

Road to the Summit Discussion Series
Meeting 9 Summary | 14 June

Complements to GDP: What Values Guide Development?

Background and critique of GDP

- The world financial system is in crisis, partly as a result of overemphasis on material growth at all costs, and a lack of balanced development.
- As an indicator, GDP can be considered a success, in so far as it provides reliable, uniform, and comparable national accounts.
- GDP is a measure of income. It was never intended to measure development, though it has been used extensively for that purpose. “We are eating soup with a fork”
- GDP has many well-noted gaps and flaws: it doesn’t measure things such as environmental impact, crime rates, pay equality, social cohesion, inequality, or non-market services such as care work. Its reliance on averages obscures disparities (“where is my per capita GDP?”). It is unable to distinguish between positive and negative effects of economic activity.
- Its flaws notwithstanding, GDP has been extremely durable and popular. It is important to consider why this is the case and to acknowledge the strengths and utility it has. It is, for example, a very simple, clear, and intuitive measurement, which makes it a very powerful tool of communication and comparison.
- Efforts to move beyond GDP are grounded in the 2025 System of National Accounts update, the System of Economic and Environmental Accounting (statistical framework), the SDG indicator framework, the Multidimensional Vulnerability Index, and *Our Common Agenda*.

The role of values and paradigms in complementing GDP

- Moving beyond GDP is fundamental in centering human well-being. When progress comes at the expense of people and the planet, we are left with an inaccurate vision of development.
- To develop alternatives to GDP, concepts of success and progress need to be redefined. Multilateral actors need to develop a shared understanding of what development and success truly are, and then develop indicators to measure them.
- Redefining what is meant by social and economic progress will be key to constructing a new economic narrative. This implies a wiser understanding of the relationship between the economic productive sphere and the well-being of the human spirit.
- Economic activity must increasingly be approached and measured not as an end in itself, but a means to wider social goals.

- There is a need for indicators that measure application of the principles and values enshrined in the UN Charter. Activity that is unmoored from a system of values easily degenerates into disorder or exploitation.
- Trust in institutions is particularly important to measure, as solutions are effective only to the degree that people trust the institutions implementing them. Trustworthiness is equally as important, as only to the degree that institutions are trustworthy is it rational that people would trust them.
- Key elements that need to be measured, going forward, include planetary boundaries, ecological overshoot, climate change, and overpopulation. Consideration should be given to degrowth or steady-state economies as collective goals, as opposed to just developing alternate ways to measure limitless growth. Models of consumption and production need to be redefined and reconceptualized.

The role of technical and substantive elements in complementing GDP

- The *Valuing What Counts: United Nations System-wide Contribution on Beyond Gross Domestic Product* [proposal](#) outlines areas that should be measured by any indicator seeking to augment GDP. These include well-being and agency, respect for life and the planet, reduced inequalities and greater solidarity, participatory governance and stronger institutions, innovative and ethical economies, and movement from vulnerability to resilience.
- Indicators complementing GDP should be: country owned, comparable across time and countries, well-established and trusted, universally applicable and usable by diverse stakeholders, able to convey strong and clear messages that are actionable and intuitive, iterative and dynamic, and based on what exists while allowing for the addition of new indicators as relevant. See a slide presentation [here](#).
- In seeking alternatives to GDP, it is important to be clear about what we want to be measuring. Is it progress, well-being, development, or sustainability? These are all interrelated, but not synonymous.
- Indicators need to measure multiple facets of human well-being, including mental and physical health, equity and fairness, social relationships, and a flourishing natural environment.
- Efforts like the Human Development Index show that one number cannot effectively cover all concerns. This is why the policy brief suggests a dashboard of indicators. A single number measuring a given area lends itself to ranking, which can be problematic. (major life decisions are based on a dashboard analysis - a host of factors)
- GDP should not be the criteria for low-income countries to graduate. We need to look at vulnerability, which is the purpose of the [multidimensional vulnerability index](#)
- The larger public needs to be included in thinking around alternatives to GDP, through well-crafted communications strategies. These ideas circulate within the UN system but need to be far more present outside of it.
- We must ensure that any alternatives to GDP are discussed with, and adopted by the Bretton Woods Institutions and that the decisions they make are guided by those indicators.