Social Scoreboard. As regards environmental aspects of well-being, the challenge of climate change has come centre-stage, witnessed by the rise of green parties across Europe²¹, and environmental concerns have been drawn into the heart of policy-making, with climate targets influencing a wide range of EU legislative proposals. Nevertheless, despite these various initiatives, a systematic and comprehensive consideration of social or environmental indicators does not exist at EU-level.

The commitment to take into account a broader set of criteria is key to a strong and social Europe that is fair, inclusive and full of opportunity, where quantity (of economic growth) is matched by quality (of life). This has become even more relevant in the context of the EU's response to the COVID-19 pandemic as well as to the challenges presented by the digital and green transitions. A more structured, visible and comprehensible role for a broader set of well-being indicators could serve the purpose of demonstrating that, whilst the EU is not a world leader when it comes to GDP growth, its performance is much more impressive if indicators

focussing on social development are taken into account. But if the phrase 'beyond GDP' is to become more than

just a well-intentioned slogan, clarity is needed over the definition and purpose of such exercise.

HOW TO SELECT AND DEFINE INDICATORS?

The key question, and arguably one of the major obstacles, in looking 'beyond GDP' in a more structured way is the selection of indicators. Even though the limitations of using GDP alone as an indicator are widely acknowledged, it is very difficult to see how it could be expanded in a way that would be universally useful. At the root of this issue is a very basic (and somewhat philosophical) question about how we define well-being or happiness. This is a highly subjective issue, where different cultural backgrounds and traditions play a role. In Africa, well-being is often referred to by using the term 'Ubuntu' ('I am because we are'), laying emphasis on the community aspect of well-being, while in Ecuador and Bolivia the notion of 'buen vivir' (which stresses the importance of development in harmony with nature) is enshrined in the constitution and government policies²². Even within the EU, with a relatively harmonised set of values, different Member States are likely to have different views on what is meant by 'well-being' or 'happiness', and as a result even more varied ideas of how to achieve it.

Aside from the philosophical question, there are a number of questions related to methodology which have so far prevented real progress being made in establishing a single 'beyond GDP'-framework. A key issue is whether to opt for a dashboard of indicators, or one overarching composite index – each offers different advantages and presents different challenges²³. Further considerations include the balance between objective indicators that are believed to influence well-being (education, life expectancy, material living conditions) against subjective indicators (a perception that society is just; happiness levels, life satisfaction) and the level of measuring (national, regional, etc...). Their intended use will influence the type of indicators selected (advocacy-driven versus knowledge-driven motivation) as well as the most appropriate process of selection (bottom-up

versus top-down)²⁴. Since it is not possible to do justice to the extensive research carried out in this field, this paper addresses only a few of the more basic political questions related to the choice of indicators.

If well-being measures are to be used and - more importantly - are to be useful, a discussion on their selection cannot be avoided. A selection exercise even at EU-level would inevitably expose very different positions on the relative importance of indicators. The potential benefits of establishing a new measure of well-being has therefore to be set against the political capital that would be required to reach an agreement. The process itself could be fraught, and even if there is a positive outcome, it risks being at the level of the lowest common denominator.

To avoid the process of selecting a completely new set of indicators, one option could be to use an existing and broadly accepted set, such as the OECD Better Life Index, as a starting point, or to give a much higher profile to the Quality of Life indicators published by Eurostat. At the same time, those might not be considered sufficiently comprehensive: in its conclusions of 24 October 2019 on the Economy of Wellbeing²⁵, the Council took the view that a very wide range of issues is relevant to well-being.

Since the selection of indicators is a highly political decision, the extent to which society as a whole takes them seriously will depend on its confidence in the political institutions making that selection, as well as on the level of trust in the data presented. Even if indicators were based on a solid statistical base, it is difficult to see them gaining the same degree of confidence as GDP, which despite its shortcomings, has over many decades, even centuries, enjoyed widespread acceptance and credibility.

HOW MIGHT A BROADER SET OF INDICATORS BE USED?

A broader set of indicators could be established for different purposes. Generally speaking, those can be summed up under two headings: as a communication tool or to inform policy-making.

'Beyond GDP'-indicators as a communication tool

At its simplest, communication on well-being indicators is no more than a way of showing citizens that policymakers are sensitive to a range of issues which impact on their daily lives. One of the advantages of using GDP as a measure is that it seems to be simple enough to be understood (crudely: up is good, down is

bad). A set of indicators on well-being would be difficult to present as a neat single digit, and would therefore be more of a challenge to communicate. Nevertheless, well-being indicators can be singled out to highlight problems, identify responses, and perhaps draw attention to a policy success²⁶. Depending on the aim of the exercise, they can also be used to compare the EU with other global powers (US and China are obvious examples), or to make comparisons between individual Member States.

Research on the use of well-being-indicators has shown that by using them to help communicate on a political agenda, they can actually increase the chances of actually being used as an integral part of that agenda²⁷, although it is more challenging to use them in order to influence policy decisions. But messaging on well-being which is detached from policy-making risks being criticised for being more about good intentions than substance.

'Beyond GDP'-indicators to inform policy-making

National experiences of using well-being indicators as an *input* to policy-making have led to a number of positive lessons learnt (see Annex I). Indicators can also be used to measure policy *output* - possibly even in the form of binding targets - which makes their use arguably even more impactful.

As mentioned earlier, a wide range of indicators beyond GDP already informs and steers specific EU (and national) policies. Some of those are input indicators, such as the Eurostat Quality of Life statistics. Others can be considered as indicators of output, such as the 2030 climate and energy targets, the European Pillar of Social Rights Action Plan (for which the Commission has proposed headline targets for 2030 in the areas of employment, skills, and social protection), and the internationally agreed Sustainable Development Goals (SDGs). The (non-binding) SDGs represent perhaps the most consensual view at the global level of what constitutes a prosperous society.

Nevertheless, well-being at EU-level is normally considered on an ad hoc and largely *informal* basis. Recognising in a more *formal* and coherent way the use of a wider set of indicators in the policy formulation process would help provide a more structured debate on social issues by improving transparency, accountability and the reliability of public policies²⁸. Stiglitz, Fitoussi and Durand argue that 'to deliver *better policies for better lives*, well-being metrics should be used to inform decisions at all stages of the policy process, from identifying priorities for action and aligning programme objectives to investigating the benefits and costs of different policy options; from making budgeting and financing decisions to monitoring policies, programme implementation and evaluation'²⁹.

Well-being indicators in China

The main indicators of economic and social development under China's 14th Five-Year Plan include not only GDP and labour productivity growth, but also non-economic indicators (some of which include binding targets), such as the number of years of education received by the working-age population, basic old-age insurance coverage, the number of nursery school places, and grain and energy production capacity³⁰. In the case of China, looking beyond GDP is also a way of taking steps towards achieving greater strategic autonomy. And as such, the indicators are used not only to inform and measure policy, but also as a communication tool, both domestically and to the outside world.

Well-being indicators in the US

The US Census bureau is a federal statistical agency which collects well-being statistics³¹. Unlike China, no binding targets exist at federal level, but well-being has found a place in policy-making at the level of certain states and cities. One example is the *California Women's Well-Being Index* which measures data on women state-wide (58 California counties). This index is used to promote equality and justice for all women and girls by advocating on their behalf with the Governor, the Legislature and other public policymakers³². A local example is the *New York City's 'OneNYC 2050' strategy*. First released on 22 April 2019, the strategy outlines eight goals and 30 related initiatives that align with the SDGs, and is accompanied by an action plan and ten indicators to track progress on implementation³³.

Lessons learnt from national experiences

Institute for Sustainable Development and International Relations (IDDRI) Report



Source: *Institute du développement durable et des relations internationales (2014)*³⁴

HOW COULD A BROADER SET OF INDICATORS BE PUT INTO PRACTICE IN THE EU?

Well-being-indicators could be used to start a broader political debate about the different objectives of any particular EU policy. They can also help demonstrate more clearly to a wider audience that the EU does reflect aspects of well-being across a range of policies, not least those needed for the EU to recover from the pandemic. The Porto Declaration following the Social Summit of 8 May 2021 was used as an opportunity to send a message to Europe's public that, following the disruptive impact of COVID-19, there is renewed recognition by leaders of the importance of well-being and that policies need properly take this into account. However, despite the many ways in which well-being is already being considered in EU policy-making, until now there has been no over-arching or formal process that incorporates a range of indicators into all aspects of EU policy-making. Nevertheless, if the political will exist, there are numerous ways in which it could be put into practice. The following are a few examples.

The European Semester framework already includes social, environmental and health aspects, and there has been a steady if limited expansion of social aspects in the Annual Growth Survey and Country Specific Recommendations³⁵. Currently, the response by national

governments to the implementation of country specific recommendations remains very patchy, and the focus of the Semester's implementation is still very much the economic dimension, particularly at the political level³⁶. However, a political commitment at the highest level could change that.

The Regulation establishing the Recovery and Resilience Facility stipulates that the Commission, when assessing the national Recovery and Resilience Plans, shall take into account, among many other things, whether they contribute to the implementation of the principles of the European Pillar of Social Rights and to improving the levels of the indicators of its Social Scoreboard.³⁷ While this provides a certain degree of conditionality, however, there is no guarantee that the output of the plans will reflect those intentions.

Indicators could also be used by the Commission to expand the impact assessments that already accompany proposals that are expected to have significant economic, social or environmental impacts³⁸. They could in future include a systematic assessment of the proposal against a number of predefined criteria in the areas of social, economic or environmental development.

WHAT WOULD BE THE CHALLENGES AT NATIONAL, EU AND GLOBAL LEVEL?

Incorporating well-being-indicators in EU communication and/or policy-making would pose challenges at various levels. First of all, the question arises if all Member States - which retain competence in policy areas such as the labour market, education and health care - would be ready to sign up to a comprehensive assessment of well-being indicators at EU-level, even if their use were limited to communication, monitoring or agenda-setting purposes (ie with no direct link to policy-making). Aside from the very real difficulties likely to be confronted when trying to agree on a set of indicators, using broader indicators as a comparative communication tool at EU level is not without risk. Like GDP, well-being indicators will inevitably expose differences - sometimes very significant - between the performances of Member States, effectively pinpointing laggards as well as highlighting success stories. A wide range of indicators would give individual Member States more scope to draw attention to specific areas where they have a successful track record, but could also amount to a watering down of the credibility of the exercise. On the upside, well-being indicators have the potential to act as an incentive to Member States to step up their efforts in areas where they are lagging behind. There would however need to be a conscious effort to maintain awareness of the indicators if the political commitment were to be sustained.

At the global level, well-being indicators could be used alongside GDP to widen the scope for assessing and comparing the performance of the EU and that of global powers. There would probably be a very mixed reaction to such an initiative, which could be seen as a cynical move by the EU to deflect attention from its own more modest GDP performance. Sympathetic countries would probably not carry much weight in a global debate on the issue.

Even in the unlikely event of an acceptance in principle, at global level, that well-being deserves a place alongside GDP, the very different models of society, not least between the EU, US, and China, would make it politically very difficult, if not impossible, to agree on any standard list of indicators. Securing a global agreement looks nigh on impossible. Countries will inevitably focus on those indicators that show them in a good light. The recent high-level meeting between the US and China in Alaska in March gave some indication of the likely difficulties. In addition to criticising the state of US democracy, China's top diplomat Yang Jiechi told US Secretary of State Anthony Blinken that whilst 'China's per capita GDP is only one-fifth that of the US, we have managed to end absolute poverty for all people in China. And we hope that other countries, especially the advanced countries, will make similar efforts in this regard'³⁹.

Article 3 of the Treaty on the European Union tells us that 'the Union's aim is to promote peace, its values and the well-being of its peoples'. As this paper has shown, there are many challenges to developing and using measurements of well-being. But as Stiglitz, Fitoussi and Durand point out, **'what we measure affects what we do. If we measure the wrong thing, we will do the wrong thing. If we don't measure something, it becomes neglected, as if the problem didn't exist'**⁴⁰.

This perhaps serves as a warning, that, despite all the difficulties, we should be giving serious consideration to broadening the way in which we measure and assess our quality of life, and to acknowledge that GDP on its own is no longer a satisfactory metric against which our societies should be judged.

Beyond GDP initiatives:

6 Country Experiences

Australia "Measuring Australia's progress"	United Kingdom "Measuring National Wellbeing Programme"	France "Stiglitz Commission"	Germany "W3 Indicators"	Belgium the "complementary indicators" Act	New Zealand "Living Standards Framework"
<p>What?</p> <ul style="list-style-type: none"> A dashboard-form with 26 themes divided into 4 areas: society, economy, environment and governance since 2002. For each theme, yearly changes are published based on three classifications: progress, regress or no great change Used a Reference Group composed of stakeholders to define which indicators, what form and how to calculate them <p>By Who?</p> <ul style="list-style-type: none"> Australian Bureau of Statistics (ABS) chief statistician, Dennis Trewin Trewin teamed up with collaborators and engaged a dialogue with three groups of stakeholders: statisticians, politicians and civil society. <p>Main Audience?</p> <ul style="list-style-type: none"> General public but political and academic communities were also interested <p>Why?</p> <ul style="list-style-type: none"> Growing interest of civil society, governments and the international community 	<p>What?</p> <ul style="list-style-type: none"> Launched in November 2010 Includes more than thirty indicators grouped under ten dimensions: Personal well-being, Our relationships, Health, What we do, Where we live, Personal finance, Economy, Education and skills, Governance and Natural environment. The dashboard can be consulted online and is presented in an interactive version was based on surveys <p>By Who?</p> <ul style="list-style-type: none"> Prime Minister David Cameron and the UK Office of National Statistics (ONS). A Wellbeing unit was set up within the Cabinet Office. <p>Main Audience?</p> <ul style="list-style-type: none"> Indicators are widely used by policy-makers <p>Why?</p> <ul style="list-style-type: none"> To develop an accepted and trusted set of National Statistics that people can refer to as a primary source to assess the UK's wellbeing. 	<p>What?</p> <ul style="list-style-type: none"> INSEE published a dashboard of sustainable development indicators based on Stiglitz Commission's work 2009 comprising a set of 20 indicators that can be grouped into 6 dimensions: health, demographics, economy, social, environment and governance.. <p>By Who?</p> <ul style="list-style-type: none"> President Nicolas Sarkozy, a commission with some forty members and led by three economists (two of them Nobel prize winners). <p>Main Audience?</p> <ul style="list-style-type: none"> For civil society, Policy-makers and Politicians <p>Why?</p> <ul style="list-style-type: none"> In the context of the financial crisis, the French president has criticised GDP on several occasions for its inability to reflect the progress of society 	<p>What?</p> <ul style="list-style-type: none"> In 2013, W3 indicators include nine indicators that complement GDP 3 dimensions: the economy, ecology and wellbeing. For each of these three areas, in addition to the 10 indicators (GDP + 9 complementary indicators), there are nine "warning lights" to show whether critical limits have been exceeded in given areas. <p>By Who?</p> <ul style="list-style-type: none"> Initiated by the "Study Commission on growth, wealth and quality of life" set up by the Bundestag <p>Main Audience?</p> <ul style="list-style-type: none"> Initially for both the public and politicians <p>Why?</p> <ul style="list-style-type: none"> To put into perspective GDP and open it to public debate. 	<p>What?</p> <ul style="list-style-type: none"> Initiated in 2014 it sets the goal of developing indicators to complement GDP "to measure quality of life, human development, social progress and the sustainability of our economy. The set of indicators should be narrowed to as small of a number as possible. <p>By Who?</p> <ul style="list-style-type: none"> Belgian Senate and was voted in by the Chamber, following the Senate's vote. <p>Main Audience?</p> <ul style="list-style-type: none"> To structure debate between the general public and politicians. Also used by public institutions such as the Banque Nationale de Belgique <p>Why?</p> <ul style="list-style-type: none"> With the rise of the ecologist party, the need to shift policy focus by introducing new indicators 	<p>What?</p> <ul style="list-style-type: none"> Launched in 2019 New Zealand has combined wellbeing measurement with an approach to budget allocation. the first-ever national budget to specifically emphasize wellbeing and explicitly focus government spending on social issues. <p>By Who?</p> <ul style="list-style-type: none"> Prime Minister Jacinda Ardern's Labour government <p>Main Audience?</p> <ul style="list-style-type: none"> General public and Policy-makers <p>Why?</p> <ul style="list-style-type: none"> aims to achieve concrete change in areas of real importance for New Zealanders, including better support for disadvantaged Maori and Pacific Islander communities, better mental health outcomes, reductions in child poverty, and a transition to a low-carbon economy.

Sources: *Institute du développement durable et des relations internationales (2014)*⁴¹, *Social Progress Imperative*⁴² and *New Zealand Treasury*⁴³

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- ² Ibid., p. 13.
- ³ The System of National Accounts has been produced and is released under the auspices of the UN, the European Commission, the OECD, the IMF and the World Bank Group. The National Accounts Main Aggregates Database presents a series of analytical national accounts tables from 1970 onwards for more than 200 countries and areas of the world: <https://unstats.un.org/unsd/snaama/>.
- ⁴ It does not record *all* outputs, because it does not capture domestic and personal services produced and consumed by members of the same household. System of National Accounts (2008), <https://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>, p. 6.
- ⁵ Coyle, Diane (2014), op. cit. (note 1), p. 145.
- ⁶ OECD (2020), *How's Life? 2020 Measuring Well-Being*, Paris: OECD Publishing, p. 16.
- ⁷ Desai, Pooran (2018), 'GDP is destroying the planet. Here's an alternative', *World Economic Forum*, <https://www.weforum.org/agenda/2018/05/gdp-is-destroying-the-planet-heres-an-alternative/>.
- ⁸ Haridasani Gupta, Alisha (2020), 'An 'Electrifying' Economist's Guide to the Recovery', *New York Times*, 19 November 2020, <https://www.nytimes.com/2020/11/19/us/economist-covid-recovery-mariana-mazzucato.html>.
- ⁹ For a brief history of measuring welfare, see Boumans, Marcel (2019), 'De lange geschiedenis van het meten van welvaart', *Economisch Statistische Berichten*, vol. 104:4772S, pp. 53-56.
- ¹⁰ To name just a few: the UN's Human Development Index, the OECD's Better Life Index, the Genuine Progress Indicator, the Sustainable Development Goals, the Happy Planet Index... It is worth noting that alongside public initiatives, also private enterprises to 'change the metrics' have emerged, like the Economic of Mutuality foundation that looks into the question what is the right level of profit for a corporation.
- ¹¹ Stiglitz, Joseph E., Amartya Sen and Jean-Paul Fitoussi (2009), *Report by the Commission on the Measurement of Economic Performance and Social Progress*, https://www.researchgate.net/publication/258260767_Report_of_the_Commission_on_the_Measurement_of_Economic_Performance_and_Social_Progress_CMEPSP, p. 7.
- ¹² For an overview of initiatives in Member States and by the EU institutions, see https://ec.europa.eu/environment/beyond_gdp/index_en.html.
- ¹³ Demailly, Daniel, Lucas Chancel, Lucien Lewertowski-Blanche and Laura Brimont (2015), 'New indicators of wealth in European governance', IDDRI Working Paper no. 17/15 December 2015, https://www.iddri.org/sites/default/files/import/publications/wp1715_en.pdf.
- ¹⁴ The Future of Jobs Report 2020 describes how the pandemic has accelerated the arrival of the future of work - largely due to automation, technology and globalisation (World Economic Forum (2020), *The Future of Jobs Report 2020*, p. 9, http://www3.weforum.org/docs/WEF_Future_of_Jobs_2020.pdf). This has far-reaching consequences in terms of worker displacement, the need for reskilling and upskilling, and the risk of widening inequalities.
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- ¹⁸ Ibid., pp. 341-363.
- ¹⁹ https://ec.europa.eu/info/sites/info/files/social-summit-european-pillar-social-rights-booklet_en.pdf.
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- ²¹ Pearce, Nick (2019), 'The irresistible rise of Europe's Greens', *Financial Times*, <https://www.ft.com/content/a535ed94-aa30-11e9-90e9-fc4b9d9528b4>, 23 July 2019.
- ²² van Norren, D. (2017), *Development as service: A happiness, ubuntu and buen vivir interdisciplinary view of the sustainable development goals*, Prisma Print.
- ²³ For example, the choice for a composite index (which is easier to communicate and could in a sense be placed alongside GDP), would raise a host of other issues, starting with the relative weight to be given to each indicator.
- ²⁴ See also Sharpe, Andrew (1999), 'A Survey of Indicators of Economic and Social Well-being', Centre for the Study of Living Standards, pp. 41-49.
- ²⁵ Council document ST 13432/19.
- ²⁶ See also the German experience as described in Radermacher, Walter (2005), 'The Reduction of Complexity by Means of Indicators - Case Studies in the Environmental Domain', in: *Statistics, Knowledge and Policy. Key Indicators to Inform Decision Making*, Paris: OECD Publishing, pp. 163-173.
- ²⁷ Chancel, Lucas, Géraldine Thiry and Damien Demailly (2014), 'Beyond-GDP indicators: to what end? Lessons learnt from six national experiences', *Institut de développement durable et des relations internationales*, Study no. 4/12, p. 27.
- ²⁸ See also OECD (2005), *Statistics, Knowledge and Policy. Key Indicators to Inform Decision Making*, Paris: OECD Publishing

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- ²⁹ Stiglitz, Joseph E., Jean-Paul Fitoussi and Martine Durand (2018), *Beyond GDP: Measuring What Counts for Economic and Social Performance*, Paris: OECD Publishing, p. 118.
- ³⁰ A complete overview can be found on http://www.xinhuanet.com/english/special/2021-03/06/c_139788425.html.
- ³¹ U.S Census Bureau Depart of Commerce (2021) 'Well-Being' retrieved from <https://www.census.gov/topics/income-poverty/well-being.html>.
- ³² State of California (2021) 'CCSWG & the Women's Well-Being Index', *CCSWG. California Commission on the Status of Women and Girls*. <https://women.ca.gov/ccswg-the-womens-well-being-index/>.
- ³³ IISD (2019), 'New York City Aligns 2050 Strategy with SDGs', *SDG Knowledge Hub*, 6 June 2019, <https://sdg.iisd.org/news/new-york-city-aligns-2050-strategy-with-sdgs/>.
- ³⁴ Chancel, Lucas, Géraldine Thiry and Damien Demailly (2014), 'Beyond-GDP indicators : to what end? Lessons learnt from six national experiences', IDDRI Study no. 04/14 September 2014, <https://www.iddri.org/sites/default/files/import/publications/st0414en.pdf>.
- ³⁵ See Zeitlin, Jonathan and Bart Vanhercke (2018), 'Socializing the European Semester: EU social and economic policy co-ordination in crisis and beyond', *Journal of European Public Policy*, 25:2, pp. 149-174.
- ³⁶ See Maricut, Adina and Uwe Puetter (2018), 'Deciding on the European Semester: the European Council, the Council and the enduring asymmetry between economic and social policy issues', *Journal of European Public Policy*, 25:2, pp. 193-211.
- ³⁷ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility, Annex V, section 2, subsection 2.3.
- ³⁸ It is worth noting that for many of the initiatives proposed to respond to the COVID-19 pandemic (including flagship initiatives such as the Recovery and Resilience and Facility) no impact assessment was carried out 'due to the urgent nature of the proposal'.
- ³⁹ McCurry, Justin and agencies (2021), 'US and China publicly rebuke each other in first major talks of Biden era', *The Guardian*, 19 March 2021, <https://www.theguardian.com/world/2021/mar/19/us-china-talks-alaska-biden-blinken-sullivan-wang>.
- ⁴⁰ Stiglitz, Joseph E., Jean-Paul Fitoussi and Martine Durand (2018), *Beyond GDP: Measuring What Counts for Economic and Social Performance*, OECD Publishing, Paris, p. 13.
- ⁴¹ Chancel, Lucas, Géraldine Thiry and Damien Demailly (2014), op. cit. (note 34).
- ⁴² Social Progress Imperative (2019), 'Countries must emulate New Zealand's new wellbeing budget and move beyond GDP', <https://socialprogress.blog/2019/06/04/countries-must-emulate-new-zealands-new-wellbeing-budget-and-move-beyond-gdp/>.
- ⁴³ New Zealand Treasury (2019), 'Our living standards framework', <https://www.treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>.