BEYOND GDP: FINDING THE RIGHT MEASURE FOR PROGRESS

This briefing is derived from an expert panel, convened by Springer Nature and the United Nations Sustainable Development Solutions Network (SDSN) as part of their Science for a Sustainable Future series.

Panel session speakers included:

- **Dr. Jessica Espey**, University of Bristol
- **Dr. Felix Fuders**, Universidad Austral de Chile
- **Dr. Ehsan Masood**, *Nature* (Moderator)
- **Dr. Yongyi Min**, United Nations Statistics Division
- **Dr. Zakaria Zoundi,** International Institute for Sustainable Development (IISD)

Gross domestic product (GDP) has reigned supreme for decades as the most prominent indicator of development, but since its adoption, many have pointed out its flaws. UN Secretary-General António Guterres is the latest in a crescendo of voices calling for GDP to be dropped as the world's primary go-to indicator, and to be replaced by a range of metrics. GDP is always rising; even in a crisis GDP can go up. This implies that we are always moving in the right direction, despite growing inequality, hunger, and environmental degradation.

GDP is also 'blind' and treats economic goods the same as harms. For instance, expenditures to clean up toxic pollution contribute equally to GDP as investments in expanding healthcare access. Moreover, GDP emphasizes the short-term over the long term, and it does not capture human thriving, including whether populations are happy and healthy

Alternative metrics to measure development progress

There has been a great deal of research on alternative metrics to measure development progress. These various indices attempt to measure qualitative and quantitative data, some of it subjective and some of it objective, on how human needs for food, shelter, healthcare, friendship, and a healthy ecosystem are met. They include Gross National Happiness, the Human Development Index, the OECD Better Life Index, the Human Scale Development Index, the Multidimensional Poverty Index, and the SDG indicators, yet none have been able to supplant GDP. These measures have received significant academic support, yet convincing governments to adopt an alternative has been challenging.

Recommendations for considering a new metric:

- Compelling arguments need to be made to political leaders as to why they should adopt these measures, and funding is needed to enhance statistical capacity to generate robust data sets. Greater political attention is also needed to broaden the list of important global metrics, and this issue needs to be on the international agenda at events, such as the UN General Assembly and the G20.

- Another barrier to change is that many key global indicators are based on GDP, such as the debt to GDP ratio, or funding for healthcare as a percentage of GDP. Alternatives are needed for such related measures, and stakeholders from statistical agencies and multilateral development banks need to be involved, as they will be implementing and using alternative indicators.

- On a positive note, such metrics are often intuitively understood by the general public, and there is growing popular interest, which could encourage policymakers to take action. In addition, advancing progress at the regional level may be key to driving wider acceptance at the global level.

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