Sharing lessons from the Beyond-GDP world

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new economics foundation

• **London-based**
• **Politically independent** think tank
• NEF's **mission** is to kick-start the move to a **new economy** that promotes:
  - Social justice
  - Well-being
  - Environmental sustainability

• **NEF and degrowth:**
  - NEF doesn’t explicitly promote a degrowth agenda…
1. What are the **barriers** to the use of **Beyond-GDP indicators** in **policy-making**?

2. What **opportunities** are there to **increase their use**?
Why are the findings interesting for advocates of degrowth?

Lessons learned that the degrowth community may also benefit from

**Lesson 1:** Indicators can be used in several ways

**Lesson 2:** Using indicators: the recipe for success

**Lesson 3:** Overcoming barriers to the use of alternative indicators
What is Beyond-GDP?

Measuring progress differently

Stiglitz  Sen
Not everyone working in the Beyond-GDP world thinks of Beyond-GDP in the same way...

A spectrum of positions exist regarding economic growth:

- **Less radical**
  - GDP has **technical shortcomings**, which can be overcome by using additional indicators

- **Growth is good**, but we need to **target other things** too - ‘sustainable growth’

- **Growth is much less important** to progress than conventionally assumed, but **not actively bad**

- **More radical**
  - Continued growth will be detrimental – **degrowth is needed**
In the less radical view of Beyond-GDP, social and environmental goals are considered in parallel with economic goals.

Problematic because economic goals tend to be prioritised over other goals.
Our view of Beyond-GDP is that social and environmental goals need to be integrated with economic goals.
Lesson 1:
Indicators can be used in several ways

Key academic texts:
Boulanger, P. M. (2007)
Carol Weiss (1979)
Lesson 1: Indicators can be used in several ways

**Instrumental use**

- **Objective information tools**
- **Used to improve policy-making**
- **Used consciously and directly**
- E.g. a business might use sales figures to decide which products to stock more of

This isn’t the only way that indicators can be used…
Lesson 1: Indicators can be used in several ways

...very often, indicators are used in more subtle ways
Lesson 1: Indicators can be used in several ways

Conceptual use

- **Less about** using indicators to directly **measure** and **analyse**
- More about **raising awareness** about an issue
- Encouraging people to **think in a certain way**
- E.g. Ecological footprint may got people thinking about fair shares of natural resource use
- GDP has very strong **conceptual power**, seen in the pervasive emphasis on increasing economic growth in policy
Lesson 1: Indicators can be used in several ways

**Political use**

- Using an indicator to **justify** or **support a decision** (which may already have been made)
  - E.g. using subjective well-being indicators to justify environmental policies
  - E.g. using subjective well-being indicators to push an agenda
Lesson 1: Indicators can be used in several ways

What does this mean for the degrowth agenda?

• Indicators are useful tools for objectively monitoring a situation, and appealing to those with a positivist mindset…

…but this isn’t their only useful application!

• Indicators can also be used to:
  – Raise awareness
  – Promote thinking in new ways
  – Shift debates
  – Legitimise calls for action
Lesson 2: Using indicators: The recipe for success
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The findings in this section are based on...

- **Interviews** with 18 indicator producers and promoters
- **Media analysis** of public and expert media
- **Questionnaire** responses from 41 indicator producers and promoters
Lesson 2: Using indicators: The recipe for success

Q. What counts as ‘success’ when using indicators?
A. Bringing about **societal change** by **influencing**:

- **Opinion formers**
- **Organisations**
- **The public**
- **Policy**

The rest of the **Beyond-GDP movement**
Lesson 2: Using indicators: The recipe for success

Four clusters of **factors** contribute to the **successful use of indicators**
Lesson 2: Using indicators: The recipe for success

1. Salience
   - simple, attractive concept (public)
   - something that can be influenced by policy (policy makers)
   - tangible outcomes (policy makers)

2. Credibility
   - perceived reliability of data
   - caution around composite indicators

3. Legitimacy
   - neutrality of the indicator’s production
   - public consultations vs. vested interests
Lesson 2: Using indicators: The recipe for success

Not much you can do to change your users

**Good news:** People with economics backgrounds tend to be more interested in using indicators

**But:** They tend to favour indicators which use economic language and techniques.

- externality
- market failure
- opportunity cost
Lesson 2: Using indicators: The recipe for success

Harder to deal with - but it is useful to be aware of:

Opportunities
- Indicators that connect with political agendas
- Indicators that capture the public’s interest can create public pressure

Obstacles
- Ideologies: e.g. SWB “not the govt’s job” - scientific validity may help overcome
- Resistance from those who feel indicators could cause their decision-making to be bypassed
Lesson 2: Using indicators: The recipe for success

Look out for these qualities to maximise impact:

- Consultations to understand users’ needs
- Developers had direct contact with audiences - personal contacts can be made
- Local initiatives can be very impactful at the local level – flexibility, responsiveness
- Partnerships of developers reach wider networks, draw on greater skills bases & encourage more neutrality
Lesson 2: Using indicators: The recipe for success

What does this means for degrowthists using indicators?

When selecting indicators to work with:

• Think about the needs of your **intended audience**
• Be prepared to demonstrate **scientific robustness**
• Look for indicators that connect to **political agendas** or have **captured the public’s attention**
• Try to use indicators **developed in consultation** and **contact** with their intended audience
Lesson 3: Overcoming barriers to the use of alternative indicators
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The findings in this section are based on...

- Case studies on how alternative indicators are being used within seven organisations
- A 2-day workshop with experts from the field
Lesson 3: Overcoming barriers to the use of alternative indicators

Identified 3 categories of barriers:

1. Indicator barriers

2. Political barriers

3. Process and structural barriers
Lesson 3: Overcoming barriers to the use of alternative indicators

Indicator barriers

Data is unavailable, not timely, or not robust enough

No single Beyond-GDP indicator with the salience of GDP is agreed

Use of many concepts (quality of life, living standards, human development, sus development) causes confusion

Perceived undesirable connotations e.g. an association with “unrealistic” proposals
Lesson 3: Overcoming barriers to the use of alternative indicators

Process and structural barriers

People are reluctant to change their habits, and are risk averse, so resist significant change.

Some people have faith in the current system, or don’t think that using alternative indicators would be an improvement.

A more complex approach to policy making is needed, but we don’t have well developed tools or experience.

Failure by some producers to connect with intended users prevents their indicators from being useful or visible.
Lesson 3: Overcoming barriers to the use of alternative indicators

Political barriers

The indicators being put forward have not been agreed democratically... unlike GDP which appeals to freedom & choice (sometimes confused with having buy-in).

Lack of a compelling story which engages the public... unlike GDP, which is based on the message “as long as market failures are corrected, markets will maximise welfare”

Lack of demand from the public means there is little pressure on policymakers to use Beyond-GDP indicators
Why is this interesting for degrowthists?

• The barriers that Beyond-GDP advocates face are very similar to the barriers faced by degrowthists

• We can work together to overcome the barriers…

• …but how?
Lesson 3: Overcoming barriers to the use of alternative indicators

Key recommendation: Narrative

Develop a **positive, compelling story** about how the economy works and how we maximise human welfare without growth

- Compelling **intellectual arguments** about the economy
- Compelling **popular messages** about what government should deliver, if not growth
- **Answer questions** like ‘how do we maintain employment without growth?’
- The more people pushing a **single message**, the more powerful it will be
Lesson 3: Overcoming barriers to the use of alternative indicators

More recommendations

- Develop processes to engage citizens in indicator selection
- Continue work on sound methodologies and gaining scientific consensus over indicators
- Develop strategies for overcoming institutional resistance
- Improve processes for integrated, innovative policy making
- Be alert to opportunities to promote the use of indicators

See our report for ideas about how to achieve these: www.brainpoolproject.eu
Find out more

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