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## 2<sup>nd</sup> UNNES Beyond GDP sprint 2023 meeting

### The importance of Here & Now, the Future and Elsewhere

Gerard J. Eding, director of National Accounts 15 June 2023

### **GDP** and beyond: main challenges





GDP is not a good measure of economic performance, it's not a good measure of well-being

Joseph Stigitz Economist GDP is instructive in many ways but it does not tail the whole story.





From a GDP perspective, nuclear warheads do just as well as hospital beds or apple pie.



"Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials.

It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile."

Robert F. Kennedy University of Kansas, March 18, 1968



#### < 2014

Demand for new well-being indicators is increasing

#### June 2014

Dutch parliament debated, motion to explore the possibilities of defining well-being in broader terms than GDP

#### June 2015 Working group discussed draft proposal with experts (oa CBS)

#### July 2015 House of Representatives requested CBS to report (September report)

October 2015 Temporary Committee on explorative study of a broad definition of well-being in close consultation with CBS experts

#### January 2016 CBS suggests to publish a report containing a selection of indicators to give a broad picture of well-being

#### April 2016

Committee recommends that CBS develop an annual 'Monitor of Well-being'

#### December 2016

The cabinet stated that it would commission CBS to compile an annual Monitor of Well-being, and make funding available

#### January 2017

The House of Representatives debated the findings of the Temporary Committee with the cabinet, which adopted all the Committee's recommendations Thus it was officially confirmed that CBS was to publish an annual Monitor of Well-being

#### May 2018

Monitor was presented on Accountability Day

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# The Dutch experience: a conceptual measurement system



### Arriving at a GDP and Beyond standard?

- Which is conceptually sound.
- Links to important (global) policy initiatives.
- Informs governments, industrial enterprise and civil society how to shape the transition agenda's towards a more sustainable world (fit for purpose).
- Is adaptive to new policy needs and uses
- Is flexible to suit regional differences



An international measurement framework

CES Recommendations:

outcome of UNECE/European Commission/OECD Task Force (with World Bank and ten statistical agencies) UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

#### Conference of European Statisticians Recommendations on Measuring Sustainable Development









"Well-being concerns the quality of life here and now as well as the extent to which this quality is achieved at the expense of future generations or of people in other countries"



## Visualising the indicator set



#### Trends in well-being: Here and now





0.1 Gross domestic product / 20 2 Satisfaction with life / 05 Feeling in control of own life / 04 Median disposable income / 05 Individual consumption / 06 Healthy life expectancy of men / 07 Healthy life expectancy or more / 05 Individual consumption / 06 Healthy life expectancy of men / 07 Healthy life expectancy of wome / 08 Development / 20 Net Labour participation / 11 Higher educated population / 12 Satisfaction with lesure lime / 13 Time lost due to traffic congestion and delays / 14 Satisfaction with work (employees) / 15 Austigaction unit heave the relative of the due and the second and accountability / 19 Trust in institutions / 21 Trust in other due 22 Automatay onc/ / 22 Volutary work / 23 Offen feeling unsafe in the neighbourhood / 24 Victims of crime / 25 Managed natural assets (terrestrial) within NNN / 26 Quality of Inand bathing waters / 27 Nitrogen deposition and terrestrial nature areas / 22 Wol and second accountability / 10 Satisfaction with work / 20 Dens in the second accountability / 10 Satisfaction with work / 20 Dens in the neighbourhood / 24 Victims of crime / 25 Managed natural assets (terrestrial) within NNN / 26 Quality of Inand bathing waters / 27 Nitrogen deposition and terrestrial nature areas / 22 Windian exposure to particulate matter (Windian / 20 Dens in the neighbourhood / 24 Victims of crime / 25 Managed natural assets (terrestrial) within NNN / 26 Quality of Inand bathing waters / 20 Nitrogen deposition and terrestrial nature areas / 22 Windiane exposure to particulate matter (Windiane / 20 Nitrogen deposition and terrestrial nature areas / 23 Nitrogen deposition and terrestrial nature areas / 24 Nitrogen deposition and terrestrial nature areas / 24



High ranking
Middle ranking

Low ranking

O No data

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#### Trends in well-being: Later





0.1 Gross domestic product / 02 Physical capital stock / 03 kmowledge capital stock / 04 kmerage household debt / 05 Median wealth of Douseholds / 06 Renewable electricity capacity / 07 Managed natural assets (terrestrial) within NNN / 08 Green blue space, excluding conventional faming / 09 Phosphorus surplus / 10 Nitrogen surplus / 11 Fauna on lan / 12 Pauna in Ferbivater and manches / 13 Surface water with good dhemical quality / 14 Ground water abstraction / 15 Urban exposure to particulate matter (PM, 1) 16 Cernulative (O, emissions / 12 Brigher educated population / 19 Healthy life expectancy of women / 20 Healthy life expectancy of women / 20 Healthy life expectancy of men / 21 Trust in other people / 22 Feelings of Grossinianiano / 21 Trust in institutions



Middle ranking

Low ranking
No data

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#### Trends in well-being: Elsewhere





01 Gross domestic product / 02 Total imports of goods / 03 Imports of goods from Europe / 04 Imports of goods from Africa / 05 Imports of goods from Asia / 07 Imports of goods from Asia / 07 Imports of goods from Acenia / 08 Total imports from LOS / 09 Official development assistance / 10 Remittances / 11 Fossil fuel imports / 12 Fossil fuel imports from LOS / 13 Imports of metals / 14 Imports of metals / 14 Imports of non-metallic minerals / 16 Imports of non-metallic minerals / 16 Imports of non-metallic minerals / 17 Biomass imports from LOS / 19 Land footprint / 20 Material footprint / 21 Greenhouse gas footprint



Low ranking

 $\bigcirc$  No data

















79.9%





Migration background

8.4%





## Integrating the system with SDG's



### **SDG-plus monitoring**

- Embracing the UN SDG agenda.
- Adding indicators specifically relevant for the Dutch policy context.
- Enriching SDG monitoring with the "here and now", "later" and "elsewhere" dimensions.
- Using a **typology of indicators (input-throughputoutcome)** which may enhance policy evaluations in terms of effectiveness and efficiency.





The Dutch experience: policy implementation, use and challenges ahead







Caribisch Nederland







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## **Monitoring of wellbeing and SDGs I**

### **Ex post analysis:**

- Monitoring at national level (6<sup>th</sup> edition)
- Regional monitoring for municipalities, including the Caribbean Islands.
- Annually presented at Accountability debate in Parliament (3<sup>rd</sup> Wednesday in May)
- Increasingly used in political debate and policy.



## Monitoring of wellbeing and SDGs II

### **Ex ante analysis:**

- New development: wellbeing and SDG factsheets for each of the Ministries (link with budget, strong support from Ministry of Finance)
- Steadily growing as (a new) basis for policy evaluation (by other (government) agencies)
  - e.g. development of a tool (Policy Compass) to evaluate new policy measures.



### **Investment has proven its value added**

Importance of solid conceptual basis of measurement system and indicator system on wellbeing, with three dashboards:

- Present wellbeing
- Future wellbeing (sustainability)
- Inclusive wellbeing (distribution of wellbeing within and between countries)



## (UNNES) Challenges ahead

 How to use (existing) economic, environmental and socio-demographic accounting systems in order to describe how indicators are related

-> tracking potential trade offs and synergy effects.

- 2. Elsewhere/Inclusive dimension. Global consultation through regional commissions on themes and indicators to be included?
- 3. Increasing sets of indicators and (the development of) composite indexes (for communication purposes)



### Thanks you for your attention/ Questions?





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# Facts that matter