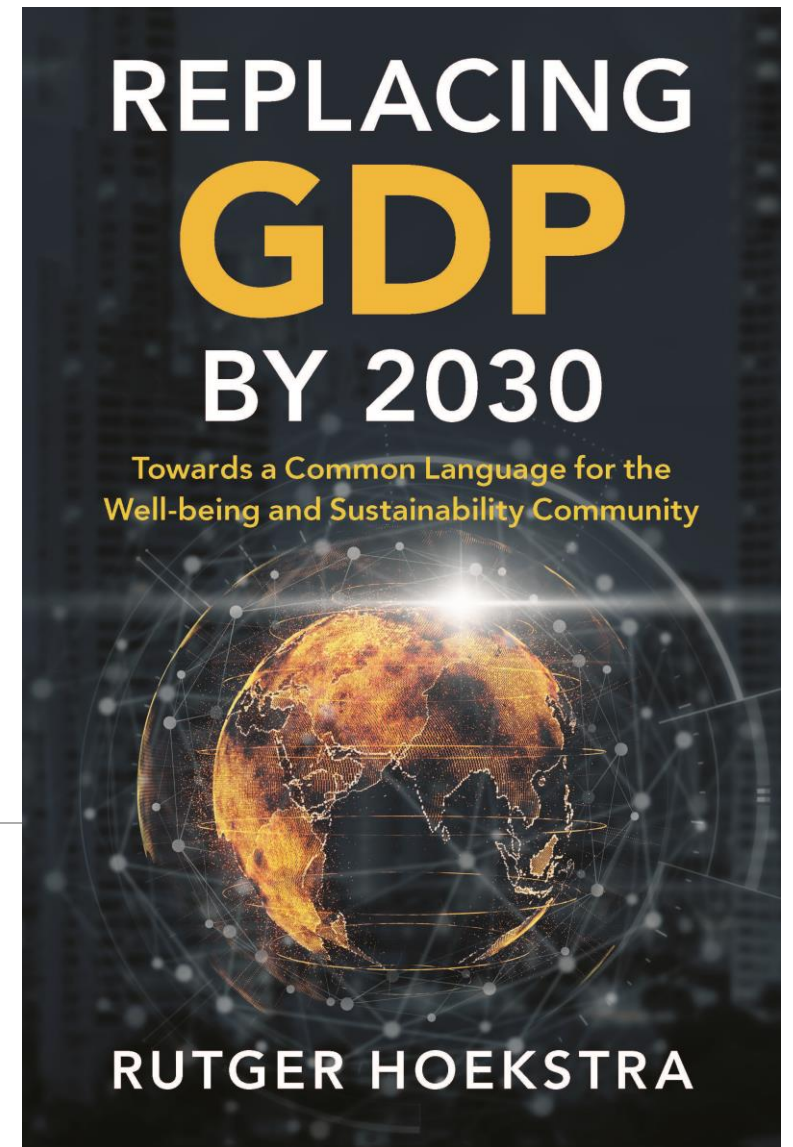
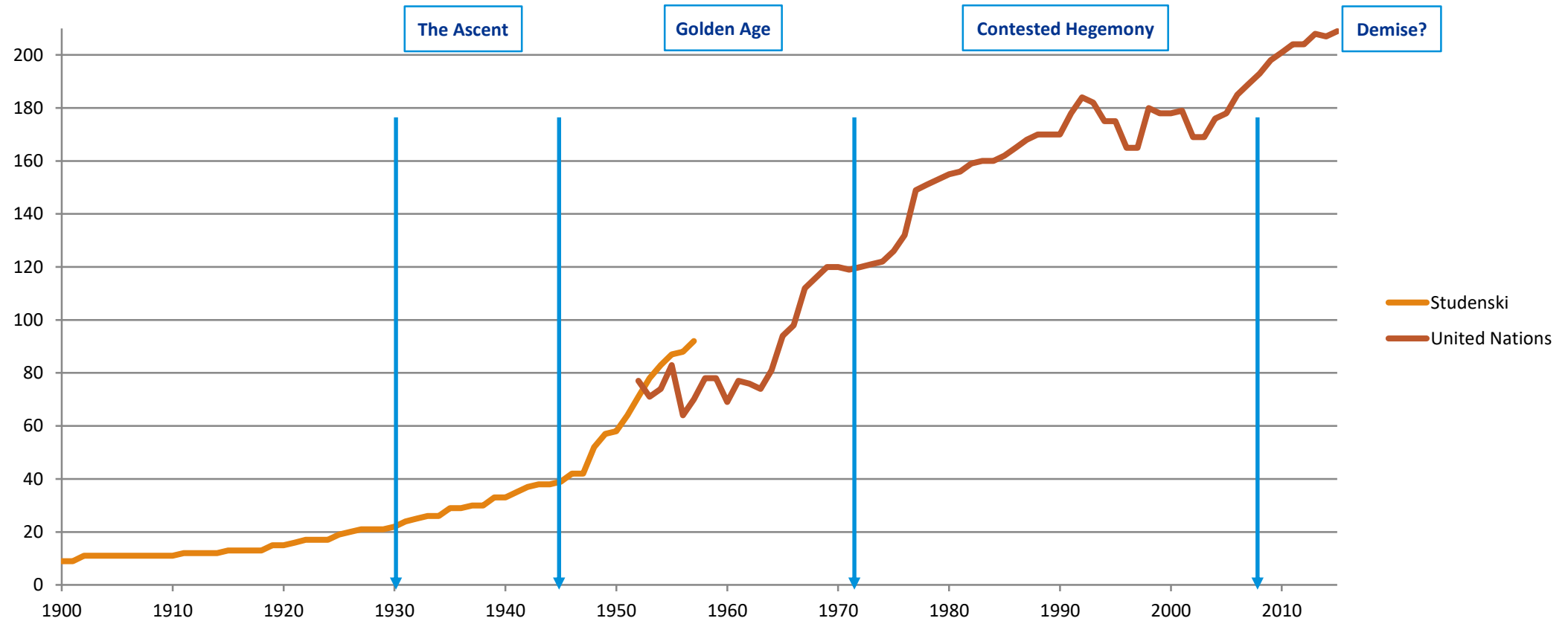


REPLACING GDP BY 2030

CAMBRIDGE UNIVERSITY PRESS
BY RUTGER HOEKSTRA
METRICSFORTHEFUTURE.COM



The creation of the “GDP-multinational”



What happened in the “Golden Age”?

Community Features		Macro-economics (GDP multinational)
Goal		Economic Growth
Community Structure	Policy Science	Macro-economics
	Accounting Framework	System of National Accounts
	Key Indicator	Gross Domestic Product
Common Language		System of National Accounts
Institutionalisation		√

But GDP is not a measure of well-being, inequality or sustainability

“Beyond-GDP cottage industry”

A selection of the many terms

Adjusted Savings, Affect, A-growth, Basic Needs, Beyond-GDP, Carbon footprint, Capabilities, Capital Approach, Circular Economy, Comprehensive Wealth, Corporate Social Responsibility (CSR), Cradle-to-Cradle, Current Wellbeing, Degradation, Depletion, De-Growth, Distribution, Ecological footprint, Economic wellbeing, Eco-System Services, Environmental Accounts, Footprint, Functionings, Genuine Progress Indicator (GPI), Genuine Savings, Green Economy, Green Growth, Human Capital, Human Development Index (HDI), Human wellbeing, Inclusive Growth, Index of Social Economic Welfare (ISEW), Inclusive Wealth, Industrial ecology, Industrial Symbiosis, Inequality, Integrated Reporting, Investment, Life cycle analysis, Life satisfaction, Material flow analysis, Natural Capital, Natural Capital Accounting, Needs, Planetary Boundaries, Produced Capital, Progress, Quality of life, Resilience, Subjective wellbeing, Substance Flow Analysis, Social Capital, Social Welfare, Societal Progress, Standard of Living, Sustainable Development, Sustainable National Income (SNI), Sustainability, True Cost, True Price, True Value, Utility, Wealth, Welfare, Wellbeing, Water Footprint.

A selection of hundreds of indicators (and new indicators are added every month)

Total Income System of Accounts (TISA)	Sustainable Net Benefits Index (SNBI)	Environmental Sustainability Index (ESI)	SDG index
Measure of Economic Welfare (MEW)	Total/Comprehensive Wealth	Wellbeing Index (WI)	Sustainable Wellbeing Index (SWI)
Sustainable National Income (SNI)	Adjusted Net Saving (ANS)	Environmental Performance Index (EPI)	Gross National Happiness
Adjusted GNP	Inclusive Wealth Index (IWI)	Happy Planet Index (HPI)	Commission for Sustainable Development (UN-CSD)
Economic Aspects of Welfare (EAW)	Ecological Footprint (EF)	Legatum Prosperity Index	Millennium Development Goals (MDG)
Integrated Economic Accounts (IEA)	Life Situation Index (LSI)	Sustainable Society Index (SSI)	Eurostat - Sustainable Development Indicators
Gross Private Domestic Product	Human Development Index (HDI)	Fondazione Eni Enrico Mattei Sustainability Index (FEEM)	Wheel of Wellbeing
Index of Sustainable Economic Welfare (ISEW)	Living Planet Index (LPI)	Multidimensional Poverty Index (MPI)	Sustainable Development Goals (SDG)
Genuine Savings	Index of Economic Well-being (IEWB)	Canadian Index of Wellbeing (CIW)	Monitor Duurzaam Nederland
Genuine Progress Indicator(GPI)	Environmental Vulnerability Index (EVI)	Social Progress Index (SPI)	Monitor Brede Welvaart

The “GDP multinational” vs. the “Beyond-GDP cottage industry”



vs



Beyond-GDP needs to think bigger and adopt a “multinational”-mindset

Strategy: A coherent institutionalised community with a common language

Community Features		Macro-economics (GDP multinational)	Wellbeing and Sustainability Science
Goal		Economic Growth	Wellbeing and Sustainability
Community Structure	Policy Science	Macro-economics	Wellbeing and Sustainability Science
	Accounting Framework	System of National Accounts	System of Global and National Accounts
	Key Indicator	Gross Domestic Product	System and Quality Indicators
Common Language		System of National Accounts	System of Global and National Accounts
Institutionalisation		√	By 2030

A UN-process is needed to create this community

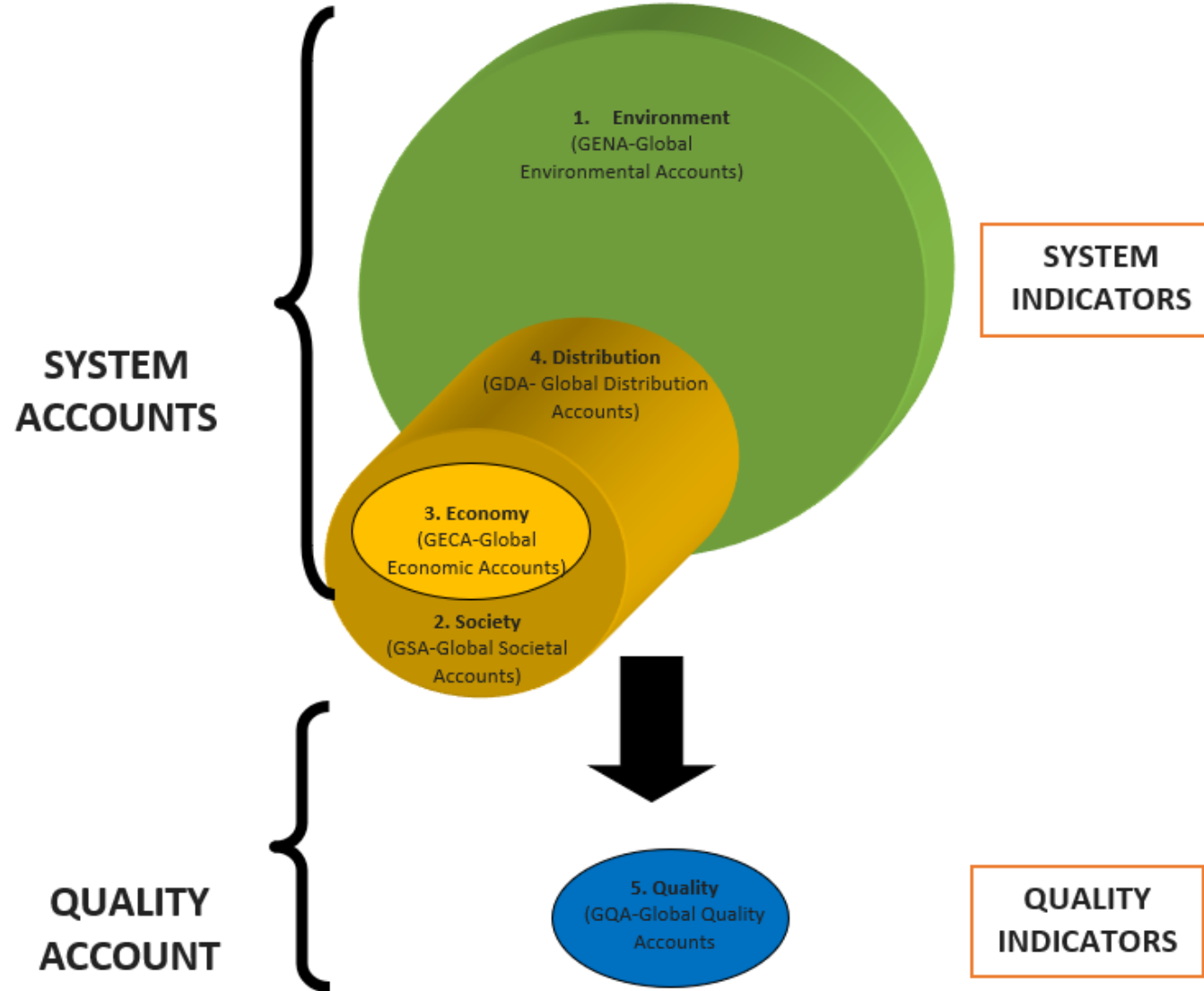
Intergovernmental Panel on Well-being, Inequality and Sustainability (IPWIS)

1. The IPWIS should create a scientific community for Beyond-GDP
2. The UN has done this before (SNA, SEEA, IPCC, IPBES)
3. This creates a coherent message for society about well-being, inequality and sustainability
4. It should be based on 50 years of Beyond-GDP research
5. This is larger than just harmonizing towards a common indicator
6. This requires multidisciplinary scientific effort, not just economics
7. The SDGs are important, but currently lack scientific foundation/accounting framework
8. The IPWIS should contribute to the new SDGs in 2030 and the new SNA in 2025 (?)

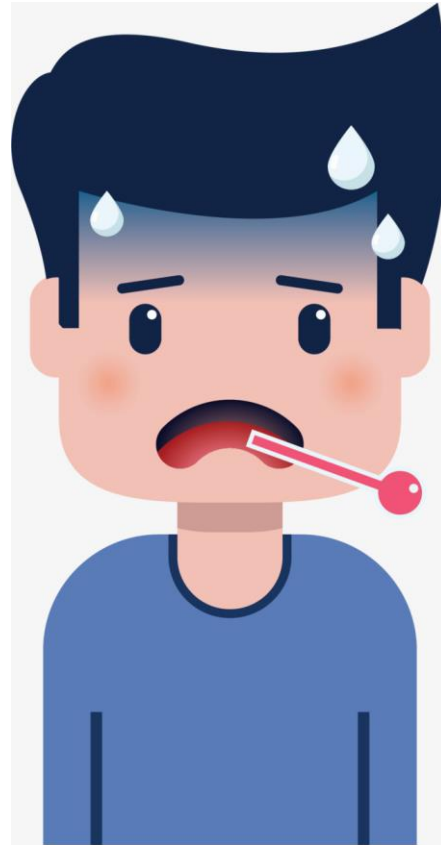


Reserve slides (if needed)

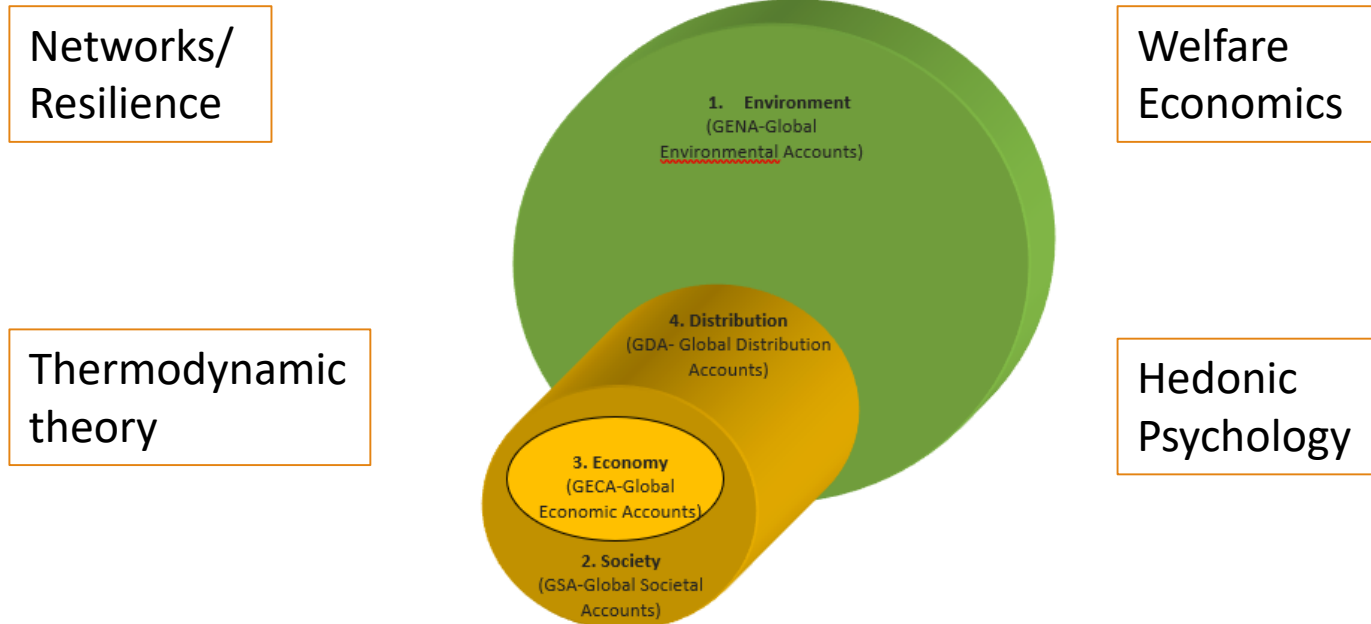
System of Global and National Accounts



Quality Accounts: Are things getting better or worse?



Quality Accounts: Are things getting better or worse?



Example: Hedonic Psychology

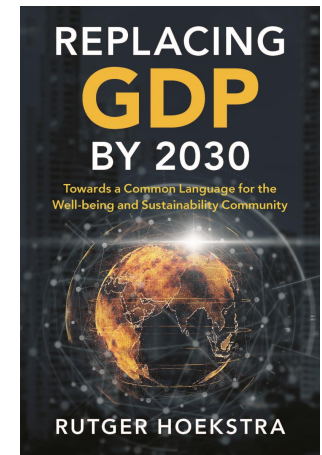
Activities	Mean affect rating			Mean hours/ day
	Positive	Negative	Competent	
Intimate relations	5.10	0.36	4.57	0.2
Socializing	4.59	0.57	4.32	2.3
Relaxing	4.42	0.51	4.05	2.2
Pray/worship/meditate	4.35	0.59	4.45	0.4
Eating	4.34	0.59	4.12	2.2
Exercising	4.31	0.50	4.26	0.2
Watching TV	4.19	0.58	3.95	2.2
Shopping	3.95	0.74	4.26	0.4
Preparing food	3.93	0.69	4.20	1.1
On the phone	3.92	0.85	4.35	2.5
Napping	3.87	0.60	3.26	0.9
Taking care of my children	3.86	0.91	4.19	1.1
Computer/e-mail/Internet	3.81	0.80	4.57	1.9
Housework	3.73	0.77	4.23	1.1
Working	3.62	0.97	4.45	6.9
Commuting	3.45	0.89	4.09	1.6

Is the Strategy Feasible?


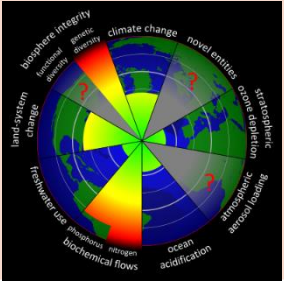




1. 50 years of research and data
2. It's been done before (SNA, IPCC, SDGs)
3. Greatest challenge: Institutionalisation

What can you do to help?

1. If someone creates a new index say: “What was wrong with the 1000 others?”
2. It might seem boring but..... promote harmonisation
3. #ReplaceGDPby2030 (Twitter, LinkedIn, Instagram)



System Accounts: Common Features of the Common Language

	Stock/Flow Accounting	Networks	Limits
Environment	$\text{CO}_2 \text{ atmosphere } (t) + \text{Emissions} - \text{Uptake} = \text{CO}_2 \text{ atmosphere } (t+1)$		
Society	$\text{Population } (t) + \text{Births} - \text{Deaths} = \text{Population } (t+1)$		
Economy	$\text{Machines } (t) + \text{Investment} - \text{Depreciation} = \text{Machines } (t+1)$		

3. Why is Beyond-GDP unsuccessful? The “Beyond-GDP cottage industry”

