

THE UNITED NATIONS HAS A NEW PLAN TO WEIGH ECONOMIC GAINS

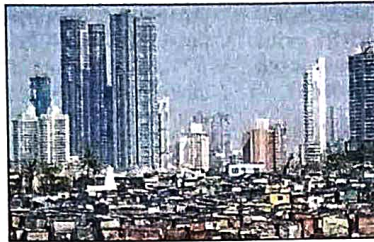
Search for an inclusive alternative to GDP

LYDIA DEPILLIS

New York: It's no secret that gross domestic product (GDP), the number that serves as a measure for economic progress around the world, is hardly a barometer of human flourishing.

It registers the harvest of a forest as timber income, for example, without recognising the resulting erosion and water quality degradation. It measures spending on hospitals, but not people's health. An authoritarian regime might score well, even if it hoards wealth and its median citizen lives in poverty.

For decades, economists have tried to devise an alternative metric to capture a broader picture of prosperity, which would change the goals that nations try to achieve. Committees have been convened, and international institutions have introduced indexes and



A metric capturing a broader picture would change the goals nations try to achieve

frameworks to assess vulnerability, well-being and natural capital.

But none has gained widespread favour. Last year, the United Nations set up a commission to design a more focused set of indicators that could finally take away some of the attention from GDP.

The result, released this month, is a dashboard of 31 metrics grouped in four buckets representing peace and human rights, sustainability, quality of life, and inequality. It includes the share of people who feel comfortable walking in their neighbourhood after dark, the wealth share of the richest 1 per cent and the number of conflict-related deaths per 100,000 people.

The dashboard is more concise than the hundreds of data points underpinning the sustainable development goals that the UN set in 2015. António Guterres, the UN secretary-general, whose term ends this year, called the new dashboard a complement to GDP, and beseeched delegates to take it up in their own countries.

"The report is also a call to action: Let's count what matters," he said.

And yet the proposal is nowhere near the straightforward benchmark

encapsulated in GDP, and it has already drawn criticism.

Weeks before the release of the proposal, a letter signed by 58 experts, including professors at Oxford, Cambridge, Harvard and Yale and a former president of the UN General Assembly, argued that the commission had squandered its mandate by selecting too many indicators.

"It is difficult to imagine any aspect of well-being that would plausibly fall outside such an extremely broad framework," the letter reads. The signatories instead argued for adopting a more holistic measure of wealth, including elements such as public health and natural resources. The World Bank released the latest edition of one such measurement system in 2024 to complement GDP's focus on income.

New York Times News Service