Mapping 'Beyond GDP' Indexes, Indicator Frameworks, Wealth, and Health Approaches – Summary Slides

Richard Heys
Deputy Chief Economist - ONS

Topics covered

Session 2: Multidimensional Dashboards Approaches

Presentation on global trends and the SDG Framework: Data needs and issues by Rikke Munk Hansen, United Nations

Presentation on multidimensional vulnerability indexes initiatives and their future development by Anya Thomas and Laurent Wagner, United Nations

Presentation on monitor of wellbeing in terms of the economy, the environment and society, and Dutch progress towards achieving the United Nations' SDGs by Jan Pieter Smits, Statistics Netherlands

Session 3: Capabilities Approach

Presentation on Human Development Index by Pedro Conceição Director, United Nations

Session 4: Wealth and Equivalent Incomes Approaches

Presentation on Comprehensive Wealth by James Cust and Grzegorz Peszko, World Bank

Presentation on Inclusive Wealth by Sir Partha Dasgupta, Cambridge University

Presentation on Inclusive Incomes by Richard Heys, Office for National Statistics

Session 5: Health

Presentation on health economics, health and climate change by Steve MacFeely, World Health Organisation

Office for **National Statistics**

Multidimensional Dashboards - SDGs

Rikke Munk Hansen covered the following:

- Trends in globalization, technology, inequalities and climate change have far reaching consequences for societies … need to revisit conventional thinking
- Strong economic performance has not been people and planet friendly … need to think beyond GDP as focusing on economic growth alone has come at a cost to social and environmental inclusiveness
- Adoption of SDGs is a step in the right direction … need change in mindset for its effective implementation
- Available data shows that all SDGs will be missed in 2030 at current progress … need more and better data AND data must be used by policy makers
- Preoccupation with GDP is rooted in the belief that:
    - maximization of consumption or income is a principle goal of individual human activity and source of utility or satisfaction;
    - society's welfare can be evaluated by considering the sum total of utilities of all individuals; and
    - there is agreement in a society on such a welfare criterion.

Jan Pieter Smits described the Dutch Monitor of Well-being, with a focus on:

- integrating a conceptual and policy-relevant (SDG) framework, with a focus on "Here and Now", "Later" & "Elsewhere".
- Presentation of data: visualisation of dataset on wellbeing and SDGs, and trade-offs/synergies - GDP & carbon).
- Political context: monitor of wellbeing and SDG's and its role in parliamentary debate.

Office for **National Statistics**

Multi-dimensional indices - MVIs

Laurent Wagner flagged that:

- The MVI should be seen as a tool fitting a specific purpose: helping vulnerable countries get easier access to concessional finance (GNI+) or debt relief initiatives.
- This purpose is also the reason why certain criteria are necessary.
- This purpose also makes it critical for the MVI to be based on a clear and coherent framework that represents a broad consensus on vulnerability.
- Therefore one needs to be clear on the purpose – not all multi-dimensional indices may have the same role - the MVI shouldn't be a general index reflecting development – but buy-in from users is key.

Capabilities Approach

Pedro Conceição covered the Human Development family of indices:

- HDI (health, knowledge and living standards)

- Inequality adjusted HDI (HDI accounting for inequality)

- Gender Inequality Index (reflects gender-based disadvantage in three dimensions—reproductive health, empowerment and the labor market)

- Gender Development Index (measures gender inequalities in achievement in three basic dimensions of human development (health, education, income)

- Multidimensional poverty index (MPI) (HDI metrics – reflecting 1) Headcount: the number of poor people and 2) Intensity: the average number of deprivations experienced by poor households

- Need to capture agency, freedom and access to options.

Wealth and Equivalent Incomes

Grzegorz Peszko covered

- Comprehensive wealth (produced capital, natural capital, human capital and net foreign assets) can be used as one of the aggregate wealth indicators to complement GDP and measure sustainability, resilience and equality of growth
- Conceptually and theoretically robust, consistent across countries, time (1995-2018) and assets
- Methodologies SNA/SEEA-compatible and evolving with SNA revisions
- Proven measurability, tested, constantly improved and reality-checked for over 20 years
- Applied to policy issues (especially non-renewable and renewable natural capital management)
- Associated flow indicators Adjusted Net Savings widely used to measure certain aspects of sustainability

Sir Partha Dasgupta discussed: the theoretical necessity of using a wealth-based approach to capture human impact on biodiversity, but also to better understand policy questions and trade-offs.

Richard Heys discussed: income approaches with an expanded asset boundary, on the basis that measurement of flows can be easier than stocks, but still give a consistent picture of net changes in wealth, whilst stressing the opportunity to re-use data already captured in satellite accounts.

Health

Stephen McFeely commented on:

- The importance of considering health and wealth / income statistics alongside one another.
- The necessity for a wide range of stakeholders outside 'the usual suspects' to focus on and comment on forthcoming changes to the SNA.
- The need to consider health from varied perspectives, including countries at different levels of wealth.
- The preventative nature of some health interventions (e.g. Covid vaccines) which prevent future economic harm (e.g. lockdowns)
- The need to ensure users are able to engage with and understand data.

Conclusions

- The presentations demonstrated the range of alternatives currently in place.

- The presentations highlighted the need to engage users.

- The presentations demonstrated that different models may be attempting to achieve different things and should be seen in that context.

- All metrics and models were trying to strike a balance between drawing together multiple data sources either between flow and stock measures, or between "Here and Now", "Later" & "Elsewhere".

- Inequalities and distributions were a key aspect across many models.