

## Beyond-GDP indicators: to what end?

### Lessons learnt from six national experiences

Lucas Chancel (Iddri), Géraldine Thiry (FMSH-CEM),  
Damien Demailly (Iddri)

#### **BEYOND-GDP INDICATORS, AN OPPORTUNITY FOR POLICY MAKERS**

Beyond-GDP indicators, which are intended to complement or replace GDP, are attracting growing interest at local, national and international levels. Given the many limitations of GDP as well as the environmental and social crises, the uptake of Beyond-GDP indicators opens the way for constructing an innovative narrative and giving fresh impetus to the democratic debate. Beyond-GDP indicators thus constitute a window of opportunity for policy makers able to seize it.

#### **ALTHOUGH RECENTLY PROACTIVE ON THE NEW INDICATORS FRONT, FRANCE IS NOW LAGGING BEHIND**

Official authorities in several countries and regions have adopted Beyond-GDP indicators: in Australia, the United-Kingdom, Wales, Belgium, Wallonia and Germany, initiatives for Beyond-GDP indicators have sprung up with top-level support from executive or legislative bodies or administrations. France, a pioneer in thinking on new indicators (Méda, 1999; Gadrey & Jany-Catrice, 2004), proactive at regional level and more recently internationally known for the work of the Stiglitz Commission (2008), is today struggling to have these new indicators officially recognised and effectively used.

#### **BEYOND-GDP INDICATORS ARE INCREASINGLY EMBEDDED IN POLICYMAKING**

It is useful to consider how the Beyond-GDP indicators are put to practical use in countries other than France. Giving Beyond-GDP indicators official status makes no sense if they are not actually used. Today, these indicators have been mobilised to represent new forms of prosperity (symbolic role) and they are beginning to be used in the political arena (political role). In some countries, they appear in a growing number of reports that are amply discussed in the media and regularly commented on in parliament to evaluate governmental actions.

#### **DOES THE INSTRUMENTAL USE OF BEYOND-GDP INDICATORS NEED DEVELOPPING?**

Unlike GDP, Beyond-GDP indicators are not yet used instrumentally (to evaluate specific public policies). Today, there are ongoing debates between those who advocate the symbolic role of Beyond-GDP indicators and those who would like to use them to implement public policy. The role now played by Beyond-GDP indicators should be seen through the historical perspective of GDP, which did not impose itself as a yardstick overnight.

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## EXECUTIVE SUMMARY

### Six initiatives from abroad to inform the national debates on Beyond-GDP indicators

The development of Beyond-GDP indicators is attracting growing interest. In this study, we selected six initiatives by applying two filters. First, we limited our scope to Beyond-GDP indicators with a societal dimension, *i.e.* indicators or dashboards with multiple dimensions—economic, environmental and social mainly—and not simply sector-based. Second, we studied the initiatives supported by national and regional public authorities (administrations, executive or legislative branches of government). We do not address therefore initiatives supported by local authorities, non-governmental organisations and territories.

The four countries selected are Australia, the United Kingdom, Belgium and Germany. Two initiatives are supported by large regional authorities: Wallonia and Wales.

- **Australia** set up Beyond-GDP indicators as early as 2002, developed and supported by the Australian Bureau of Statistics. The dashboard comprises 26 dimensions grouped around four headline themes: society, economy, environment and governance. The dashboard has been published frequently and holds particular interest for the media and the general public. Although not initially designed to evaluate government actions, its indicators are regularly used by political staff.
- The **United Kingdom** has produced a comprehensive dashboard of Beyond-GDP indicators since 2011 under a national programme for measuring wellbeing. The Prime Minister David Cameron is behind this initiative. Monthly reports are published to comment on how the country is performing on different dimensions of wellbeing. Some indicators have been used to inform decision-making.
- **Wales** has had Beyond-GDP indicators since 2000. Today, they form a 29-indicator dashboard grouped around five headline indicators that inform on the evolution of resources, the environment, the economy, society and wellbeing. The setting up of these indicators is written into the 2006 Government of Wales Act (akin to a written constitution). The indicators are published in an annual report. Yet, they are hardly taken up in the media and political spheres.
- **Wallonia** adopted five headline indicators in 2013, addressing the social dimension (the social situation index and wellbeing index), environmental dimension (ecological footprint and environmental situation index) and economic capital. The initiative was supported at ministerial level. In May 2014, the Walloon Institute for Evaluation, Prospective and Statistics (IWEPS) published a report on these headline indicators, but so far this has not roused much interest from the media.
- **Belgium** ratified a law, early 2014, aimed at developing indicators to complement GDP. These indicators are being developed by the Belgian Federal Planning Agency. It is planned to include the results of these indicators in the annual report of the Banque nationale de Belgique and to submit them to parliamentary debate each year.
- In **Germany**, the “W3 Indicators” have been defined by a parliamentary Study Commission, along with proposals for their use. The set of ten indicators (GDP and nine complementary indicators) covers three dimensions: economy, ecology and quality of life. For each of these indicators, “warning lights” have been defined to show if critical thresholds have been exceeded. The Study Commission proposed that the Federal Government publish an annual report on wellbeing, with governmental expert groups

being mandated to officially comment on the indicators.

### Ten lessons learnt from these experiences in other countries

The study of national and regional experiences led us to formulate ten lessons learnt that could help to inform and enrich the debates on the formalisation of Beyond-GDP indicators, particularly in France:

1. The Beyond-GDP indicators adopted by the frontrunner countries are complementary to GDP and not a substitute for it. The choice not to “replace” GDP should not however overshadow the fact that GDP is by no means an ideal economic indicator given that it disregards economic issues such as the question of inequality or changes in national assets.

2. Promoting indicators to complement GDP is no longer the preserve of any specific political party. Yet, parties do not all advocate the same types of indicators.

3. Associating Beyond-GDP indicators with a political agenda increases the likelihood that they will be effectively used in policy making, by the media and by the public at large, but the longevity of Beyond-GDP indicators that have “political leanings” remains in question.

4. Beyond-GDP indicators have been supported at the highest levels of state (executive and legislative) in several countries. Support from the executive branch makes it much easier to launch the initiative and ensures backing from statistics institutes, at least in the short run.

5. Support from statistical bodies and their involvement in the initial phase of formalising the indicators, as well as in monitoring and calculating the Beyond-GDP indicators is important and necessary. Setting up exchange platforms that bring together both experts and laypeople can help to increase the legitimacy of the indicators.

6. A dashboard with a limited number of indicators is perceived as a compromise between the media impact that Beyond-GDP indicators can have (the need to have a reduced number of indicators) and their statistical robustness (the difficulty of aggregating several dimensions into a single indicator).

7. Three types of use can be distinguished for Beyond-GDP indicators: symbolic, when the indicator is used to represent the progress of a society; political, when it is used in the political arena to evaluate governmental action; and finally, instrumental, when Beyond-GDP indicators play a role in implementing or monitoring specific public policies. Today, Beyond-GDP indicators are above all used symbolically and—increasingly—politically.

8. A consultation process with civil society increases the symbolic power of Beyond-GDP indicators, establishes their legitimacy and visibility, while also acting as a catalyst for democratic debate and their political use.

9. Whereas GDP is used instrumentally (mainly to assess the impact of public policies upstream and downstream), Beyond-GDP indicators have not yet been mobilised in this way. One difficulty stems from the absence of a theoretical basis underpinning the links between these indicators and policy measures.

10. The progress made by Beyond-GDP indicators in political life should be seen in the light of GDP history. The symbolic, political and instrumental grounding of GDP did not come about in a day. To embed Beyond-GDP indicators more swiftly into policy making, their advocates need mainly to think about what use they wish to make of Beyond-GDP indicators so as to propose practical avenues to guide public policy.

### Conclusion

The Stiglitz-Sen-Fitoussi Commission, by the synthesis it made of the numerous dispersed pre-existing works in the field, helped to establish France as an international reference in the area of Beyond-GDP indicators thanks to its synthesis report on the numerous studies already undertaken but which had until then remained dispersed. Whereas several countries have already officially adopted Beyond-GDP indicators, France—although proactive at a subnational level—is struggling to step this up to a national level.

What lessons can France glean from the experience of other countries? The Beyond-GDP indicators are moving forward. Specifically, official Beyond-GDP indicators are slowly becoming more deeply embedded in political life—a dimension whose importance is often underestimated. The Belgian House of Representatives could soon be holding annual discussions on Beyond-GDP indicators, and a commission of experts will comment regularly on the German Beyond-GDP indicators. These European initiatives echo the French bill on Beyond-GDP indicators.

France can catch up its nascent lag at national level by adopting new indicators—note the many advantages of a dashboard with a limited number of “headline indicators” representing the social, environmental and economic dimensions—and by embedding them in French political life. If the barriers are to be lifted, other countries’ experiences clearly show that:

- Statistics institutes hold a key position, which can either impede or, on the contrary, drive

Beyond-GDP indicators, as in the case of Australia. In France, one way forward could be to create a dedicated innovation department within the INSEE (French national statistics body), specifically tasked with steering this work.

- Political support at the highest level is clearly a decisive advantage, as evidenced by Prime Minister David Cameron in the United Kingdom. An interministerial commission could be set up to provide statisticians with guidelines, but also to specify how Beyond-GDP indicators will be used (e.g. parliamentary debates, quarterly publication alongside or in the same document as GDP, etc.)

Although the current economic and social crisis is sometimes presented as an opportunity to disseminate Beyond-GDP indicators, it is often sparks apprehension. If the crisis lingers on, it may encourage a retreat into the safe haven of the “current model” and its headline indicators such as GDP. It may also discourage policy makers from taking Beyond-GDP indicators on board for fear of

this being perceived as an attempt to switch indicators so as to camouflage weak GDP recovery and high levels of unemployment.

Yet surely, Beyond-GDP indicators constitute an important tool for managing the economic and social crisis. This crisis is apparent not only in short-term GDP growth but also in its impacts on inequality, the health of the most vulnerable, malaise at work, etc. The Beyond-GDP indicators not only enable very long-term projection, but can also, as of now, help us to better understand the present crisis in all its social, economic and environmental dimensions. They restore meaning to political action by legitimising new discourses, and making it possible to avoid underestimating dimensions of prosperity that have so far been neglected. If the promises of Beyond-GDP indicators are to be fulfilled, all the stakeholders now need to reflect on the type of use that should be made of them. On this count, the experiences of other countries are beginning to provide us with some inspiring examples. ■





## 1. INTRODUCTION

In 2009, the Stiglitz-Sen-Fitoussi Commission submitted a report to the French President on the new measures of societal progress. Against a backdrop of financial crisis and the questioning of an unsustainable and unequal growth model, the critiques that for many years had been levelled against the gross domestic product (GDP) resonated anew (Meadows, 1972; Daly, 1977; Méda, 1999; Gadrey & Jany-Catrice, 2005). These critiques underline the inability of this key economic indicator to capture worrying developments such as widening income and wealth inequality or the degradation of the environment and public health.

Five years later, Beyond-GDP indicators have been adopted by the highest levels of state in several European countries, such as the United Kingdom and Belgium. France, on the other hand, whilst it managed to implement new indicators at regional level (Association des Régions de France, 2012; Laurent, 2013), is struggling to make headway on the national front. Certainly, sustainable development indicators exist and are written annually into reports such as the Appendix to the *Rapport économique, social et financier de la France* published by the French Ministry of Economy. However, they are not “presented” as an easy-to-understand Beyond-GDP indicator. They receive little coverage in the media and political debate and are not mobilised in any concrete way to evaluate public policy.

Yet, Beyond-GDP indicators represent an opportunity on several counts for policy makers that know how to seize it. The current abundance of new indicators is helping to reshuffle the cards of

political discourse, thus making it possible to legitimise new issues (Cassiers *et al.* 2014; Méda *et al.*, 2011; Röckstrom *et al.* 2013). Beyond-GDP indicators in fact offer political actors the possibility of constructing an innovative narrative: faced with the exhaustion of our current growth model (Demailly *et al.*, 2013), they can help to open up a new space for public action and breathe life back into the democratic debate in a context of in-depth reconsideration of political action and discourse.

Developing new indicators, however, is not enough in itself. The indicators also need to be put to use. However, effectively integrating the many initiatives underway into policy making still faces several obstacles. The discussions and efforts often focus on fine-tuning indicator methodology. The prerequisites for their effective use in policy making have received lesser attention, except in some recent studies.<sup>1</sup> These two aspects of the question are nonetheless complementary and mutually necessary: what sense would there be in having “good” (methodologically robust) indicators if they do not have an uptake in society? Conversely, how can indicators be mobilised—even if they have a high media profile—if they are not underpinned by a sound methodology?

Several countries have adopted Beyond-GDP indicators. By drawing on these national experiences, this study aims to provide lessons and recommendations to inform the debate on new indicators and on effectively embedding them at the national level, particularly in France. This work is a continuation of the BRAINPOOL European research project. Our conclusions have also been

1. BRAINPOOL (2014), Shift Project (2013), Carnegie Trust (2012).

enriched by the findings of a research seminar on the use of Beyond-GDP indicators<sup>2</sup> and a series of new interviews with key players (politicians, administrations or civil society) that participate in implementing Beyond-GDP indicators in the countries studied (see the Appendix on methodology).

We first present the six initiatives on Beyond-GDP indicators launched in countries other than France, focusing on five questions: i) what types of indicators have been adopted? ii) which key official actor initiated these new indicators? iii) what reasons were highlighted as compelling arguments for their uptake? iv) what process was used to develop the indicators? and v) what practical uses are made of the indicators today? Secondly, we set out the lessons learnt and recommendations likely to trigger and/or expand the political uses of Beyond-GDP indicators in France and other countries.

## 2. BEYOND-GDP INDICATORS: STUDY OF SIX NATIONAL INITIATIVES

Over the past few years, there has been an unprecedented rise in the development of Beyond-GDP indicators, one that has mobilised diverse actors at all scales: international institutions (European Union, OECD, World Bank, United Nations Development Programme (UNDP)), the United Nations Environment Programme (UNEP), central governments (United Kingdom) and regional governments (Wallonia and Wales), parliaments (Belgian and German), national statistics institutes (Australian Bureau of Statistics, INSEE in France), civil society representatives (community indicators in the United States, New Economics Foundation in the United Kingdom or the Global Footprint Network at international level) and academics. In 2008, the Stiglitz-Sen-Fitoussi Commission (“Stiglitz Commission”) synthesised the many studies carried out but which had remained dispersed until then—giving them a fresh visibility. More recently, the BRAINPOoL study (2014), aimed at identifying the factors underlying the institutionalisation of Beyond-GDP indicators, has given a fresh overview of new indicators in different European countries, regions and municipalities.<sup>3</sup>

In this study, we selected the initiatives by applying two filters. First, we limited the scope of the study to Beyond-GDP indicators with a societal dimension, which cover economic, environmental and social aspects and are considered as possible functional complements to GDP. We excluded from this category isolated sectoral indicators such as the obesity rate or wellbeing at work, each of which could nonetheless constitute a dimension for a new Beyond-GDP indicator. Second, we were interested in studying initiatives supported by national-level public authorities or large regions—and not therefore limited to the civil society or the academic community.

These two filters led us to select six initiatives undertaken in four countries: Germany, Australia, Belgium and the United Kingdom. Four were conducted at national level and two at regional level. In many respects, the two regional experiences, in Wallonia and Wales, can be viewed as being of the same vein as national experiences, given that both are highly empowered and enjoyed considerable political autonomy. We also present the case of France.<sup>4</sup>

Note that our choice of initiatives does not pre-judge the format of the indicators. Often, four types of indicators are distinguished: synthetic indicators, composite indicators, indicators built from subjective data and dashboards. A composite indicator is a single-number indicator which uses weightings to aggregate different variables that do not necessarily have a common unit of account, as for example, the Human Development Index (HDI<sup>5</sup>). A synthetic indicator aggregates variables that have the same unit of account, such as the “green” GDP (see Nordhaus & Tobin, 1973). A subjective indicator is built on the basis of what survey respondents feel (“Generally, do you feel satisfied with your life?”). A dashboard presents a set of indicators covering major societal issues, and may be very detailed (e.g., the obesity rate), but also composite, synthetic or subjective.

Below, we present the six experiences with Beyond-GDP indicators separately, structuring these overviews as answers to the five questions mentioned in the introduction:

- i) WHAT?: What types of indicators have been adopted?
- ii) WHO?: which key official actor initiated these new indicators?
- iii) WHY?: what reasons were highlighted as compelling arguments for their uptake? What is the stated position of Beyond-GDP indicators with respect to GDP?

2. Speakers at the seminar organised on 14 January 2014 at Sciences Po Paris included Martine Durand, Director of Statistics and Chief Statistician at the OECD, Eloi Laurent, a senior economist at OFCE and Florence Jany-Catrice, economist at the University of Lille and member of the FAIR network.

3. See: <http://www.brainpoolproject.eu/indicators-and-initiatives/>

4. For an overview of the initiatives in other OECD Member States, see OECD (2013).

5. See UNDP (1990).

Figure 1. Australia's Beyond-GDP indicators

Society	Economy	Environment	Governance
<ul style="list-style-type: none"> <li>✓ Health</li> <li>~ Close relationships</li> <li>~ Home</li> <li>~ Safety</li> <li>✓ Learning and knowledge</li> <li>~ Community connections and diversity</li> <li>? A fair go</li> <li>? Enriched lives</li> </ul>	<ul style="list-style-type: none"> <li>✓ Opportunities</li> <li>✓ Jobs</li> <li>✓ Prosperity</li> <li>✗ A resilient economy</li> <li>✓ Enhancing living standards</li> <li>~ Fair outcomes</li> <li>✓ International economic engagement</li> </ul>	<ul style="list-style-type: none"> <li>? Healthy natural environment</li> <li>~ Appreciating the environment</li> <li>? Protecting the environment</li> <li>✗ Sustaining the environment</li> <li>✓ Healthy built environments</li> <li>? Working together for a healthy environment</li> </ul>	<ul style="list-style-type: none"> <li>~ Trust</li> <li>? Effective governance</li> <li>✓ Participation</li> <li>? Informed public debate</li> <li>? People's rights and responsibilities</li> </ul>

*Legend*

- ✓ The headline progress indicator for this theme has shown progress.
- ✗ The headline progress indicator for this theme has shown regress.
- ~ The headline progress indicator for this theme has not changed greatly.
- ? There is data gap for this theme as there is currently no headline progress indicator.

Source: Australian Bureau of Statistics, 2013, p.5.

iv) HOW?: what process was used to develop the indicators?

v) TO DO WHAT?: What were uses were initially planned for the indicators? What practical uses are made of the indicators today?

## 2.1. Australia: *Measuring Australia's Progress*

**What?** Each year since 2002, the Australian Bureau of Statistics (ABS) has produced a set of statistics in dashboard-form with 26 themes<sup>6</sup> divided into 4 areas: society, economy, environment and governance. This initiative is designed to answer the question “Is life in Australia getting better?” Each of the 26 themes has indicators representing the evolution of the theme’s different dimensions, as shown in Figure 1. For instance, the economic opportunities indicator reflects the trends of four sub-indicators: employment (employment rate), business (new business entry rate), living standards (net national disposable income per capita) and “capabilities” (% people having attained or exceeded a given level of education). A further example, the “Close relationships” indicator, synthesises the trends of four indicators: positive relationships (% people who feel able to talk about important issues with their family and/or friends), caring (% people who can count on support from people outside the household in times of crisis), children (% children who are developmentally vulnerable due to their physical health and wellbeing), time (% people who are pressed for time). For each theme, the Australian dashboard publishes the yearly changes based on three classifications: progress, regress or no great change.<sup>7</sup>

6. In 2013.

7. For a more detailed view of each dimension, visit: <http://www.abs.gov.au/ausstats/abs@.nsf/mf/1370.0>

**Who?** The initial impetus for the *Measuring Australia's Progress* (MAP) project came from the former ABS chief statistician, Dennis Trewin,<sup>8</sup> who wished to integrate national progress measurements into the official statistics.

The first step in this initiative was put in place at a major conference, “Measuring Progress: Is Life Getting Better?” (Eckersley, 1998) which attracted many leading Australian figures. To carry out his project, Trewin teamed up with collaborators and engaged a dialogue with three groups of stakeholders: statisticians, politicians and civil society. It seems that the dialogue with statisticians was the most complicated.

In the dialogue with civil society, the ABS initially encountered resistance from some civil society members, notably in a media debate sparked by an intellectual who was highly critical of the statistical methods used. Moreover, detractors widely disseminated the message that the ABS had no mandate to measure social progress.

Dialogue with political spheres also met with some difficulty. At the time consultation with ABS was in train, the Ministry of the Environment was launching its own sustainable development programme involving the development of its own indicators. The Treasury was in favour of the project. Most members of the administration and a government fringe that the project initiators had met with were also favourable to the project quite simply for the sake of “doing things better”. Yet the government’s enthusiasm for this initiative was apparently directed above all to indicators that were not likely to risk putting the government in a difficult position, which excluded those that foregrounded failures in dealing with poverty or wellbeing, for example.

8. Chief statistician of ABS between 2000–2007.

**Why?** The reasons presented on the MAP platform relate to the growing interest of civil society, governments and the international community in the nexus between the economic, social, environmental and governance dimensions.<sup>9</sup>

**How?** The MAP design process involved several phases. As a first step, the authors discussed the choice of approach. From among single-number indicators, extensions to national accounts and stand-alone indicator dashboards, they chose the third option. Secondly, they had to choose which dimensions the dashboard was to include. According to Trewin, this step is the most delicate one. To integrate a broad spectrum of worldviews when defining the programme's dimensions, various stakeholders were consulted using a Reference Group.<sup>10</sup> Once the target audience, the method and the dimensions had been defined, the choice of how to calculate these dimensions was made.

**To what end?** Among policy makers, experts and general public, the MAP developers chose the general public as its main audience: "Whether life is getting better" is a question in which everyone is potentially interested... *Measuring Australia's Progress* was targeted at the general public" (Trewin & Hall, 2004).

MAP has been the subject of many reports and publications. It has also been presented and made available to users and the general public.<sup>11</sup>

The authors recognise that the reports produced by the ABS have also sparked keen interest from the political and academic communities. Importantly, Trewin states that: "we were careful to ensure that the publication looked at the nation's, not the government's progress and so avoided looking at indicators tied to certain policies" (*Ibid.*).

In terms of influence, as Trewin himself recognises: "It is fair to say the report has had more

influence on public debate rather than policy debate" (*Ibid.*).

For MAP's initiator, Dennis Trewin, there is no question of imposing what a "good life" should be. Instead, each person looks at the indicators and applies their own values and preferences, and thus makes their own assessment of national progress.<sup>12</sup>

According to Trewin, the initiative received an enthusiastic welcome from the media.<sup>13</sup>

## 2.2. United Kingdom: the Measuring National Well-being Programme

**What?** The dashboard produced by the Measuring National Well-Being Programme (MNWP) launched in November 2010 includes indicators covering domains such as health, social relationships, economic security, education, the environment and measures of subjective wellbeing. The dashboard can be consulted online and is presented in an interactive version, as in the example shown in Figure 2.<sup>14</sup> The MNWP covers 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.

It should be noted that the United Kingdom uses subjective wellbeing indicators in line with the Stiglitz Commission's recommendation for national statistics to take into account subjective indicators. The UK Office of National Statistics (ONS) introduced four questions into its annual Integrated Household Survey: "Overall, how satisfied are you with your life nowadays?", "Overall, how happy did you feel yesterday?", "Overall, how anxious did you feel yesterday?", "Overall, to what extent do you feel the things you do in your life are worthwhile?".

Since 2012, over 200,000 respondents have been asked these four questions every year.<sup>15</sup> As for the

9. <http://www.abs.gov.au/ausstats/abs@.nsf/Lookup/1370.omain+features672013>: "This interest in presenting a more complete picture of progress (combining GDP with other economic, social and environmental measures), is the prime reason the ABS originally developed MAP and has continued to publish data in this format".

10. "Giving stakeholders some ownership in the publication was almost as valuable a determinant of the publication's success as the advice they gave. A Reference Group of experts was established to help us develop MAP but there was also extensive public consultation" (Trewin & Hall, 2004).

11. "The progress indicators provide the building blocks to which readers can apply their own evaluations to assess whether a nation is on balance progressing and at what rate. Readers can use a publication in three ways to assess progress: first, by examining the data and reading comments about each indicator's historical movements; second, by reading the discussion of links between indicators; and third, by reading the comments about factors that influence change and the national assets that may support future progress" (Trewin & Hall, 2004)

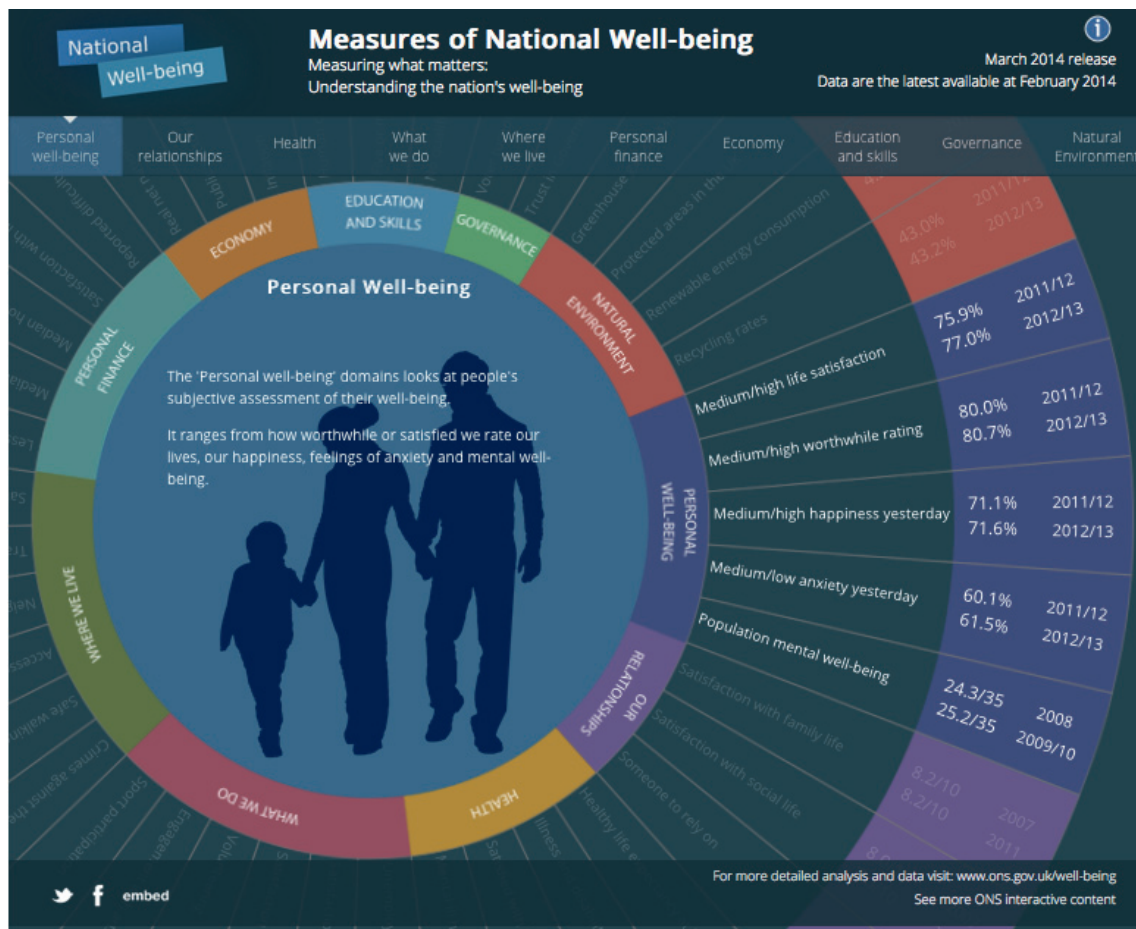
12. "The approach makes no overall assessment about whether the array of statistical indicators presented implies that life is getting better or worse. Instead, the suite of indicators leaves each individual reader to apply their own values and preferences to the evidence, and to arrive at their own overall assessment of national progress" (Trewin & Hall, 2004: 2).

13. "MAP received widespread media coverage particularly at the time of release. It is often cited as a reference in Parliament and elsewhere..." (Trewin & Hall, 2004). This media success was corroborated when Trewin was awarded the "Smart Australian" prize for his contribution to furthering informed debate in Australia.

14. <http://www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc146/wrapper.html>

15. As a reminder, the INSEE's household budgets survey,

Figure 2. New Beyond-GDP indicators in the United Kingdom



Source: <http://www.neighbourhood.statistics.gov.uk/HTMLDocs/dvc146/wrapper.html>

objective dimensions, the programme integrates measures of economic wellbeing: median household income, consumption and wealth. On the other hand, there is no income- or wealth- inequality indicator in the British MNWP. Concerning the environment, the Department for Environment, Food and Rural Affairs (Defra) is now developing a new dashboard of sustainable development indicators that completes the MNWP.

**Who?** The MNWP was initiated by Prime Minister David Cameron and is headed by the ONS. Cameron's interest in the question of wellbeing dates to before his becoming Prime Minister, but when he took up this office he gave it fresh visibility in the British debate on statistics. In order to drive and supervise the programme policy-wise, a Well-being unit was set up within the Cabinet Office. It should be said that the ONS has been interested in wellbeing data and indicators for many years.

which gathers information on all the economic activities of French families, is conducted every four years with around 15 000 households.

**Why?** David Cameron's speech on 25 November 2010<sup>16</sup> explicitly highlights the importance of taking wellbeing into account.<sup>17</sup> The programme was established in response to a growing demand, both in the United Kingdom and internationally, for new measures that stretched beyond the traditional measures of economic activity such as GDP. The Stiglitz Commission is, moreover, regularly cited as one of the sources that inspired this initiative.

**How?** The first phase of this project involved a large-scale public debate that ran from 25 November 2010 to 15 April 2011. The main purpose of this phase was to gather a solid base of information on what mattered to British people. The debate, conducted both online and at events across the

16. <https://www.gov.uk/government/speeches/pm-speech-on-wellbeing>

17. "Today the government is asking the Office of National Statistics to devise a new way of measuring wellbeing in Britain. And so from April next year, we'll start measuring our progress as a country, not just by how our economy is growing, but by how our lives are improving; not just by our standard of living, but by our quality of life."

country, was based on a consultation paper that asked five overarching questions: “What things in life matter to you?”, “Of the things that matter to you, which should be reflected in measures of national well-being?”, “Which of the following sets of information do you think help measure national well-being and life in the UK is changing over time?”, “Which of the following ways would be best to give a picture of national well-being?” and “How would you use measures of national well-being?”. The ONS received some 7,900 replies to these questions, including 50 from organisations. The Office also launched a website where people could express their opinions on measuring national wellbeing. Around 1,200 opinions were given through this channel. There was also collaboration with online communities and a dedicated telephone line was set up to answer people’s questions.<sup>18</sup> What was clear from this public debate was that subjective wellbeing was one of the key dimensions that mattered to people.

After this consultation phase, the ONS developed new measures of wellbeing that integrated but also went beyond measures of economic performance. On 20th November 2012 the programme’s first annual report, *Life in the UK*, was published. At the same time, the measuring well-being wheel (cf. Figure 2) was put online and updated (last update in September 2013). Since then, statistical bulletins are published regularly. The second *Life in the UK* report was published in March 2014.<sup>19</sup>

**To what end?** The programme’s stated objective is to develop an accepted and trusted set of National Statistics that people can refer to as a primary source of information to assess the UK’s state of wellbeing. The ONS reports on the MNWP are published monthly, each one focusing on a specific dimension of wellbeing. In terms of their utilisation, it transpired from our interview with a member of the Cabinet Office that the MNWP indicators are widely used to broaden policy makers’ views of social problems. According to several of the people we interviewed, the notion of wellbeing has been factored into policy issues—so much so, that the sustainable development strategy has now been absorbed by the MNW Programme.

The Cabinet Office’s *Civil Service Quarterly* department has dedicated one of its services to wellbeing issues and the MNWP. Interestingly, the MNWP indicators are also called on to inform policy decisions. In June 2013, the Government

published a document resuming the main policy experiences that had referred to MNWP. This is notably the case for matters relating to the public health system, the organisation of local councils and neighbourhoods, the wellbeing of civil service workers, transport schemes and jobs seekers’ wellbeing.<sup>20</sup> For the moment, however, each public policy area uses the indicator directly related to it and the rest of the MNW indicators are not called on to evaluate the social or systemic impacts of a given policy—as is sometimes the case with GDP, cf. Box 1.

### 2.3. Wales: One Wales, One Planet

**What?** Since 2000, Wales has been using Beyond-GDP indicators. Since 2009, these have taken the form of a 29-indicator dashboard (Sustainable Development Indicators, SDIs) that helps to monitor the region’s third sustainable development plan, One Wales, One Planet. Here, the concept of sustainable development is to be understood in its broadest sense, and extends beyond environmental issues: the five headline indicators include resource use, the environment, the economy, society and wellbeing. A detailed account of the indicators included in each of these dimensions is given in Figure 3.

**Who?** The Welsh Assembly Government is the executive body to which the UK government has devolved competence for twenty policy areas in Wales. The question of assessing progress in the area of sustainable development was written into the Government of Wales Act (a functional equivalent to a constitution) in 1998. The Welsh administration, prompted by the Welsh Government, thus developed a suite of indicators to monitor changes in this domain, in compliance with the Act.

**Why?** The reasons why Wales adopted indicators relate to its commitment to sustainable development. This commitment has been operative for many years and is driven by the Welsh Government’s determination to innovate in this area.

**How?** The development of sustainable development indicators is not a recent process. As early as 2000, the Welsh Government submitted a public consultation paper with a set of 81 possible indicators. This consultation led to a reduced set of 12 indicators, which were adopted in 2001. In 2006, various modifications were recommended by the SD Indicators Working Group (set up by the Welsh Government) and adopted in 2007. This set

18. ONS (2011), *National Statistician’s Reflection on the National Debate on Measuring National Well-being*.

19. <http://www.ons.gov.uk/ons/guide-method/user-guidance/well-being/about-the-programme/index.html>

20. For a complete picture of the MNWP’s areas of use see: [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224910/WellbeingPolicyandAnalysisFINAL.PDF](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224910/WellbeingPolicyandAnalysisFINAL.PDF)

**Figure 3.** Beyond-GDP indicators in Wales

Sustainable Development Indicators					
Theme	Resource use	Environment	Economy	Society	Well-being
Headline indicator(s)	Ecological footprint	Priority species status Priority habitat status	Gross added value (GVA)	% population in relative low-income households	Mental and physical functioning—'health status' Life satisfaction
Supporting indicators	Greenhouse gas emissions	Biodiversity: short-term changes in bird populations long-term changes in bird populations	Employment	Health inequality: infant mortality life expectancy at birth	Education: % adults 19–21 qualified to NVQ L2 % working age adults qualified to NVQ L4
	Waste by sector Waste by disposal	Ecological impacts of air pollution: sensitive habitat areas exceeding critical loads	Resource efficiency: CO <sub>2</sub> emissions to GVA ratio	Benefit dependency: % working-age people claiming out of work benefits	Child poverty: % children in low-income households
	Household waste	Air quality: air pollution in urban sites air pollution in rural sites	% electricity from renewable sources	Housing: energy efficiency ratings of dwellings	Pensioner poverty: % pensioners in low-income households
	Mobility: no. of trips by main mode % of people travelling to work by mode	River quality		Accessibility: % households where facilities reachable in under 15 minutes by foot or public transport	Worklessness: % children and adults to 64 living in workless households
		Soil quality		Crime: recorded serious acquisitive crime	Active participation: % volunteering formally or informally at least once a month
		Sustainable water resources: % of areas with target deficits			Welsh language: % pupils (aged 5–14) assessed in Welsh First Language

Source: BRAINPOoL, 2014.

of indicators forms the basic structure of the current set of indicators. In 2009, the One Wales, One Planet scheme endorsed these headline indicators and added one more on the Well-being of Wales, grouping them into five main dimensions: sustainable resource use, sustaining the environment, a sustainable economy, a sustainable society and the wellbeing of Wales.

**To what end?** The indicators are published annually in a sustainable development report (whose publication is a statutory duty under the sustainable development scheme<sup>21</sup>), and hosted on the Welsh Government's website. Moreover, since 2012, the *Sustainable Development Indicators for Wales* booklet has been published annually giving the results for the sustainable development indicators. This booklet is a National Statistics publication and forms the basis on which the sustainable development plan must be evaluated and

readjusted if necessary in order to ensure its effectiveness and longevity.

Yet according to BRAINPOoL (2014), it would seem that while the indicators are integrated into a sustainable development strategy and calculated regularly, they are not effectively used for decision-making.<sup>22</sup> The main reason appears to be that decision-makers do not perceive the salience of using such indicators. Seemingly, for most of them, the sustainable development strategy is not embedded in their area of policy action and cannot be directly used or constitute a priority in their policy processes. What remains high priority for them are the questions of growth, employment and poverty (Michaelson, 2013).

Moreover, concerning the responsiveness of the general public, the BRAINPOoL study identifies several barriers. One of these is the lack of effective communication on these indicators: "Communication around SDIs had failed to connect

21. In Wales, the promotion of sustainable development is a statutory duty: "We remain one of the few administrations in the world to have such a statutory duty." (Welsh Assembly Government, 2009: 4)

22. In the terminology described in Lesson 7 (cf. infra), we refer to the "instrumental" use of indicators, which is a use that is much in need of development.

with the public, perhaps partly because there was nothing emotionally charged, that resonated, with the public in the Sustainable Indicator Set and no strong accompanying narrative” (BRAINPOoL, 2014: 23). A second barrier to using the indicators involves the practical difficulty of handling the numerous indicators that make up the dashboard.

More generally, the barriers to using sustainable development indicators in Wales that BRAINPOoL identified are of four kinds: the lack of salience for key audiences; a disconnect between the indicators and policy priorities and actions; the perception that the indicators distorted priorities of the Welsh Government and, finally, political pressures affecting the use of indicators.

#### 2.4. Wallonia: Five composite indicators for Wallonia

**What?** The Walloon region adopted five key indicators in May 2013.<sup>23</sup>

i) Social situation index (ISS—Indice de situation sociale): based primarily on the French social health indicator,<sup>24</sup> adapted to the Walloon context. This index is based on two components: an indicator for the state of the society (social and human capital) and an indicator for the state of socio-economic imbalances and inequality.

ii) Wellbeing index (ICBE—Indice des conditions de bien-être): this index is based on a participative methodology established by the Walloon Institute for Statistics (IWEPS).

iii) Ecological footprint and biocapacity (EE—Eempreinte écologique): these indices, which measure the limits of the planet relative to the consumption of resources and absorption of wastes, will be calculated according to internationally recognised norms but using more accurate national and regional data.

iv) Environmental situation index (ISE - Indice de situation environnementale): This index measures the quality of the environment and is based on two indicators: an indicator for the state of the environmental components and one for the impact of these components on human health.

v) Indicator for economic capital, distinct from GDP, still to be defined.

**Who?** Conditions in Wallonia were relatively conducive to the uptake of new indicators, as this issue had, from the outset, been incorporated in the Regional Policy Statement (RPS). The impetus came from the Minister of Sustainable Development, Jean-Marc Nollet (green), serving within a coalition of Ecologists (Ecolo), Socialists (PS) and Humanist Democrats (Cdh). It is clear from our interviews that Minister Nollet’s political commitment was key in instigating the discussion on new indicators, as well as in selecting the indicators and mandating the Walloon Institute for Statistics (IWEPS) to systematically calculate them.

Another factor that expedited the implementation of these indicators is the influence of WWF’s work in support of composite indicators. Former WWF programme director Geoffroy de Schutter was appointed by the minister to ensure the implementation of the Walloon indicators. His role of lobbying and social innovation was thus transformed into an institutionalised function within the Minister’s office, which helped to endorse and legitimise the implementation of the new indicators.

**Why?** Several reasons were mentioned by the interviewees. The first relates to the shortcomings of gross domestic product (GDP), which is a key indicator for measuring economic growth but which takes little account of issues of wellbeing and no account of environmental issues. Reference was also made to various initiatives developed outside of Belgium (OECD, G20, European Parliament, United Nations, United Kingdom, Germany and the French Nord-Pas-de-Calais region).

**How?** The five key indicators for the Walloon region were selected after several consultations with experts and civil society.<sup>25</sup> The selected indicators were submitted to “advisory councils” with representatives from social partners, associations and civil society groups. They were called upon to express an opinion that, while not binding, was very important in justifying the Government’s choices. Once this choice was approved by the Government, financing was arranged to provide the budget required for IWEPS to manage these indicators.<sup>26</sup> The economic capital indicator will soon be developed by IWEPS and subject to an opinion

23. <http://nollet.wallonie.be/la-wallonie-met-en-place-se-cinq-indicateurs-phares-compl-mentaires-au-pib> (in French).

24. The index of social health is a composite index developed in France in 2009 by Zotti and Jany-Catrice using a participative approach. Its methodology is based on an earlier research project, the BIP-40 (barometer of inequality and poverty). It has eight components: income, labour and employment, education, health, housing, security, social relationships, interpersonal relationships.

25. The steps involved: 1) producing an inventory of indicators (compiled by IWEPS); 2) organising a panel of experts and users to clearly identify the general public’s priorities; and 3) on the basis of these consultations, coming up with a selection of indicators.

26. Interestingly, in Wallonia’s case, there was resistance to the way funds were channelled to IWEPS: the funds were disbursed to IWEPS, but their allocation had no conditions attached requiring that IWEPS regularly calculate the indicators selected to complement GDP.



from the Walloon Economic and Social Council and the Walloon Environmental Council for Sustainable Development.

**To what end?** It is worth remembering that the draft RPS clearly states the Government's wish "to develop, in consultation with social partners, other regions, the federal authorities and relevant international bodies, indicators that can measure human development and the ecological footprint, in addition to GDP, so as to guide and evaluate the Government's actions" (Walloon Regional Policy Statement, 2009–2014, p.43).

In May 2014, the first computation of three of the five indicators mentioned above was released by IWEPS in three separate reports.<sup>27</sup> IWEPS has in fact been commissioned by the government to provide annual data on the five indicators. Since not all of them have yet been calculated, they have not been put to any effective use for the moment.

It is noteworthy that the publication of the first three indicators has not yet attracted much media attention. The indicators are only available on the institute's website. Moreover, the change in power following the elections, coupled with the statisticians' reluctance to calculate composite indicators, calls into question the sustainability of the project and its real political impact.

## 2.5. Federal Belgium: the "complementary indicators" Act<sup>28</sup>

**What?** The indicators in addition to GDP are very recent in Belgium. In fact, an Act of 23 January 2014 sets the goal of developing indicators to complement GDP "to measure quality of life, human development, social progress and the sustainability of our economy". As the ecologist Federal Deputy Thérèse Snoy states, these indicators will be consolidated into "as small a number as possible" and "will be developed with the participation of relevant government agencies and Belgian civil society".<sup>29</sup>

**Who?** The Act is an initiative of the Belgian Senate and was voted in by the Chamber, following the Senate's vote, on 23 January 2014. Thérèse Snoy from the Ecolo party commented: "this Act is the result of a parliamentary majority. Ecolo-Groen

had submitted proposals to the same end but these were 'covered' by the majority's proposal. [The opposition] thus supported this Act, whilst stressing the need to rigorously apply it and give these new indicators the importance they deserve".

**Why?** There are multiple reasons for the 2012 creation of a Senate working group on "new indicators for economic performance, social progress, quality of life and happiness" and they seem to suggest that all the members of parliament involved, whatever their political persuasion, have something to gain. They mention that this Act provides an opportunity to propose a different perspective on societal goals and development models and to define "new kinds"<sup>30</sup> of policy objectives. Note that the ecologists' intention is to "take a step closer to a paradigm shift" (*ibid.*), and one way of creating this shift would be to counter the prevailing GDP-centric discourse by "referring as much as possible, when providing interpretations, to indicators that consider wellbeing as an issue distinct from economic growth and from a productivist view of wellbeing" (*ibid.*). There should also be more explicit focus on ecological issues linked to the physical limits of the planet.

**How?** As a practical move, a Senate working group was set up in 2012. Various hearings were organised with national and international experts. The working group was initially chaired by a Member of Parliament who fully supported the uptake of new indicators and was keen to adapt a regional experiment using these to the federal level. For political reasons, the Member of Parliament had to relinquish the working group chair. The arrival of his successor dampened the group's momentum and finally led not to a text produced by the (multiparty) working group but to a proposal supported by the majority alone and defined outside the context of the working group. The working group tasked the Belgian Federal Planning Bureau with developing indicators to complement GDP.

**To what end?** It seems that the primary objective of Ecolo—which was the first party to launch the initiative—was to shift policy focus by introducing new indicators that would reformulate and reframe the political discussions and wrangling on wellbeing issue. The motives of the project initiators hinge on the fact that wellbeing indicators would likely prompt debate between the general public and politicians. Moreover, the results of these indicators are due to be included in the *Banque nationale de Belgique's* annual report and submitted for annual debate in the Chamber of Representatives.

27. <http://www.iweeps.be/indicateurs-complementaires-au-pib>

28. The Act of 23 January 2014 supplementing the Act of 21 December 1994 pertaining to social and other provisions through a series of complementary indicators to measure quality of life, human development, social progress and the sustainability of the economy (3234/1-4).

29. <http://www.tsnoy.be/2014/01/30/de-nouveaux-indicateurs-complementaires-au-pib-la-belgique-pionniere/>

30. Speech by Thérèse Snoy to the Belgian Chamber of Representatives, 23 January 2014.

## 2.6. Germany—W<sub>3</sub>-Indikatoren (W<sub>3</sub> Indicators)

**What?** The W<sub>3</sub> indicators include nine indicators that complement GDP, encompassing (along with GDP) three 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. The set of indicators is illustrated in Figure 4.

**Who?** The W<sub>3</sub> indicators derive from the work of the “Study Commission on growth, wealth and quality of life” (*“Enquete-Kommission Wachstum, Wohlstand, Lebensqualität”*), set up by the Bundestag in December 2010. The commission was transpartisan.

**Why?** The main reason for setting up this commission was that GDP did not adequately reflect the prosperity of a society. The aim of the Commission was thus to put the role of traditional indicators—first and foremost GDP—into perspective in the public and political debate.

**How?** The Study Commission began its work in January 2011 and concluded in June 2013. It comprised seventeen Bundestag members from five parties (CDU/CSU, SPD, FDP, Bündnis 90/Die Grünen and Die Linke), split into five working groups, each chaired by one of the five parties. Each group dealt with one topic. Seventeen experts from academic, economic and trade union backgrounds were appointed to complete the Commission. The topics addressed the potential and limits of growth, employment, consumer behaviour and lifestyles, in view of shaping the outlines of sustainable economic management for Germany. One of the working groups specifically tackled the search for a Beyond-GDP indicator.

**To what end?** For the time being, the indicators are still at the proposal stage and not yet used effectively. The German Institute for Economic Research (DIW Berlin) acknowledges that simply computing and publishing the indicators will not ensure their political effectiveness (Giesselmann *et al.*, 2013). A culture of discussion that recognises the relevance of adopting new indicators needs to be fostered. This is why the Commission has proposed that the Federal Government take an official stance at regular intervals on how the indicators are progressing. This could be in the form of an annual report endorsed by all government departments. The Commission further suggested that groups of government experts be tasked to officially comment on the W<sub>3</sub> indicators on a regular basis. The setting-up of an expert committee for a “sustainable quality of life” has also been proposed.

## 2.7 Beyond-GDP indicators in France

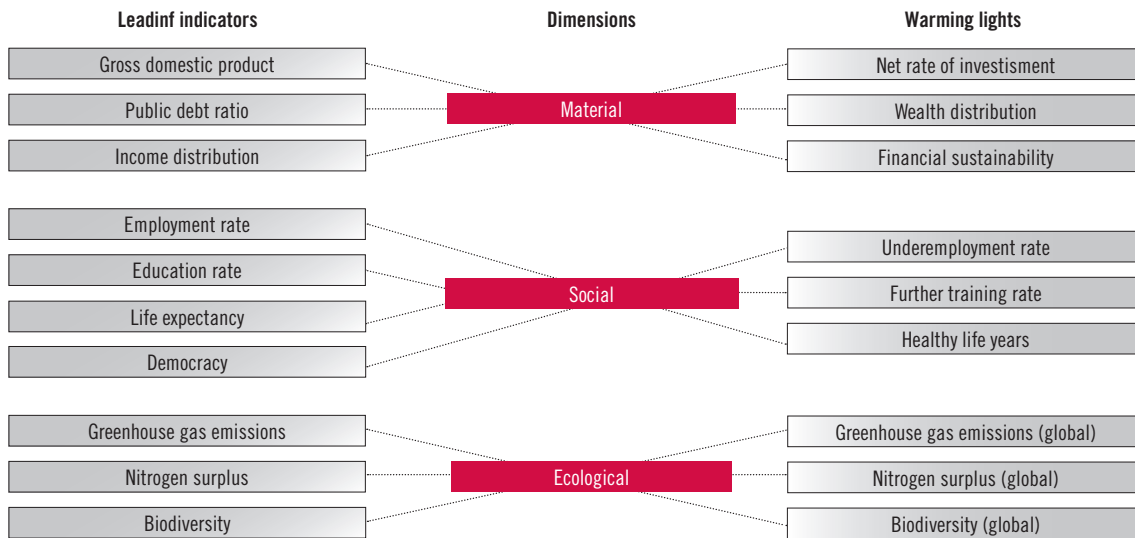
**What?** Following the Stiglitz Commission’s work (from 2008 to 2009), the INSEE published a dashboard of sustainable development indicators comprising a set of twenty indicators that can be grouped into six dimensions: health, demographics, economy, social, environment and governance. Fifteen of these indicators match the themes set out in the French authorities’ sustainable development strategy and five others cover economic and social questions.

**Who?** In 2007, spearheaded by President Nicolas Sarkozy, a commission with some forty members and led by three economists (two of them Nobel prize winners), was set up and tasked with drafting a report on the measures of economic and social progress. The Commission brought in numerous French and international researchers (mostly economists, along with sociologists, psychologists and political scientists) and members of public administrations. It submitted its report in September 2009. Although the French executive had been highly proactive in setting up the Stiglitz Commission, follow-up support subsequently waned and the executive did not officially implement these new Beyond-GDP indicators. A notable example of this is the bill tabled in 2009 by the ecologist parliamentary group,<sup>31</sup> and rejected by Nicholas Sarkozy’s majority. The bill aimed to establish the ecological footprint as a headline indicator and put in place public policies to reduce this footprint. The French Conseil d’Analyse Economique (Council of Economic Analysis) together with its German counterpart, the German Council of Economic Experts, also published a joint report that aimed to “define a set of regularly published indicators on the key themes of economic performance, quality of life and sustainability” (CAE-CGEE, 2010: 5). However, this proposal failed to garner political backing. The French Commission on Sustainable Development, for its own part, developed indicators for the green economy but these are more sector-based than the Beyond-GDP indicators that we analyse in this paper.

**Why?** In the context of the financial crisis, the French president has criticised GDP on several occasions for its inability to reflect the progress of our societies and to accurately capture not only purely economic changes but also social and environmental changes. The main purpose of the Stiglitz Commission was to “reflect on ways of escaping purely

31. <http://www.assemblee-nationale.fr/13/propositions/pion1369.asp>

Figure 4. Beyond-GDP indicators in Germany



Source: Giesselmann *et al.* 2013, p.13.

quantitative book-keeping measures of national performance”.

**How?** The development of a French indicator dashboard followed on from the Stiglitz Commission’s work. The Interministerial Committee for Sustainable Development, together with the INSEE and the statistics service of the Ministry of the Environment (SoES) identified twenty indicators—expanding the list of indicators identified in 2003, but not including as many economic and social indicators.

**To what end?** Despite these multiple French (regional and district) initiatives and the annual publication of the sustainable development indicator dashboard, the effective use of Beyond-GDP indicators remains extremely limited. Interestingly, the dashboard for the sustainable development strategy is published in Appendix II of the second volume of the *Economic, Social and Financial Report* of the French Finance Law. Very few politicians are aware of these indicators and the dashboard receives virtually no media coverage.

As one member of the Stiglitz Commission admits, the work did not focus on the practical use of Beyond-GDP indicators, but rather on the form that these should take. This contributes to explain that, today, no effective use is made of Beyond-GDP indicators in political spheres.

To increase the effective use of the new indicators in French decision-making processes, on 23 January 2014, a group of green MPs presented a draft organic law on the “programming and... governance of public finance to take into account the new wealth

indicators”. After amendment,<sup>32</sup> the French Government committed to publishing the new indicators at the same time as the Finance Law and to evaluating major government reforms in light of these new indicators. For the moment, these commitments do not seem to have translated into action.

It thus appears that the Beyond-GDP indicators designed to address the inadequacy of GDP and other conventional economic indicators to capture social progress are beginning to be implemented in several countries that have similar characteristics to France. These initiatives are not limited to civil

32. “Faced with our bill, the Government expressed reservations concerning the form: it was in fact a draft organic law aimed at modifying the LOLF (organic law on Finance Laws), by introducing these new indicators into the explanatory statement of the Finance Law. However, the Government does not wish to change the LOLF.... We thus continued the dialogue with the Government to achieve our basic objective, whilst modifying the form of our bill. As a result, the Minister of the Budget, through Bernard Cazeneuve, committed at the session to support a bill on the new wealth indicators in the first quarter 2014, in which we will repeat our main objectives, principally the objective of publishing the alternative indicators at the same time as the draft Finance Law is presented and an evaluation of the main reforms proposed by the government in the light of the quality-of-life and sustainable development indicators. The Government moreover committed to try out these new indicators for the 2015 budget, which is thus before the law which would be finally adopted by Parliament (the law is then voted by the Senate, and subsequently returned to the Assembly, which often means more than one year of parliamentary procedure” (See Eva Sas’ website for the original French: <http://evasas.eelv.fr/nouveaux-indicateurs-de-richeesse-loi-au-premier-semestre-2014/>).

society but supported at the highest government and administrative levels. The years when complementary indicators were presented as marginal initiatives are past and these now appear in a growing number of concrete forms, either in regular reports and public consultations or in political debates in order to assess government performance. France, however, has not officially adopted any Beyond-GDP indicators and their practical implementation is not currently on the agenda. What needs to be better understood, therefore, is how the “forerunner countries” have managed to move from the discussion stage and civil society projects to the stage of officialising their dashboards and introducing them into their national legislation. What lessons are to be learnt from these national experiences? What differences and similarities exist between these countries? The second part of this report presents the lessons learnt and recommendations to inform the debate in France and elsewhere.

### 3. TEN LESSONS LEARNT FROM NATIONAL EXPERIENCES

#### 3.1 Beyond-GDP indicators complement rather than replace GDP

All of the initiatives studied here chose to use indicators to complement GDP. Today, for the reasons mentioned in the previous section, GDP is still a widely used and useful indicator as it is statistically robust and able to represent what can be shared among the different economic actors of a country. The other arguments for keeping GDP relate to methodology (the fact that a single “GDP substitute” indicator cannot feasibly capture all the complexity of the issues involved) and normative considerations (doubts as to the ability of a single indicator to reflect a plurality of values). For instance, despite the German Study Commission’s internal disagreements, there was nonetheless consensus that replacing GDP by a single alternative indicator was not an appropriate solution from a methodological point of view and neither would it reflect a plurality of values (Giesselmann *et al.*, 2013).

This preference for complementarity is corroborated by BRAINPOOL (2014), as two-thirds of the initiatives it studied are complementary to GDP. The study considers that, since the 2000s, institutional initiatives backing the new indicators have insisted on the need for complementary indicators. This shift in position is illustrated by the fact

#### Box 1. French Beyond-GDP indicators at regional and district level

Although the headway made by Beyond-GDP indicators in France has lagged behind that of other countries, myriad initiatives have emerged at regional and district level. The French regions, partnered by INSEE, have developed the dashboard for the Association of French Regions (ARF). This dashboard includes three (synthetic) headline indicators: the ecological footprint, a human development indicator and a social health indicator, as well as twenty-two more detailed indicators (ARF, 2012). The data needed to measure these indicators are made available to the Regions by the INSEE under an agreement signed by the institute and the ARF.

These indicators were used to inform the public debate on various regional development choices (e.g. transport networks and housing, as in the case of the Nord-Pas de Calais region, where a public conference was held). Many studies and regional reports, such as the regional Agenda 21 and annual sustainable development reports, include these indicators (see Laurent, 2012, for a description of the different regional approaches).

At district or inter-district level, the use of Beyond-GDP indicators has also progressed over recent years. Two examples of this are the Arras district council and the greater district council of Artois, which have both used the human development indicator to represent living conditions within their jurisdictions. These regional and district initiatives are often based on substantive work by civil society and research networks.<sup>1</sup> They do not however enter into the scope of the present study (cf. *supra*).

1. In parallel to the Stiglitz Commission, and to ensure that the Commission’s work could be followed by the general public, the *Forum pour d’Autres Indicateurs de Richesse* (Forum for Alternative Wealth Indicators - FAIR) was launched by academics from different disciplines, trades union representatives and members of civil society. In March 2011, FAIR published a book written by diverse contributors, *La richesse autrement* (FAIR 2011).

that the name “Beyond GDP” given to the European Commission’s 2007 conference was changed two years later to “GDP and Beyond”. The Stiglitz Commission also bolstered this trend as its title combines the notions of economic performance and societal progress (BRAINPOOL, 2013a: 80). The impact of the economic crisis is certainly not unrelated to this refocusing on GDP.

If the notion of complementing GDP is a form of pragmatism, it is nonetheless important to bear in mind the normative implications of this stance. Although some view the “Beyond GDP” movement as a cultural revolution that can lead to a far-reaching overhaul of our economic and social systems, others consider that GDP is still a highly robust indicator—perhaps even the best one to use for international comparisons. For them, GDP thus needs to be complemented by more precise indicators that inform dimensions not covered by national accounts (BRAINPOOL, 2013a: 74).

This stance in favour of complementarity should not prevent GDP from being challenged as the ideal economic indicator. In fact, GDP itself has blind

spots concerning a good many economic changes (income and wealth distribution or changes to capital stocks for example).

- *The Beyond-GDP indicators adopted by the forerunner countries are positioned as complements to GDP rather than replacements. The choice not to replace GDP must not, however, hide the fact that GDP is far from being the ideal economic indicator, since it does not capture some key economic issues.*

### 3.2. Beyond-GDP indicators are no longer the preserve of any particular political party...

Although historically it has been the green parties that have voiced the need for alternative indicators to complement GDP, the political spectrum of Beyond-GDP advocates is visibly widening. In Wallonia, the initiators of the composite indicator project belonged to the green left, whereas in the United Kingdom the driving force was David Cameron's conservative right.

Political parties are, however, far from seeing eye to eye on the nature of indicators. David Cameron's Conservatives have set great store on subjective indicators based on individual surveys about the quality of life, whereas Wallonia and Wales have adopted dashboards built on more objective indices. These differences may reflect contrasting conceptions of public action, with more or less importance given to individual assessments (e.g. "Are you happy?") as opposed to collectively defined objective criteria (e.g. infant mortality rate, youth unemployment rate). It should be noted that, although the United Kingdom has introduced the question "Are you satisfied with your income?", no income or wealth inequality indicator is included in the British Beyond-GDP indicators. On the contrary, the Walloon Beyond-GDP indicators backed by the ecologist left and those foreseen by the German Study Commission integrate an objective economic inequality indicator.

- *The promotion of indicators to complement GDP is no longer the preserve of any particular political party. However, political parties do not all advocate the same types of indicators.*

### 3.3. ... but this does not mean that Beyond-GDP indicators are disconnected from political strategy

When Beyond-GDP indicators are linked with a political agenda or strategy (i.e. a series of objectives and the means of achieving these), this increases the chances of them being used

effectively. Sustainable development strategies are used by the forerunner countries to justify the implementation of Beyond-GDP indicators. In Wales, Beyond-GDP indicators have been developed to assess progress made in the area of sustainable development. In Germany, Stefan Bergheim, the director of the Zentrum für gesellschaftlichen Fortschritt (Centre for Societal Progress), insisted on the opportunity offered by the European strategy for sustainable development, "Europe 2020", to justify the interest of developing Beyond-GDP indicators to be used to evaluate progress made under this strategy.

In other countries, Beyond-GDP indicators have been associated with a specific policy agenda. In the United Kingdom, David Cameron's liberal-leaning project, "The Big Society", and the MNWP indicators can be seen as two complementary dimensions. The Big Society advocates a weaker State, public authorities that are closer to citizens and—in theory—increased resources for local communities. The MNWP indicators with their strong emphasis on individuals and neighbourhood relationships thus make it possible to follow the progress of the British prime minister's political project. The political agenda and the indicators are thus in harmony.

When indicators are associated—be it tightly or loosely—to a particular policy agenda, the question of their longevity arises. What will happen to the MNWP initiative when David Cameron is no longer in power? Will the Beyond-GDP indicators be abandoned by his successors, who have another vision of society? Evidently, the more consensual agendas or visions (e.g. sustainable development strategies) have more chance of withstanding changes in government, as do the indicators associated with these visions. This point is highlighted by BRAINPOOL, which believes that the main advantage of such strategies would be to make Beyond-GDP indicators less dependent on political (short-termist) cycles, which are often driven by the legislatures. Yet, the more indicators are tied to consensual visions of the future, the less they disturb our representations of the world and our practices.

- *Associating Beyond-GDP indicators with a political agenda increases the chances of them being used effectively. However, this poses the question of the longevity of such initiatives.*

### 3.4. Parliaments and governments have triggered the formalisation of Beyond-GDP indicators in many countries

The ownership of an initiative seems to be a determining factor regarding the ease with which an indicator or specific set of indicators is officially calculated for a country or region. If the initiator of a project for Beyond-GDP indicators is the executive, then it logically has a great deal more power to get the project off the ground.

In the United Kingdom, it was easy for David Cameron, as prime minister, to ensure the implementation of his Measuring National Well-Being programme by the Office for National Statistics (ONS), as the latter is the executive office of the *UK Statistics Authority*, which is itself dependent on the government. The fact that the prime minister has referred to the MNWP indicators in several of his speeches has also given them a degree of legitimacy.

In the Wallonia case, the Minister for Sustainable Development took advantage of his executive status to introduce the creation of indicators for Wallonia into the Regional Policy Statement. The Government was thus given a real mandate and funds dedicated to the collaborative and consultative research carried out within the Government in partnership with the statistics institute, IWEPS, which has undertaken to publish annually the five indicators chosen for Wallonia.

However, even if the executive is a driving force in implementing the official calculation of Beyond-GDP indicators, the longevity of such initiatives relies heavily on statistics institutes in the long run. In Wallonia, for example, the change of majority following the regional elections could impact the funds allocated to the IWEPS for the calculation of these indicators. We should also bear in mind that the executive's support is not in itself enough to establish the legitimacy of Beyond-GDP indicators. This can only be given a firm footing if the opposition and civil society use the indicators to call the executive to account.

National parliaments have also supported Beyond-GDP indicators, as in the case of Belgium and Germany. The debates then came up against political constraints. In Belgium, the consensus in the pluralist commission on the indicators unravelled as the discussions advanced. In Germany, disagreements within the pluralist Study Commission prevented the indicators from being officially adopted. These setbacks have not however put an end to the projects for Beyond-GDP indicators: in Belgium, the political majority voted its bill through without support from the opposition

and, in Germany, the indicators have already been developed, even though they have not yet been officially adopted.

- *The Beyond-GDP indicators have received support from the highest levels of state in several countries. Support from the executive significantly helps to get the initiative off the ground and ensure backing from statistics institutes, at least in the short run.*

### 3.5. Statistics institutes have a strategic role

Through their different uses, indicators have considerable political and normative influence. But they are above all statistical tools. This technical aspect means that statistics institutes necessarily have a key role in implementing Beyond-GDP indicators and statisticians play an important part in the success or failure of Beyond-GDP indicators at two levels.

First, statisticians enjoy a strong power of initiative, as is clearly shown by the Australian case. In the early 2000s, the chief statistician<sup>33</sup> of ABS (from 2000 to 2007) set up, alone, a process to integrate measures of progress into Australia's official statistics. At the time, his position carried sufficient clout to impose this initiative and ensure that it was followed through in practice.

Second, statisticians also play an important role in following up Beyond-GDP initiatives that they have not themselves launched. The British Government receives support from the ONS in implementing and monitoring the Measuring National Well-being Programme. In Wallonia, on the other hand, even though the IWEPS has been mandated to calculate and publish the five composite indicators that complement GDP, some commentators consider that the first publication of the figures reveals a certain reticence on the part of the Institute towards this type of indicator, indicating potentially weak support from the IWEPS for this initiative.

The statisticians' reticence towards some types of indicators (particularly composite ones) is symptomatic of the specific nature of the Beyond-GDP debate. The main reasons for the reticence towards composite indicators are methodological (lack of robustness, precision, etc.), whereas the reasons why politicians show an interest in them often relate to their symbolic dimension. As a result, two registers of arguments come to clash in the search for new indicators.

In addition, the search for Beyond-GDP indicators affords statisticians a prominent role

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in discussions. Their expertise gives them the necessary credibility for choosing the indicators (based on technical arguments), while the choices of methodology underlying the indicator (what it does or does not take into account, the way of counting, the indicator's accessibility and transparency, etc.) have considerable normative implications.

Discussion platforms bringing together statisticians, civil society and elected representatives are often portrayed as necessary to ensure the transparency of methodological choices. Such platforms were organized in Wallonia or in the United Kingdom (see lesson 8). An open dialogue tends to make it easier for users to subsequently take Beyond-GDP indicators on board. Moreover, in France, a real Innovation department could be created at INSEE, not only to develop a better match between the statistics produced by institutes and the general public's expectations, but also to dovetail the work of INSEE's different departments more effectively.

- *The statisticians' support and involvement in the start-up phase and in the follow-up and calculation of Beyond-GDP indicators is both important and necessary. Their participation in discussion platforms that bring together experts and laymen helps to strengthen the legitimacy of the indicators.*

### 3.6. A dashboard with a limited number of indicators combines communicability and statistical robustness

Generally speaking, dashboards are preferable to single-number indicators (synthetic or composite). The major reticence towards using a single-number indicator stems from methodological considerations and their normative implications and often come from the statistics institutes themselves, as mentioned in the previous section.

It seems that there is a consensus on using dashboards as far as balancing ease of communication and statistical robustness is concerned. "One relatively consensual position, also favoured in the Stiglitz report, consists of creating a dashboard including a limited number of indicators, which can be easily disaggregated" (BRAINPOoL, 2013a: 8). Thus, in Belgium, the Act of 23 January 2014 underlines the salience of creating a dashboard with as few dimensions as possible. This is also the case for Germany's W3 indicators. In Wales and Germany, the chosen format was a dashboard with "headline indicators" that synthesise changes by broad domain. In the United Kingdom, the dashboard is much more detailed. Australia made

a middle-of-the-road choice involving some thirty synthetic indicators. From the point of view of media uptake, a detailed dashboard cannot compete with GDP. Yet, unlike GDP, it does fulfil a role in evaluating sectoral changes (health, wellbeing, etc.).

However, dashboards do raise a major challenge: what relative importance should users give to the different dimensions represented? How can it be guaranteed that the different dashboard indicators receive equal treatment from the media and political spheres? How can a dashboard be interpreted when it translates both positive and negative changes? When the choice is made not to aggregate the different indicators into a single one, public debate will be what determines the relative importance given to each of the dashboard's dimensions, and the eventuality of one dimension cannibalising the others is not to be ruled out.

It should be noted that in dashboards, subjective indicators are not sidelined. It seems that despite the reluctance observed in the early 2000s towards these indicators, especially in Australia, the importance of taking various subjective data into account is increasingly recognised. Thus, in Germany, Belgium and the United Kingdom, subjective dimensions are integrated into the Beyond-GDP indicators. In the UK, the explicit drive behind the MNWP stems from Cameron's commitment to closer contact with the general public. Subjective indicators are the most appropriate for achieving this objective.

Australia, on the other hand, only takes objective indicators into account. According to the main developers of the Australian Beyond-GDP indicators, there is risk that a subjective wellbeing indicator could monopolise the political debate. Certainly, the assessment of a subjective wellbeing indicator could mask deteriorating results for important objective indicators—such as the increase in CO<sub>2</sub> emissions—that have no automatic link with subjective wellbeing.<sup>34</sup>

- *The dashboard with a limited number of indicators is perceived as a compromise between the*

34. "MAP broke the world into dimensions of progress, that, although linked to one another, are discrete: health is conceptually distinguishable from education which is distinguishable from biodiversity, etc. But in this context, happiness is not a separate entity. On the one hand, happiness may be seen as a summation or integrating concept - it depends (to a degree at least) on all the other progress dimensions taken together. On the other hand, happiness may be seen as a superdominant concept - if we were able to judge that happiness had indeed increased, then we might be tempted to assert that there had been progress almost regardless of what had happened in the other dimensions. Thus happiness appears to occupy a different part of the semantic space from our headline dimensions." (Trewin & Hall, 2004: 13)

*potential media role of Beyond-GDP indicators and their statistical robustness. The difficulty is then to guarantee some kind of equality of use between the different dimensions represented.*

### 3.7. A drive to embed Beyond-GDP indicators more firmly in political life

Prosperity indicators, whether new or traditional (like GDP) can be used at different levels in debates and collective decision-making: general public debates, the political arena and administrative spheres. Box 2 applies this framework to the case of GDP.

- For society as a whole, an indicator makes it possible to represent the progress made in that society: it reflects a vision of the world or wealth. For example, when someone refers to the growth experienced by France and other western European countries in the post-war boom years to illustrate what he or she sees as a time of exceptional progress, we speak of a *symbolic* use.
- In the political arena, a prosperity indicator makes it possible to propose a strategy for action, perhaps set objectives and justify policy decisions in light of their effect on this indicator. Prosperity indicators also enable evaluations of government performance. For example, should the media challenge a political figure regarding the monthly variations in unemployment or GDP and he or she needs to justify himself or herself on the subject, we refer to a *political* use of the indicator.
- Finally, the indicators can be used both to craft precise sectoral policies *ex-ante* (study of how a measure impacts the prosperity indicator, for example) and to implement these policies (use of GDP components to identify which sector must be targeted for action) and evaluate them *ex-post*. For example, when the French General Directorate of the Treasury evaluates the probable impact of a public policy on GDP, we refer to an *instrumental* use of GDP.

The first thing to point out is that there has been little discussion on the uptake of Beyond-GDP indicators by political spheres and on the use that can be made of them. As a member of the Stiglitz Commission admitted, there has been virtually no discussion on the use of these indicators in working groups, which have mainly focused on what form these indicators should take.

However, the forerunner countries have not completely sidelined this fundamental question. The longest-standing official experiences involving Beyond-GDP indicators—in Australia and

Wales—insist on their symbolic power and thus try to reach the general public *via* reports that enjoy varying degrees of media coverage.

On the other hand, the most recent experiences aim to give Beyond-GDP indicators a more pronounced political role. In Belgium, it is planned that the Chamber of Representatives discuss these indicators annually in order to evaluate government action. In Germany, there are plans to mandate governmental expert groups to officially comment on the indicators on a regular basis. In both countries, not only are Beyond-GDP indicators presented as tools for evaluating government performance, but also concrete proposals are now being made to maximise the power of these indicators. In the United Kingdom, a team from the Prime Minister's cabinet is dedicated to monitoring the dashboard indicators and providing a political stepping-stone for ONS-produced statistics.

The intended role (or use) set for Beyond-GDP indicators helps to guide choices of a statistical nature. In this respect, the timescale of the data used to construct an indicator is enlightening. For example, if a “Beyond GDP” indicator showed a change in a country's average income with a three-year delay, it would be of limited use in the political debate. It could, on the other hand, be mobilised symbolically to show long-term trends. Today, GDP and unemployment data are released each quarter, which means that political staff and the media have up-to-date figures available. Many of the dimensions represented by Beyond-GDP indicators (e.g. wellbeing and the environment) do not have such a fine-tuned statistical system as that used for GDP or employment, which means that it is not easy to produce up-to-date indicators. It should be remembered, however, that GDP itself is partly estimated and then corrected after publication, over a period of several years. The same could be done for new indicators: produce estimates that are subsequently duly revised and corrected.

Finally, it could be assumed that the use of Beyond-GDP indicators in the political sphere will only be effective and lasting if they acquire a genuine symbolic power. Along the same line of reasoning, it is conceivable that the instrumental use of Beyond-GDP indicators will develop once they have penetrated the political arena. The three uses should then be seen as complementary and mutually reinforcing. Note that GDP, despite its methodological limitations and inability to capture changes of a purely economic nature, is not dethroned as it retains a relatively strong symbolic legitimacy that gives its political and instrumental use a firm footing.

- *Three types of uses can be distinguished for Beyond-GDP indicators: a symbolic use, when the*



*indicator is used to represent national progress; a political use, when it is used in the political arena to evaluate government action; and finally an instrumental use, when the indicators informs the implementation or monitoring of specific public policies. Today, Beyond-GDP indicators are above all used in a symbolic and—increasingly often—political way.*

### 3.8. A consultation process with civil society heightens the symbolic and political power of Beyond-GDP indicators

In the United Kingdom, the NMWP was from the outset built (i.e. the step of choosing the indicators) on the basis of a large-scale iterative consultation process. In Wallonia, the public were also consulted to help guide the choice of indicators to be taken into account. The Australian Bureau of Statistics also consulted civil society—but at a later stage, as a preselected set of indicators was submitted for assessment by the political sphere, the statistics community and civil society.

These experiences show that consultation and deliberation processes regarding indicators enable a large number of people to think about and integrate new (or newly formulated) social questions. They also give greater visibility to the initiatives being debated, showing that indicators are not the exclusive preserve of experts.

In public consultations, indicators may be perceived as a catalyst for democracy. Developing the indicators justifies introducing new societal questions into the debate and, if necessary, reframing existing ones. In this respect, indicators are as much an end as a means. Supporters of consultations argue that indicators (and the process of developing them) are a way of opening up the debate and democratising a society's ultimate goals. Indicators can indeed also be seen as an end in themselves: what is at stake is to develop “good” indicators that are likely to best meet the objectives, aspirations and goals under debate.

- *A consultation process with civil society increases the symbolic power of Beyond-GDP indicators, strengthens their legitimacy and visibility, while serving as a catalyst for democratic debate.*

### 3.9. A more deeply rooted “instrumental” role to be invented?

To better understand all the possible roles for Beyond-GDP indicators, it is worth recalling the functions now fulfilled by GDP. Beyond its symbolic or political usage, GDP is regularly used

to assess different public policy options *ex-ante* and *ex-post*—although this is probably less frequent than one might think (see below). GDP is regularly mobilised to assess the economic impact of budget scenarios, build investment forecasts<sup>35</sup> and retrospectively evaluate a given public policy. These types of uses are what we have termed instrumental use.

Beyond-GDP indicators are not used in this way, or at least very rarely: in the UK, the MNWP indicators are used to identify problems and develop sectoral policies (on obesity, transport),<sup>36</sup> but as yet not to forecast upstream the impact of different public policy scenarios.

The lack of any theoretical basis for assessing *ex ante* the impact of a specific public policy on Beyond-GDP indicators represents a significant challenge. According to many analysts, the opposite is true for GDP, given that it is based not only on an established accounting system, but also on numerous theoretical and empirical studies designed to predict how different policies will affect GDP. O'Donnell *et al.* (2014) advocate “a new form of cost benefit analysis for public policies”, based not only on monetary gains and losses but also on the impact it has on people's subjective wellbeing, by developing new theoretical frameworks. The OECD is currently developing analyses to gain deeper insights into the impact of public policy on various complementary indicators (OECD, 2013).

It is particularly difficult to firmly embed the instrumental use of Beyond-GDP indicators as many of these are aggregated indicators. Yet, decomposing them may detract from their communicability. Is it possible then to ensure that a given Beyond-GDP indicator has the necessary degree of communicability to fulfil its symbolic and political role and, at the same time, try to ensure that it plays an instrumental role? Dashboards “with headline indicators” are one response to this problem, as perhaps are “Russian doll” indicators (with multiple sub-indicators that are finally aggregated into a single composite indicator).

Finally, it is worth considering the benefits of an instrumental use for Beyond-GDP indicators. For some, these indicators need to fulfil a largely symbolic or political role: changing conceptual frameworks and lending credibility to new challenges, without necessarily being used to develop specific policies. The instrumental use of GDP in policy making also needs to be put into perspective:

35. In fact, GDP remains a very effective indicator for preparing budgets or establishing tax revenue forecasts.

36. [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/224910/Wellbeing\\_Policy\\_and\\_Analysis\\_FINAL.PDF](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224910/Wellbeing_Policy_and_Analysis_FINAL.PDF)

political decisions are often the result of power struggles, communication stunts or compromises between social partners rather than a commitment to optimising GDP growth. Seen from this angle, abandoning an instrumental use for Beyond-GDP indicators does not necessarily mean abandoning their influence on policy trade-offs.

- *Whereas GDP is used in an instrumental way (especially for ex ante and ex post evaluation of public policy impacts), this is not yet the case for Beyond-GDP indicators. One problem is the lack of a theoretical basis showing the linkages between these indicators and policy measures.*

### 3.10. Beyond-GDP indicators' slow advance in political spheres needs to be viewed in the light of GDP history

After several decades of work on Beyond-GDP indicators, these indicators are now present at the highest levels of State. But it is clear from this study that these indicators still have a long road ahead and, if they are to integrate a “systemic” theoretical framework, they will need to elbow their way not only into political spheres, but also into the academic world.

It must be remembered that GDP has not always been around and that it also took time to become accepted. It first emerged in a very particular historical setting—a specific point in time, when a lobby of academic and political actors considered that developing its use would be highly beneficial. In fact, the current importance of GDP is the result of a long-term dynamic: historically speaking, this indicator became the hub of a system operating during and after the Second World War.

Administering a war economy—followed by the need to steer reconstruction efforts—required a sound knowledge of the different economic sectors and changes in their output. But governments at the time did not have a consistent accounting framework to inform them. It was therefore crucial for the United States and Europe to design an accounting framework modelled on business accounting (Cassiers & Thiry, 2011)—and which served as the underpinning for GDP.

The focus on GDP as an indicator did not happen overnight. The symbolic and political uses of GDP only gained momentum after the war (Lepénies, 2013). Following the 1930s crisis and the war that plunged populations into deprivation, people aspired to greater material wellbeing, and this is relatively well reflected by the production index in the form of GDP. During these years, numerous social pacts were agreed on in line with the principle of redistributing the fruits of growth between

## Box 2. The use of prosperity indicators

### Three levels of representation

In Lesson 7, we identified three types of use for Beyond-GDP indicators: symbolic, political and instrumental. Here, we apply these categories to GDP.

Despite the many critiques levelled at GDP, many decisions are made on the basis of GDP growth forecasts: structural investments, social security funding, private investment, individual savings decisions. Economic growth is also still associated in people's minds with economic stability and employment: although GDP growth no longer adequately reflects positive changes in living conditions, a drop in GDP in the short run correlates relatively well with a rise in the individual's feeling of malaise (Stevenson & Wolfers, 2008).

Type of use	Symbolic	Political	Instrumental
As applied to GDP	<p><b>Represent</b> a country's power, wealth, progress</p> <p><b>Give credibility/</b> discredit to initiatives depending on whether they strengthen/weaken GDP</p> <p><b>Evaluation</b> of government performance <b>by general public</b></p>	<p><b>Set precise objectives</b></p> <p><b>Evaluation</b> of government performance <b>by the media and political parties.</b></p>	<p><b>Prepare</b> the national budget, financial forecasts of major companies</p> <p><b>Assess</b> public policy options using GDP results</p> <p><b>Define the contribution</b> of States to supranational budgets</p> <p><b>Calculate</b> the level of public debt and deficit</p>

Source: Authors of the Lachaize et Morel (2013), Point (2011) and BRAIN-POol (2014).

employers and workers. It was thus in the interest of all to contribute to GDP growth, since this was what guaranteed social peace. Moreover, during the Cold War, GDP enabled States to compare their economic power—it became an ultimate illustration of a country's wealth.

So GDP has not always been around. It is a relatively recent construct, created in a specific context, initially to serve a clearly defined purpose: increase national output to support the war effort and national reconstruction. Moreover, the GDP indicator is constantly evolving, as meetings are held for national accountants to plan how it can be improved. This calls to mind two points. First, our national accounting system is not cast in stone and, second, it is quite normal that Beyond-GDP indicators need time to become embedded in political spheres. It has also been argued that it would be useful to provide statisticians with multidisciplinary training and foster openness to statistics in training for public administrations or the

press industry, as this would facilitate the development of political and instrumental uses for new indicators.<sup>37</sup>

- *Beyond-GDP indicators' slow advance in political spheres needs to be viewed in the light of GDP history. Embedding GDP as a symbolic, political and instrumental indicator did not happen in a day. If Beyond-GDP indicators are to become embedded in political life, their advocates need to think more about the practical uses they wish to make of them.*

## 4. CONCLUSION

The synthesis offered by the Stiglitz-Sen-Fitoussi Commission helped to establish France as an international reference on Beyond-GDP indicators. However, whereas several countries have already officially adopted Beyond-GDP indicators, France is still struggling to hoist this up to a national level. This illustrates the difficult move of Beyond-GDP indicators from research to policy-making.

What lessons can glean countries which did not yet develop Beyond-GDP indicators from experiences studied in this report? Beyond-GDP indicators are progressing, slowly for sure—but after all, GDP was not built in a day—but they are nonetheless progressing. In particular, efforts are being made to more firmly embed official Beyond-GDP indicators in political life, a dimension whose importance is often underestimated. The Belgian Chamber of Representatives may soon be discussing Beyond-GDP indicators on an annual basis, while in Germany a committee of experts will regularly comment on their progress. These European initiatives echo the French bill on new wealth indicators.

France can catch up its lag if it adopts a Beyond-GDP indicator (note the many advantages of a dashboard with a limited number of “headline indicators” representing social, environmental and economic dimensions) and embeds it into French political life. If the barriers are to be lifted, other countries' experiences clearly show that:

- Statistics institutes hold a key position that can either impede or, on the contrary, drive Beyond-GDP indicators, as in Australia. In France, one way forward could be to create a real Innovation Department at INSEE, specifically tasked with steering this work.
- Political support at the highest level is clearly a major advantage, as evidenced by David

Cameron in the UK. An interministerial commission could be set up not only to provide guidelines for statisticians but also to specify how Beyond-GDP indicators will be used (e.g. parliamentary debates, quarterly publication of Beyond-GDP indicators alongside or in the same document as GDP, etc.).

- Consultation with civil society helps to increase the symbolic and political power of Beyond-GDP indicators by increasing their legitimacy in the eyes of citizens, experts, media and political leaders themselves.

It should be borne in mind that leaders from all political persuasions in other countries have officially adopted Beyond-GDP indicators. Indicators that complement GDP are no longer the preserve of any one political group, although each political group obviously does not envisage the same indicators; moreover, the nature of the Beyond-GDP indicators largely determines how they are used and their potential to transform current practices. Developing Beyond-GDP indicators that are associated with a particular policy agenda also increases their chances of being used.

Although the current economic and social crisis is sometimes presented as an opportunity to disseminate Beyond-GDP indicators, it often sparks apprehension. If the crisis lingers on, it may encourage a retreat into the safe haven of the current model and its headline indicators such as GDP. It may also discourage policy makers from taking Beyond-GDP indicators on board for fear of this being perceived as an attempt to switch indicators so as to camouflage weak GDP recovery and high levels of unemployment.

Yet surely, Beyond-GDP indicators constitute an important tool for managing a crisis that is not only economic but also socioeconomic. This crisis is visible not only in the short-term changes in GDP growth but also in its impacts on inequality, the health of the most vulnerable, malaise at work, etc. Beyond-GDP indicators not only enable very long-term projections but can also, as of now, help us to better understand the current crisis in all its social, economic and environmental dimensions. They restore meaning to political action by legitimising new discourses.

To conclude, we wish to stress the key message of this report. Based on the experiences studied, it is still too early to single out the “best” Beyond-GDP indicator. But one thing is certain: if the promises of Beyond-GDP indicators are to be fulfilled, all stakeholders must now consider how these indicators should be used. On this count, pioneering countries are starting to provide us with inspiring examples. ■

37. For the importance of a multidisciplinary approach in the training curriculum for statisticians, see especially Desrosières (2008).

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## APPENDIX

### Methodology

#### *Study following on from the BRAINPOoL research*

The substantive contributions of the BRAINPOoL study led us to drill down further into an important question: the extent to which social progress indicators are effectively embedded in political action. This is the dimension to which we aim to make a fresh intellectual contribution. Moreover, unlike BRAINPOoL, which covered a broad set of indicators, we focus on initiatives that have received official support. We also take into account two countries not covered by the BRAINPOoL study but which seem worthwhile for the French experience: Belgium and Australia.

#### *Five questions for key actors*

For each initiative studied (except Wales), in addition to an analysis of policy, academic and media documents, we also interviewed key actors, government representatives, members of civil society organisations, members of parliament and statisticians:

**Germany—Stefan Bergheim**, director of the Zentrum für gesellschaftlichen Fortschritt (Centre for Societal Progress), a relatively young think-tank (2009) working on ways to improve the quality of life in Germany.

**Australia—Jon Hall**: currently head of the UNDP's National Human Development Reports Unit, Jon Hall was one of the linchpins of "MAP", having served seven years as a statistician with the Australian Bureau of Statistics. Between these two posts, he worked as a statistician for the OECD, where he played a key role, as of 2005, in implementing the Global Project on Measuring the Progress of Societies.

**Belgium—Cécile Thibaut**: senator in the Belgian Federal Parliament since 2009 and member of the Senate working group on the new wealth indicators.

**Belgium, Wallonia—Geoffroy de Schutter**: currently campaign director for *Inter-Environnement Wallonie*, he served as programme director at WWF Belgique, before working for the office of the minister of Sustainable Development for the Walloon region.

**United Kingdom—Paul Allin**: currently visiting professor at Imperial College London, Paul Allin was director of the Measuring National Well-Being Programme in the ONS. Since his retirement, he is a member of the NMWP advisory committee.

**Lisa Ollerhead**: Policy adviser to the Cabinet Office, she heads the Well-being Programme's Analysis and Insight team.

#### *We asked our interviewees the following five questions:*

1. What types of indicators have been implemented?
2. What are the political conditions that led governments or national administrations to adopt new indicators?
3. What reasons are advanced for their uptake? More specifically, are these initiatives in opposition to GDP or not?
4. What political and/or technical processes have been used to develop and/or select the indicators?
5. In practical terms, what are administrations or governments doing with the new indicators? What about the role of the media? Are the indicators concretely integrated into the policy-making process? (At micro level, for example by systematically integrating them into studies on public policy impacts? At macro level, possibly by releasing GDP figures and a social progress indicator jointly?)

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- Chancel L., Demailly D., *Quels enjeux pour une la protection sociale dans une économie post-croissance*, Iddri, *Working papers*, N°17/13

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