



CEB

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for Coordination

High-Level Committee on Programmes (HLCP)

HLCP Core Group on Beyond GDP

**Valuing What Counts – United Nations System-wide Contribution
on Progress Beyond Gross Domestic Product (GDP)**

Executive Summary

Valuing what counts the most for wellbeing and progress lies at the heart of this paper's proposal to go beyond gross domestic product (GDP). GDP emerged as a solution to the crises of the 20th century reflecting the need to manage and reconstruct the economy. But it has always been recognized that GDP alone is not enough to measure progress towards socially and economically inclusive, just, and sustainable development. To meet the multidimensional and interconnected challenges and crises of the 21st century, such as environmental degradation, pandemics, extreme inequalities, and rapid technological change, policymakers need a tool that counts what is valuable, to enhance decision-making in the best interest of people, planet, prosperity, peace and partnerships. Beyond GDP is the tool that needs to be constructed to support the international community to meet these and future challenges.

This paper puts forward a narrative, conceptual framework and recommendations to advance Beyond GDP. The Beyond GDP work was carried out in response to a request to the High-level Committee on Programmes (HLCP) by the Secretary-General and the United Nations System Chief Executives Board (CEB) for Coordination at its November 2021 meeting. This paper was approved by HLCP at an intersessional meeting held on 28 July 2022 and taken note of by CEB in August 2022.

The outcome is intended as a United Nations (UN) systemwide contribution to inform discussions about a proposal for complementing GDP and identifying metrics that are as clear and appealing as GDP, but more inclusive of environmental and social aspects of progress, with the aim to change the focus of policymaking towards more sustainable, just, and inclusive development. If the United Nations are to deliver on our promises to future generations – to secure a world where everyone can thrive in peace, dignity, and equality on a healthy planet – the international community needs to reshape the foundations and reaffirm the core values that underpin collective action. This applies to the functioning of our economies as well.

GDP is the most widely used benchmark to measure a country's (economic) progress. It is a universally attractive benchmarking and reference number. It sets a common language for statisticians, economists, and policymakers across all countries. It has evolved to a position where it is often used to set goals, painting economic growth as desirable and decline as alarming. Indeed, GDP can be considered the most influential statistic ever seen. International organizations and agreements refer to GDP as a yardstick for responsibilities and entitlements. GDP has become a proxy of our success and failure.

The 2030 Agenda and its Sustainable Development Goals (SDG) indicators were specifically adopted to address the shortcomings of a mere focus on economic growth. Universally endorsed by Member States, they provide a comprehensive framework and strategy for sustainable development, with measurable indicators and targets. Wellbeing and sustainability over time are complex multidimensional phenomena that cannot be addressed by a single summary indicator. GDP, if used as the only metric of progress is a misleading guide. Over the past decades, GDP has become both the numerator and denominator of development, also wrongly used as a proxy indicator for overall societal development and wellbeing. With a narrow focus on GDP, policymakers would not be informed of many developments that are central for decisions to be taken today for the future. The blind spots of GDP, especially those relating to human wellbeing, unpaid work, inequalities, and planetary sustainability must be made visible within GDP or the broader System of National Accounts (SNA) and with complementary measures. We need policy metrics that focus on what matters to the people, the planet, and our future, and allow to measure progress across the three pillars of sustainable development. The intention is not to replace GDP; rather it needs to be improved, and complemented by a broader measurement framework to monitor and analyze its multiple aspects, enabling a better understanding of trade-offs.

A proliferation of alternatives to modify or expand measures and to account for the negative externalities of economic activity goes back decades. A large number of researchers, non-governmental organizations, countries and international organizations have taken action to measure development beyond GDP. In 2019, the OECD listed around 500 initiatives. These have laid the foundations for a joint effort to go beyond GDP towards achieving the SDGs and Our Common Agenda.¹

GDP itself is evolving. The SNA that GDP is embedded in can be considered a UN success story as over time thousands of national accountants were trained worldwide to produce reliable, consistent, comparable, and replicable national accounts in almost all countries of the world. The SNA was revised in 1968, 1993 and 2008, and is currently being revised. The 2025 SNA update and extension is focusing on issues of digitalization, globalization, wellbeing and sustainability, distributional aspects and informal economy, including unpaid work – underlining the need for new metrics to assist Member States in the formulation and implementation of policies and strategies that aim to achieve development that responds to today's needs and aspirations. The 2025 revision will need to be carried out with a high level of ambition to integrate these aspects. The SNA extensions will underpin the development of a framework and metrics for Beyond GDP and would form an expanded SNA framework or contribute to the development of a network of frameworks that could provide the source of many strong headline indicators to complement GDP and enable broadened national wealth concepts to address sustainability.

As one of the earlier extensions, the 2003 System of Environmental-Economic Accounting (SEEA) Central Framework provided a break-through for measuring the link between economic activity and the environment. The Framework, together with the 2021 “SEEA Ecosystem Accounting”, provides the foundation to go beyond GDP to measure the impacts and spillover effects of economic decisions on the environment, using a language which economic policymakers and the financial sector are used to.

The world needs a common direction with a narrative and a framework to guide national, regional, and global efforts. The challenge in going beyond GDP is to define what matters to people, their wellbeing and agency, and to define key policy goals and a theory of change with a forward-looking lens that considers planetary boundaries and pressures and inequalities between people of today and the future.

The Beyond GDP framework proposed in this paper paints a path through greater solidarity, transformation, stronger governance and resilience, technology, innovation, and creativity to ensure wellbeing today, in the future and for everyone, underpinned by active, free and meaningful participation of people. This framework contains three outcome elements and three process elements. The outcome elements, derived from the Brundtland Report and the SDGs are:

- ‘wellbeing and agency’ to focus on wellbeing now;
- ‘respect for life and the planet’ to ensure possibilities for life and wellbeing in the future; and
- ‘reduced inequalities and greater solidarity’ towards a more equal distribution of wellbeing.

In support of the three outcome elements, this paper proposes three process elements:

- ‘from vulnerability to resilience’ focuses on our interaction with the natural and built environment to strengthen our preparedness and ensure the conditions for wellbeing given multiple risks;
- ‘participatory governance and stronger institutions’ steer us towards the outcomes ensuring equal and safe societal conditions empowering everyone to contribute;

¹ United Nations, 2021, at <https://www.un.org/en/un75/common-agenda>

- ‘innovative and ethical economies’ serve people and societies by thriving innovation to find solutions to our challenges with responsible and ethical actions that expand the capacity to coordinate and deliver positive outcomes.

The aim is not to establish just one complex, composite indicator of Beyond GDP. An indicator of everything would summarize too much and reveal too little. More targeted information will be needed. Therefore, the UN system proposes a set of core metrics, limited to a maximum of 10 to 20 strong headline indicators to focus and balance policy efforts, building on existing indicators, particularly SDG indicators, and current statistical frameworks, assessed against agreed criteria and delivered through strong national statistical systems. It will be important to first agree politically on the issues at stake, and targets, and commit to action, before launching a comprehensive process of indicator selection. This paper provides examples of topics that would need to be considered in the selection of Beyond GDP metrics. Whatever is proposed to complement GDP should be concise, widely accepted, comparable and attractive for decision-making.

Simultaneously, the UN system needs to support Member States to collect and maintain comprehensive datasets that enable disaggregation. Available data does not cover everything that matters but can already provide information about many aspects of wellbeing beyond the economic dimension, on sustainability, risks and vulnerabilities, inequalities, and governance. The metrics of Beyond GDP need to go beyond today’s needs. Obtaining new data and disaggregated data requires considerable investment in technology and statistical capacity.

What is missing is a coherent and focused common approach to move Beyond GDP, a moonshot to position Beyond GDP as the measure of progress, premised on the international human rights framework and accompanied by metrics that measure progress beyond income, beyond averages and beyond today and build on the core values of the UN system. Different efforts will be needed depending on the context in each country.

Policy commitment to shape the future and use more balanced diagnostics to steer policy interventions is key to achieving a real change. Policies aligned with Beyond GDP would focus on achieving transformational progress that is inclusive, just, and sustainable. Broad Member State agreement is needed. Consideration should be given to how the multilateral system can agree on uses of wellbeing and sustainability metrics to enable a genuine move beyond GDP. A high-level political process should provide Member State commitments to build yardsticks of Beyond GDP. The Summit of the Future in 2024* could launch a technical process to identify and develop metrics for the Beyond GDP framework reflecting on the outcomes of Member States’ deliberations.

The paper identifies the technical reforms needed to move forward as (i) an ambitious SNA update and extension, (ii) development of new methods and metrics in line with this framework and its six themes and reflecting the outcomes of the Summit of the Future, (iii) a review of the uses of GDP and Beyond GDP metrics within the multilateral system, and (iv) a UN Data Agenda for Beyond GDP that steps up statistical capacity development to enable country-owned reporting of progress Beyond GDP. In parallel, the UN could launch a global challenge to contribute to the development of new metrics to complement GDP, aiming to create a global excitement and engagement in contributing to Beyond GDP through a participatory process.

Measuring progress beyond GDP needs to be a gradual, iterative process. The aim is that Beyond GDP measures will eventually form a high-quality, widely available, and comparable body of information which

* This paper was revised to reflect the decision taken in [A/RES/76/307](#) of 8 September 2022 to hold the Summit of the Future on 22 and 23 September 2024; this change has been reflected throughout the document.

relies on existing global and national official statistics, in particular the SNA, its satellite accounts and the SEEA, as well as social and demographic statistics, while also exploring new data sources and new data collection technologies, including by harnessing non-official statistics. The world is in constant change. The metrics of Beyond GDP need to be dynamic and evolve as priorities and challenges shift.

The international community is at a critical juncture in giving a voice to complementary indicators of GDP. The challenges of the 21st century are global even if the consequences are felt by some more than others. Policymakers increasingly ask for statisticians' help in identifying and using indicators to monitor progress towards global commitments. A global response is needed that pools expertise, standardizes concepts, streamlines efforts, and focuses attention on what counts now and tomorrow – to build a new community of practice. To reignite progress towards the SDGs, the global environment – and humanity's future – the policymakers must transform policies and metrics to stop rewarding pollution, waste, and inequalities. The international community urgently needs a new mindset and tools to tackle the challenges of the 21st century and values what counts.

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1. Introduction

1. This report presents the United Nations (UN) system-wide contribution to discussions on progress Beyond Gross Domestic Product (GDP). The report comprises analysis and recommendations related to data, policy coherence, and capacity development to support Member States in the implementation of the 2030 Agenda for Sustainable Development (A/RES/70/1)² and contributes specifically to target 17.19 of the Sustainable Development Goals (SDGs): “by 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries”.
2. It was prepared at the request of the UN Secretary-General and the UN System Chief Executives Board for Coordination (CEB)³, under the co-leadership of the United Nations Department of Economic and Social Affairs (DESA), the United Nations Development Programme (UNDP) and the United Nations Conference on Trade and Development (UNCTAD). Such a contribution would feed into follow-up processes to the 2030 Agenda for Sustainable Development and the Our Common Agenda report including the proposed Summit of the Future, as well as ongoing related processes, in particular the multi-year update of the System of National Accounts (SNA) by 2025.
3. The analysis and deliverables were prepared with a core group of UN system entities,⁴ with inputs from the broader UN system represented at the High-level Committee on Programmes (HLCP), and with feedback from stakeholder consultations. The report intends to inform discussions about a policy framework for complementing GDP and identifying metrics that are as clear and appealing as GDP⁵, but more inclusive of environmental and social aspects of progress. But not only that; it is fundamentally about changing the focus of policymaking towards more sustainable, just, and inclusive development.
4. The objective of this UN system-wide contribution is to provide substantive backstopping to the UN Secretary-General for engagement with Member States on progress Beyond GDP, as well as to inform deliberations of Member States on this matter, and to aid the UN system leadership and support policy coherence. The report focuses on the conceptual and foundational aspects of a system of measurement of economic prosperity including Beyond GDP. It does not aim to resolve more granular methodological or technical questions but presents the main technical questions and provides recommendations for follow-up. The process fully acknowledges ongoing intergovernmental initiatives related to measuring progress beyond GDP and is intended to support and reinforce them.

² See: United Nations, 2015, and <https://sdgs.un.org/2030agenda>

³ See CEB/2021/2: <https://unsceb.org/session-report-372>

⁴ In addition to the co-leads, the following entities are part of the HLCP Beyond GDP core group: International Labour Organization (ILO), International Monetary Fund (IMF), United Nations Environment Programme (UNEP), United Nations Children's Fund (UNICEF), UN Women, World Bank, Economic Commission for Latin America and the Caribbean (ECLAC), Economic and Social Commission for Asia and the Pacific (ESCAP), and Economic and Social Commission for West Asia (ESCWA), as well as the Committee of Chief Statisticians of the United Nations System as ex officio members. Additionally, the Food and Agriculture Organization of the United Nations (FAO), Office of the United Nations High Commissioner for Human Rights (OHCHR), United Nations Population Fund (UNFPA), and United Nations Industrial Development Organization (UNIDO) were engaged as members of drafting teams.

⁵ In this report, GDP refers to the headline indicator of national accounts. For a statistical definition, please see the 2008 System of National Accounts (United Nations et al., 2009), paragraphs 2.138 – 2.140.

5. The report provides three outputs as envisaged in the concept note for this work (see Annex 1):
- i. A narrative on why progress beyond GDP is needed at this critical juncture, and ways to shift the paradigm towards policies and measures that adequately take into consideration all dimensions of sustainable development;
 - ii. A conceptual foundation or framework that communicates effectively, through text and visuals, key elements of Beyond GDP, including flows that should be integrated, as well as relevant stocks or assets that are complementary to the measurement of GDP; and
 - iii. A set of recommendations for the UN system, Member States, academia and other stakeholders including multilateral institutions, civil society and the private sector, to take forward Beyond GDP, including recommendations relating to data, policy, and capacity development, and their better integration, with a focus on how an approach going beyond GDP can support policy work on sustainable development and potential uses of related metrics in the future.

2. Narrative for Beyond GDP

2.1. We urgently need to go beyond GDP. Here's why.

“Now is the time to correct a glaring blind spot in how we measure economic prosperity and progress. When profits come at the expense of people and our planet, we are left with an incomplete picture of the true cost of economic growth.”

– UN Secretary-General, António Guterres, Our Common Agenda

6. Aspirations, needs and satisfaction of countries and peoples have evolved over time from exclusively focusing on the growth of GDP, towards inclusion, social progress, human rights, wellbeing, and environmental sustainability. Adopted after the Second World War, GDP became the most widely used benchmark to measure a country's (economic) progress. It has also come to be wrongly regarded as a proxy indicator for overall societal development and wellbeing. Many have advised that GDP is not a good measure of welfare.⁶ The 2008 SNA⁷ itself notes that ‘it is unrealistic to expect a system of economic accounts to necessarily and automatically yield a wholly satisfactory measure of welfare’.
7. GDP emerged as a solution to the crises of the 20th century reflecting the need to manage and reconstruct the economy. But GDP alone is not enough to measure progress towards socially and economically inclusive, just, and sustainable development. Numbers, their limitations and gaps shape policies and decisions in important ways, making it deeply consequential for the future how the world today is measured. To reignite progress towards the SDGs, the global environment – and humanity's future – policymakers must transform policies and metrics to stop rewarding pollution, waste, and inequalities. The world is tackling different crises today, those relating to climate change and environmental challenges, with rising inequalities in health, income, and wellbeing exacerbated by the COVID-19 pandemic and recent disruptions to global value chains. The international community urgently needs a new mindset and tools to tackle the challenges of the 21st century that values what counts.
8. GDP is a measure of domestic production of goods and services in a country. It does not capture “how” goods and services are produced and distributed across societies. In fact, even some double-digit GDP

⁶ See, for instance, Deaton, 2013 and Stiglitz, 2014.

⁷ United Nations et al., 2009.

growth rates have failed to generate new or better jobs, end poverty, reduce inequalities, achieve gender equality, or protect individual and community health and wellbeing.⁸

9. GDP growth has been accompanied by severe environmental degradation. The planet is now changing faster than at any other time in history. Not protecting the environment has become more costly to economies than conservation.⁹ Environmental crises are limiting economic growth and increasing costs, threatening people's health, and pushing species to extinction. In 2022, climate scientists warn that "any further delay in concerted global action will miss a brief and rapidly closing window to secure a liveable future".¹⁰
10. Taking action now can secure our future. "We must place true value on the environment and go beyond gross domestic product as a measure of human progress and wellbeing. Let us not forget that when we destroy a forest, we are creating GDP. When we overfish, we are creating GDP."¹¹ The blind spots of GDP, especially those relating to human wellbeing, unpaid work, inequalities, and planetary sustainability must be made visible within GDP or the broader System of National Accounts (SNA) and with complementary measures.
11. Why has the change not happened despite a proliferation of Beyond GDP initiatives that have contributed to the accumulation of experience, knowledge, methods, tools, and data? For one, the numerous initiatives and indicators have made the field highly fractured. The SNA and GDP, on the other hand, are based on a system of accounting with a common language for statisticians, economists, and politicians. These economic concepts are so influential that they are often adopted for discussions in other domains, for instance to consider education as accumulation of human capital and environment as the source of natural capital.¹²
12. The challenges of the 21st century are global even if the consequences are felt by some more than others. This is true for the COVID-19 pandemic, climate change, pollution, war, conflicts, extreme poverty, etc. A global response is needed that pools expertise, standardizes concepts, streamlines efforts, and focuses attention on what matters now and tomorrow – to build a new community of practice. It will be difficult, but the multilateral system has shown its power to convene, negotiate, and commit with significant impact towards consensus. The climate science community developed around the UN Framework Convention on Climate Change is one such example. In 1994, with less evidence than today, the treaty bound its Member States to act in the interest of human safety even in the face of scientific uncertainty.¹³
13. The 2030 Agenda for Sustainable Development is another example. Member States adopted it in 2015 embodying a development vision which is based on a new social contract of solidarity and cooperation placing emphasis on intergenerational justice – wellbeing of the present generation without compromising the needs of future generations – leaving no one behind. The 2030 Agenda calls for integrated and

⁸ See, for instance ILO, 2013, and Lee et al., 2020, for jobs and growth; UNCTAD, 2008, and World Bank, 2014, for poverty; Kabeer, 2015, for gender equality; WHO, 2021 for health; and UNDP, 2022, for community wellbeing.

⁹ See, for instance World Wildlife Fund, 2020 and United Nations Office for Disaster Risk Reduction, 2022.

¹⁰ Intergovernmental Panel on Climate Change, 2022 and <https://www.ipcc.ch/2022/02/28/pr-wgii-ar6/>

¹¹ UN Secretary-General, António Guterres at the Stockholm+50 meeting, available at: <https://www.un.org/sg/en/content/sg/speeches/2022-06-02/secretary-generals-remarks-stockholm50-international-meeting%C2%A0>

¹² Hoekstra, 2019, calls for a common language for Beyond GDP. He counted over 500 Beyond GDP initiatives.

¹³ See: <https://unfccc.int/process-and-meetings/the-convention/what-is-the-united-nations-framework-convention-on-climate-change>

coherent policymaking which considers the three dimensions of sustainable development: economic, social, and environmental. The process started at the Rio+20 Conference in 2012 with a commitment to the Future We Want ([A/RES/66/288](#)).¹⁴ In only three years, Member States had agreed on a new global agenda with 17 goals and 169 targets for sustainable development. This commitment has created collaboration at national, regional, and international levels among all stakeholders with concerted action and a harmonized framework and measures of SDGs. Now the international community needs an even stronger and more focused response, building on the efforts to date.

14. With the rise of digital technologies and innovation the world is perhaps more equipped than ever before to go beyond GDP. Digital technologies offer promise but also peril – technology can be used for good, but it can also divide people between those included and those left behind, or be used as a weapon of exploitation or crime. The rapid pace of change challenges policymakers as they consider the impacts of new technology on society and strive to develop the skills and competences to spur technological advances. Governance is key to harnessing digital technology as a tool to reduce inequalities, increase wellbeing and ensure sustainable use of natural resources, including more equal sharing of benefits from digital data.
15. The wellbeing of current and future generations must be the main objective of development, and it critically depends on economic growth. But not just any economic growth. Not one associated with rising inequalities and environmental degradation, or one based on exploitation and illegal activities. Instead, the world needs a just and ethical economy that uses natural resources in an environmentally sustainable way and implements the new social contract of solidarity and inclusiveness in sharing the benefits of growth. Addressing wellbeing requires an integrated agenda, for example, supporting business dynamism and inclusive labour markets and rebuilding trust in efficient and responsive governments.¹⁵
16. An excessive focus on GDP is not only a partial account; if used as the only metric of progress, GDP is a misleading guide. Economic growth has not solved inequalities, inefficiencies and unsustainable practices with some economies remaining highly vulnerable, and economic inefficiencies and costs has risen.¹⁶ People's sense of safety and security is at a low in almost every country regardless of years of development.¹⁷ The disconnect between economic growth and people's perceptions of peaceful society, wellbeing and living conditions or the lack for them risk leading to loss of trust in governments and institutions.
17. We need policy metrics that focus on what matters to people, the planet, and our future. The intention is not to replace GDP, rather it needs to be improved and enhanced, and there is a growing consensus and evidence that one measure can no longer meet the complex needs of today. Instead, this demands an integrated, holistic policy response – as set by the 2030 Agenda – and a strengthened, networked multilateralism based on trust, solidarity, and global cooperation – as envisaged in Our Common Agenda.¹⁸
18. The international community is at a critical juncture in giving a voice to complementary indicators of GDP. Many governments have seen the necessity of integrating Beyond GDP indicators, data and statistics in decision-making. Many of these indicators convey strong messages and untold stories that need to come

¹⁴ United Nations, 2012.

¹⁵ UNESCO, 2022.

¹⁶ *ibid.*

¹⁷ UNDP, 2022.

¹⁸ United Nations, 2021, and <https://www.un.org/en/un75/common-agenda>

to the surface to influence policy decisions. We also need to allow uncomfortable stories to be told by indicators. Whether we manage to change the course of the world towards a sustainable, just, and inclusive path is a question of survival for us and our environment. This time we must succeed.

2.2. Strengths, limits, and uses of GDP

GDP as a headline indicator of the System of National Accounts

19. “While the GDP and the rest of the national income accounts may seem to be arcane concepts, they are truly among the great inventions of the 20th century.”¹⁹ GDP, but even more so the SNA²⁰ can be considered a UN success story as over time thousands of national accountants were trained worldwide to produce national accounts in almost all countries of the world. The SNA is the outcome of international consensus-building inherent to the development of statistical frameworks which are jointly developed and updated by national experts. As a consequence, the calculation of the national accounts statistics and hence GDP is 100% country-owned.
20. GDP is compiled in almost all countries, and it is – by design – comparable across time and space, making it a universally attractive benchmarking and reference number. The fact that it is an indicator that follows clear international standards and is implemented with data available for all countries has strengthened its appeal as a summary indicator. GDP became a proxy of our success and failure.
21. Originally, GDP and the income accounts stem from post-war reconstruction. The development of a set of national income accounts started in response to a data gap revealed by the Great Depression in the 1930s. Comprehensive measures of national income and output did not exist. The Second World War required more information, such as product and expenditure estimates which provided a more integrated birds-eye view of the economy.²¹ At that time, environmental impacts or inequalities were not considered as preeminent development challenges.

Box 1. History of the System of National Accounts (SNA)

The idea of an interdependent set of national accounts arose in 1941, as proposed by Cambridge economists Richard Stone and James Meade.ⁱ This was followed by negotiations towards harmonized methodology for national accounts and in 1947, the League of Nations Sub-Committee on National Income Statistics, chaired by Stone, adopted the ‘Definition and Measurement of the National Income and Related Totals’. This was the predecessor of the worldwide SNA standard, adopted by the UN Statistical Commission in 1953. Stone is considered the father of the SNA and was awarded the Nobel Prize in Economics in 1984. The SNA was subsequently revised in 1968, 1993 and 2008, and is currently being revised and extended as part of a process that will end with the 2025 update.ⁱⁱ

ⁱ Stone and Meade, 1941.

ⁱⁱ For more information on the history of GDP, see MacFeely and van de Ven (forthcoming), and <https://unstats.un.org/unsd/nationalaccount/hsna.asp>

¹⁹ As noted by Paul A. Samuelson and William D. Nordhaus, according to Landefeld J. S., 2000.

²⁰ United Nations et al. 2009.

²¹ See Landefeld J. S., 2000.

22. The significant strength of GDP is that it is not a free-standing number, but the result of a coherent and solid recording of stock and flow accounts rooted in economic theory. The SNA sets internationally agreed recommendations on how to compile information about economic activities within a comprehensive, integrated framework.²² In doing so, it sets a common language for statisticians, economists, and policymakers. Accounting frameworks provide the basis for compiling reliable, consistent, comparable, and replicable indicators following the double entry bookkeeping principle for theoretically and empirically robust results.
23. GDP has many limitations and it has been noted among other things for not capturing unpaid household service work, leaving environmental degradation and biodiversity loss uncounted, considering military spending that could lead to loss of lives rather than progress. GDP does not consider harmful or hazardous working conditions to which men, women and children²³ can be exposed.
24. Existing economic concepts included in the SNA provide the possibility for identifying some complementary indicators, such as household income, consumption, savings, and wealth which are more closely connected to economic wellbeing than GDP itself. Already in the current 2008 SNA, these household measures are extended to include social transfers in kind, the value of services financed by governments (health and education, for example) but consumed by households, in concepts of adjusted disposable income and actual final consumption. These indicators have not been used to their full potential. Use of these indicators should be promoted especially for further extensions being prepared in the 2025 update to the SNA.

Its many uses define GDP, make it influential, but also risk misuse

25. GDP is not only a measure, but an embedded feature of a system that was built up over decades. It has also evolved to a position where it is often used to set goals, painting economic growth as desirable and decline as alarming. GDP is used by economists, private companies and governments for research, analysis, forecasting and decision-making.
26. Considering the broad range of its uses, GDP can be considered the most influential statistic ever seen. Its success is largely based on its robust foundation and its internationally comparability, laid by the SNA that reflects an international consensus and is globally applied as an accounting framework for national economies.
27. Over the past decades, GDP has become both the numerator and denominator of development, also used as a proxy of social welfare, even though already in 1934 Simon Kuznets, the chief architect of the United States national accounting system, cautioned against equating GDP growth with economic or social wellbeing.²⁴ According to him, GDP conceals inequality and would be an unreliable or inappropriate measure of wellbeing.
28. The way in which GDP is measured has evolved over the years to ensure its accuracy and relevance over time and is being reviewed in the 2025 SNA update. The 2025 SNA update and extension provides an opportunity to strengthen the relevance of national accounts to meet current demands. However, as a

²² For more information, see United Nations et al., 2009, paragraph 1.1.

²³ Ibrahim et al, 2019.

²⁴ Costanza et al., 2009.

global standard the SNA must consider the trade-offs between relevance and feasibility. Innovation may be held back by the consideration of costs and capacity of all countries to apply the recommendations.

29. The Beyond GDP discussion needs to clearly demarcate the descriptive function – to measure something as accurately as possible – from the normative function – which sets out the uses of a metric. For instance, measures relevant to future generations and thus sustainability of current economic growth are not well considered and would be important from a normative perspective. The asset accounts of the SNA measure the stocks of capital, but cover produced and financial capital with some forms of natural capital only. Extensions towards full accounting of natural capital, and inclusion of human and social capital would enable meaningful sustainability assessments.
30. The way in which GDP is used plays an important role. GDP and national accounts can also tell uncomfortable stories that are not often told. According to Mazzucato (2018), for instance, growth is driven by consumption that has been fuelled by private debt within an over-financialised economy. She also draws attention to the declining labour share of national income particularly in comparison to the profit share. Labour share of GDP is measured by SDG indicator 10.4.1. In the past four decades the gains from an expanding economy were captured by a minority.
31. Statisticians do not provide normative guidance. Inertia, customary use, but ultimately, policymakers, regulators and financial institutions define how metrics are used. However, policymakers increasingly ask for statisticians' help in identifying and using indicators to monitor progress towards global commitments, such as the 2030 Agenda with over 230 indicators, and the Sendai Framework for Disaster Risk Reduction (A/RES/69/283)²⁵ with its 38 indicators. Statistical frameworks, like the SNA, provide a well-organized structure to derive such information. An iterative and consultative process between political and statistical communities has proven useful in setting monitoring frameworks for policy agendas to ensure both the relevance and quality of statistics.
32. The SNA and GDP were devised with a need in mind to inform the government of the status of the economy. There have been many attempts to improve GDP by correcting its deficiencies, like not considering environmental degradation. Now the limitations are being discussed as part of the 2025 SNA update. Over the years, GDP has been used for purposes it was not intended, reflecting the expectations associated with it. This may even have delayed efforts to measure other things directly. Constanza et al. already in 2009 noted that "the social and institutional barriers to better measures of progress are primarily based on resistance to change".

We need development criteria to go beyond GDP

33. The very definition of 'development' is anchored in GDP, or Gross National Income (GNI).²⁶ Using income as a proxy for development misses the fact that development is a multidimensional concept affected by various factors, such as access to resources, productivity traps, level of integration into global value chains, social and environmental dependencies and vulnerabilities and challenges related to institutional capacity. Nor does it consider that it matters for development how income is generated and what it is used for. And it misses the potential negative consequences of increasing production on the environment.
34. The important question is the directionality of growth – are we making growth smarter, greener, and more inclusive, and is that being measured? GDP and its measurement requires assumptions about value, such

²⁵ United Nations, 2015b.

²⁶ For a statistical definition of GNI, see United Nations et al., 2009, paragraph 2.143; 16.54.

as the value of care, health, happiness, government services, and sustainability. GDP does not consider for instance the social value of activities, like care²⁷ or the value of free goods delivered online. Some say we know less about the sources of value in the economy that we did 25 years ago.²⁸ Value used to be a core category of economic theory linked to the dynamics of production, such as the division of labour and costs of production. GDP also reflects confusion of rent with profit and value extraction with value creation.²⁹

35. The 2030 Agenda offers a comprehensive approach to development via the sustainable development concept and its three dimensions. UNDP's Human Development Reports³⁰ and UNESCO's Inclusive and Resilient Societies Report³¹ convey a more people-centred approach to development. Income level is often used as a basis for classifying countries. While the UN Statistical Commission is clear on not adopting a definition of 'developed' or 'developing' countries,³² the multilateral system uses various thresholds: the World Bank's US\$ 13,205 GNI per capita threshold for high income countries,³³ the Organisation for Economic Co-operation and Development's (OECD) thresholds for its members, or the International Monetary Fund's (IMF) definition of advanced economies,³⁴ among others.
36. A similar discussion takes place on the graduation criteria from least developed country (LDC) to middle-income status, and from middle-income status to high-income status. While the Economic and Social Council (ECOSOC) has applied a mix of indicators, including GNI per capita, the human assets index, and the economic vulnerability index, to assess 'graduation' the anchor continues to be income.³⁵
37. The 'graduation criteria' discussion is politically sensitive in part because the idea of using thresholds themselves have become points of contention. Why should a single or composite set of thresholds simplify the complex needs of countries in special circumstances – including small island developing States (SIDS) and landlocked developing countries (LLDCs)?
38. International organizations and agreements refer to GDP or GNI as a yardstick for responsibilities and entitlements. This applies to defining contributions to Official Development Assistance (ODA) and membership of geopolitical bodies, like G7 or G20, as well as the contributions to the European Commission and the UN. ODA aims at supporting economic development and welfare of developing countries towards a target of 0.7% GNI of donor countries, originally set in 1970 and reinforced over the years.
39. GDP is often not the sole defining criteria, for instance for access to concessional financing. Nor is the concessional financing field monolithic. Many metrics that go beyond GDP are used as gatekeepers for access to finance, such as credit risk, debt sustainability, ODA, and others.

²⁷ Ghosh, 2022.

²⁸ Cohen-Setton, 2014.

²⁹ Mazzucato, 2018.

³⁰ UNDP, 2022.

³¹ UNESCO, 2022.

³² 'The designations "developed" and "developing" are intended for statistical convenience and do not necessarily express judgement about the stage reached by a particular country or area in the development process.', see:

[https://unstats.un.org/unsd/publication/SeriesM/Series_M49_Rev3\(1996\)_en.pdf](https://unstats.un.org/unsd/publication/SeriesM/Series_M49_Rev3(1996)_en.pdf)

³³ For GNI per capita thresholds, see: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

³⁴ See: <https://www.imf.org/external/np/exr/key/advanced.htm>

³⁵ See: <https://www.un.org/development/desa/dpad/least-developed-country-category/ldc-graduation.html>

40. Access to development and climate finance is currently parcelled out by competing international frameworks. For instance, development finance runs through the Addis Ababa Action Agenda (A/RES/69/313)³⁶ and the 2030 Agenda for Sustainable Development which provide a comprehensive view to development through its economic, social and environmental dimensions. Climate finance runs mostly through the UN Framework Convention on Climate Change (UNFCCC)³⁷ and the Paris Agreement.³⁸
41. As pressure mounts on climate mitigation and adaptation actions, there is also pressure to reconsider how multilateral resources are allocated. Novel use of climate vulnerability indices and dashboards, for example, are emerging faster on the climate finance front than on the development finance front.³⁹
42. Metrics beyond GDP are already used to determine eligibility for and graduation from various lending facilities. For example, the IMF's Poverty Reduction and Growth Trust (PRGT) complements income per capita criteria with population size, market access criteria, and an assessment of vulnerability. The new IMF Resilience and Sustainability Trust (RST), uses criteria which allow most SIDS and vulnerable middle income countries access to resources. While 73 countries are eligible for the PRGT, 143 countries are eligible for the RST.
43. While normative uses of metrics are expected to continue to be defined within the boundaries of each sovereign nation – as with the SDG indicators today – consideration should be given to how the multilateral system can agree on uses of wellbeing and sustainability metrics to enable a genuine move beyond GDP.

2.3. Blind spots that need urgent attention

44. The 2030 Agenda and its SDG indicators were specifically adopted to address the shortcomings of a mere focus on economic growth, i.e., to address environmental sustainability and aspects of human wellbeing that GDP was not intended to measure, including health, education, and inequalities, as well as conditions such as peace, security, and justice. GDP growth could make an important contribution to the achievement of many SDGs, if it was inclusive, equitable and environmentally sustainable, but without ensuring those features, it may contribute to widening inequalities and hold back progress in sustainable development.
45. Our Common Agenda points out that now is the time to correct a glaring blind spot in how we measure economic prosperity and progress, including validation of the care and informal economy. Specifically, most of the care work around the world is unpaid, and done by women and girls, perpetuating economic and social inequality between genders. The COVID-19 pandemic exposed the magnitude of care deficits across many countries and demonstrated how gendered the economic and job impacts were during the crisis.⁴⁰ If unpaid care goes uncounted, humanity's most fundamental needs for care are undervalued. Rethinking the care economy means valuing unpaid care work but also investing in quality paid care as part of essential public services and social protection arrangements.

³⁶ United Nations, 2015a.

³⁷ <https://unfccc.int/resource/docs/convkp/conveng.pdf>

³⁸ United Nations Framework Convention on Climate Change, 2015.

³⁹ See Intergovernmental Panel on Climate Change, 2022 and its climate vulnerability assessment <https://www.ipcc.ch/report/ar6/wg2/>, the IMF's climate change dashboard <https://climatedata.imf.org/> and CEEW's climate vulnerability index, with granular subnational data <https://www.ceew.in/publications/mapping-climate-change-vulnerability-index-of-india-a-district-level-assessment>

⁴⁰ ILO, 2022.

46. With a narrow focus on GDP, policymakers would not be informed of many developments that are central for decisions to be taken today for the future:

The crises of climate change, biodiversity loss, and pollution require urgent action

47. While global GDP doubled since 1970, the use of natural resources more than tripled. The extraction and processing of materials, fuels and food contribute half of total global greenhouse gas emissions and over 90% of biodiversity loss and water stress.⁴¹ The rate of natural resource extraction has accelerated since 2000, with the global material footprint increasing at a faster rate than both population and economic output.⁴²
48. The COVID-19 pandemic had a significant impact on the reduction of global greenhouse gas emissions in 2020. But on average, emissions would need to be cut at an equivalent rate each year to achieve the goals of the Paris Agreement by 2030;⁴³ in 2021 emissions already bounced back to pre-pandemic levels.
49. The impacts of environmental degradation are felt unequally across the globe. 70% of the world's poor and vulnerable live in rural areas that depend directly on biodiversity.⁴⁴ WHO estimates that air pollution causes 7 million deaths every year and costs US\$ 5.11 trillion in welfare losses. The good news is that the economic benefits of mitigating global warming and fighting air pollution would be twice as high as the cost of mitigation.⁴⁵
50. The chemical burden carried by the environment is growing. For instance, marine plastic pollution has increased tenfold since 1980, affecting at least 267 species.⁴⁶ The volume of trade in plastics has grown by over 40% in the last 15 years until 2020.⁴⁷
51. As a result of human activities, every fourth plant and animal species on the planet are threatened and a million species face extinction within decades.⁴⁸ Global populations of mammals, birds, fish, amphibians, and reptiles have declined by 68% since 1970.⁴⁹

Declining human development is a wakeup call

52. In 2021, human development declined for the first time since the introduction of the UNDP Human Development Index (HDI) after more than 30 years of progress. Economic development has increased life expectancy and literacy rates, reduced fertility rates, improved livelihoods, increased mobility of people and goods, and accelerated the spread of ideas and cultural exchanges, but these advances have not strengthened people's sense of security.⁵⁰
53. According to UNDP, the rising insecurity applies for countries globally and was taking hold even before the COVID-19 pandemic. Multiple threats in addition to the pandemic have amplified the sense of insecurity,

⁴¹ UNEP, 2019b.

⁴² United Nations, 2019, and <https://unstats.un.org/sdgs/report/2019/goal-12/>

⁴³ UNEP, 2019a and UNEP, 2021.

⁴⁴ Convention on Biological Diversity (year not given).

⁴⁵ WHO, 2018.

⁴⁶ IPBES, 2019.

⁴⁷ UNCTADstat data centre: <https://unctadstat.unctad.org/>

⁴⁸ IPBES, 2019.

⁴⁹ World Wildlife Fund, 2020.

⁵⁰ UNDP, 2022.

including the rising geopolitical tensions, growing inequalities, democratic challenges, and the fast human-driven environmental changes that are reversing development gains. Global food insecurity and malnutrition are on the rise in many countries and regions.⁵¹

54. Inequalities related to health, education, income, wealth, and access to resources and opportunities persist. Wealth inequality remains high in all regions with the very top of the distribution increasing their wealth. If that development continues, it risks reducing the efficiency of economic growth in contributing to poverty reduction.⁵² Inequalities intersect with many factors, such as sex, age, race, ethnicity, colour, religion, disability, sexual orientation or gender identity, disability, migration status, location, health, etc.
55. Since the adoption of the Beijing Platform for Action in 1995,⁵³ advances have been made on girls' education, and in women's health and representation in politics, but progress has been fragile or incomplete.⁵⁴ Women's share of global income is estimated at 35% with consequences for their autonomy, rights, and wellbeing.⁵⁵ Women's disproportionate share of unpaid care work⁵⁶ reduces their labour force participation, hours worked, and income.⁵⁷ During the COVID-19 pandemic, especially in developing countries, women lost their jobs at a faster rate than men and are regaining them at a slower pace.⁵⁸ The pandemic has tested and even reversed progress in expanding women's rights and opportunities with only one of the targets in SDG5 on gender equality close to being achieved.⁵⁹
56. Gender inequalities add to the sense of insecurity. 4 billion people worldwide are without comprehensive social security systems – women more often than men.⁶⁰ During the pandemic, only 12% of social protection and labour market measures supported women's economic security.⁶¹ Although doubled since 1995, women still only hold one quarter of parliamentary seats and 81 countries have never had a female head of state.⁶² As many as one in three women experience sexual or gender-based violence in their lifetime.⁶³

Peace, human rights, and good governance are vital

57. As shown by the UNDP Special Report of Human Security, new governance norms and mechanisms are urgently needed globally towards renewed security, solidarity, and social contract.
58. Recent conflicts have resulted in a record number of refugees, increasing the number of people requiring humanitarian assistance. About 1.2 billion people live in conflict-affected areas under high political

⁵¹ FAO et al., 2021.

⁵² See, for instance: WHO, 2021 for health; World Bank, 2022, for income inequality; Kabeer, 2015, for gender equality; World Inequality Lab, 2021.

⁵³ United Nations, 1995.

⁵⁴ United Nations, 2019a.

⁵⁵ World Inequality Lab, 2021.

⁵⁶ ILO, 2018.

⁵⁷ United Nations, 2019.

⁵⁸ ILO, 2022.

⁵⁹ UN Women and United Nations Statistics Division, 2021.

⁶⁰ ILO, 2021b.

⁶¹ UN Women and UNDP, 2022.

⁶² United Nations, 2019a and IPU, 2022.

⁶³ WHO, 2021b.

instability, violence, and institutional fragility.⁶⁴ The effects of climate change and environmental degradation add stressors exacerbating these trends.

59. There are countries suffering from persisting weaknesses of institutions and the rule of law, and low respect for human rights.⁶⁵ This enables exploitation of poor labour conditions and backlashes on gender equality, risking social unrest.
60. Policymakers should be more aware of the size and impacts of the illegal economy⁶⁶ and related illicit practices in economies as they increase insecurity, undermine human rights, and deplete natural resources. Corrupt practices also divert resources from essential services and sustainable development.⁶⁷

From one crisis to another - we need stronger resilience to be prepared

61. The COVID-19 pandemic underscored the uneven resilience and capacities of countries with many studies showing increasing inequalities within and between countries. The pandemic disrupted trade flows, travel, tourism, labour and student mobility and logistics with serious consequences for people, their health, food security, education, equality, and livelihoods.⁶⁸
62. The pandemic revealed fundamental inequalities in access to quality health care within and between countries, and a lack of equal access to vaccines.⁶⁹ Pre-existing inequalities and gaps in basic economic and social rights, including in social protection systems, made societies as a whole vulnerable but hit the hardest those who already struggle. The increase in rates of violence against women reported during the pandemic prompted global calls to eradicate this scourge which constitutes one of the most egregious forms of human rights violations.⁷⁰ The pandemic was also estimated to set back progress in accumulation of human capital as 1.6 billion children worldwide were out of school at the peak of the pandemic.⁷¹
63. Vulnerabilities are often exacerbated by structural challenges owing to lack of economic diversification and high reliance on primary production, in addition to environmental risks, remoteness and disasters. In about 20 years, only some developing countries have managed to transform their economic structures and capacities to higher value-added activities.⁷²
64. Financing for sustainable development is a key factor in building resilience and achieving the 2030 Agenda. The pandemic added to spending needs as countries mitigated the health and economic effects during times of lower economic activity. This pushed debt levels to new heights, close to 100% of GDP globally. Debt vulnerabilities have increased especially in low-income countries and some emerging market economies.⁷³

⁶⁴ UNDP, 2022.

⁶⁵ *ibid.*

⁶⁶ In illegal economy, participants engage in the production and distribution of prohibited goods and services.

⁶⁷ UNCTAD, 2020, finds that African countries with high illicit financial flows spend 25% less on health and 58% less on education compared to African countries with low illicit financial flows.

⁶⁸ See, for instance: ILO, 2022; UNCTAD, 2022a; UNDP, 2022; World Bank, 2022.

⁶⁹ WHO, 2022.

⁷⁰ See: <https://data.unwomen.org/publications/vaw-rga>

⁷¹ World Bank, 2020.

⁷² UNCTAD, 2021b.

⁷³ IMF, 2020.

65. Our response is anchored in the 2030 Agenda and its 17 SDGs that call us to ‘build back better’ recognizing all society’s assets – natural, human, social, produced and financial. All these assets, not only economic, determine the level of inclusive prosperity that can be sustained into the future, and determine a nation’s capacity to deliver the SDGs and to recover even from a series of crises.

Rethinking the economy for the future

66. Businesses are an important driver of innovation, but the uptake of new innovations is not always straightforward. For instance, the share of renewables in global electricity generation has increased as a result of technological change, reaching 29% in 2020, but 2021 saw a large rebound in coal and oil use contributing to record high carbon emissions. Greener energy sources are also needed for households; 13% of the world population do not have access to modern energy while global energy demand keeps rising.⁷⁴
67. Small and medium enterprises play an important role for economic growth and innovation. They represent about 90% of businesses and more than 50% of employment worldwide. Access to finance is a key constraint to their growth in emerging markets and developing countries. An estimated 600 million jobs will be needed by 2030 to absorb the growing global workforce, which makes supporting businesses a high priority. The finance gap for women entrepreneurs is particularly persistent.⁷⁵
68. The COVID-19 pandemic accelerated the process of digital transformation showing the potential for fast changes facilitated by technology, with remote working and learning quickly become more common for those with access to stable internet. Technological advances, including artificial intelligence, can be harnessed to find solutions to challenges such as optimization of food production, minimizing waste, prediction of disaster risks, monitoring pollution levels and developing more sustainable energy sources, fight against human trafficking and predicting infectious disease outbreaks, track their spread, and accelerate the development of vaccines.^{76 77} At the same time, many people in rural and low-income countries struggle with the digital divide and suffer from poor smartphone access, high cost of data, lack of information and communications technology (ICT) and data literacy, poor Internet access and power outages.⁷⁸ Of the 2.9 billion people offline, 96% live in developing countries.⁷⁹ Technologies may also be used to violate people’s right to privacy, excessive surveillance and for criminal purposes. It is important to measure the digital economy to harness its full potential for progress.
69. Data flows are expanding rapidly but are in the hands of a few. Two countries, China and the United States, account for half of world’s hyperscale data centres, 94% of all funding for artificial intelligence start-ups and 90% of market capitalization value of the world’s largest digital platforms.⁸⁰ It would be important to consider how to enable more equal access to benefits from data, including for business and innovation and to harness data revolution for better metrics of Beyond GDP.⁸¹

⁷⁴ IEA, 2021.

⁷⁵ World Bank, 2021a.

⁷⁶ UN Secretary-General’s High-level Panel on Digital Cooperation, *The age of digital interdependence*, 2020, <https://www.un.org/en/pdfs/DigitalCooperation-report-for%20web.pdf>

⁷⁷ WHO, *Ethics & Governance of Artificial Intelligence for Health*, 2021, <https://www.who.int/publications/i/item/9789240029200>

⁷⁸ UN Women and UNDP, 2022.

⁷⁹ ITU, 2021.

⁸⁰ UNCTAD; 2021a.

⁸¹ See European Union, 2022, for a discussion on reusing privately held data to empower society.

70. The platform economy⁸² is transforming the world of work giving rise to a new creative economy, and cultural and tourism activities. It enables reaching new markets and online jobs from remote locations and increasing telework thus reducing traffic. At the same time, the number of part-time and informal jobs is increasing.⁸³ Whatever the form of employment, it is necessary to be able to measure decent work in line with international labour standards.
71. As emphasized by Our Common Agenda,⁸⁴ if the UN are to deliver on our promises to future generations – to secure a world where everyone can thrive in peace, dignity, and equality on a healthy planet, the international community needs to reshape the foundations and reaffirm the core values that underpin collective action. This applies to the functioning of our economies as well. Reflecting on countries' different realities, economies could have different missions, e.g., to diversify production for better economic resilience, introduce responsible practices in the use of natural resources, thrive innovation to develop and apply new green technologies, increase equal labour participation among genders, improve labour conditions or equality of opportunity to benefit from economic activities.⁸⁵
72. The global effort to develop and manufacture COVID-19 vaccines has shown how expertise of scientists, engineers, and logistics specialists can quickly be pooled globally; physical capital, such as laboratories, production facilities, and transport infrastructure set up and prepared, and institutional mechanisms deployed to the benefit of humanity.

2.4. In the spotlight: practices that go beyond GDP

73. There are at least two paths towards improved metrics to be better equipped to respond to the challenges and limitations discussed above:
- i. To improve existing statistical frameworks towards meeting these needs and to enable the availability of rich disaggregated information for the analysis of distributions and to assess the achievement of the principle of leaving no one behind.
 - ii. To identify strong headline indicators, learning from the successes and criticisms of GDP, by increasing the visibility of important existing statistics or indicators and dynamically developing new ones/refining existing ones to address gaps to focus attention on what matters.
74. Both paths draw on what already exists, building on statistical frameworks and existing SDG and other indicators. In addition to the SNA, this work builds on the System of Environmental-Economic Accounting (SEEA) Central Framework⁸⁶ adopted by the UN Statistical Commission in 2012, based on an initial framework designed in 2003. It provides a breakthrough for measuring the link between economic activity and the environment. The SEEA Central Framework measures how the economy uses the environment in terms of extraction of natural resources (e.g., energy) and their return in terms of emissions into air, water, and waste. It also measures expenditures related to the protection and exploitation of the environment, economic instruments such as environmental taxes and subsidies, as well as depletion of natural resources. The framework uses concepts, definitions and classifications consistent with the SNA which

⁸² Digital labour platforms include web-based platforms, where work is outsourced through an open call to a geographically dispersed crowd ("crowdwork"), and location-based applications (apps) which allocate work to individuals in a specific geographical area.

⁸³ ILO, 2021a.

⁸⁴ United Nations, 2021.

⁸⁵ For a discussion of mission economy, see Mazzucato, 2022.

⁸⁶ United Nations et al., 2014.

facilitates their linking. Over the years, several thematic accounts were developed, for instance for accounting of agriculture, forestry and fisheries, air emissions, energy, land, material flows and water.⁸⁷

Box 2. Ecosystem accounting as a guide for more sustainable economies

Mexico is one of the most advanced countries in Latin America in environmental and ecosystem accountingⁱ and was one of the global pilot countries for ecosystem accounting. Mexico has also calculated the total cost of environmental degradation and depletion to enable integration of environmental impact of economic policy in decision-making. For over 20 years the National Institute of Statistics and Geography (INEGI) has calculated an environmentally adjusted GDP by deducting from GDP the consumption of fixed capital and the costs attributed to environmental loss, including depletion of natural resources and environmental degradation. In 2019, the costs of environmental losses amounted to MX\$ 1,096,970, or 4.5% of GDP. From the total costs of environmental loss, air pollution was the highest cost at 63% of the total, followed by soil degradation, 12.5%; solid waste, 7.2%; depletion of hydrocarbons, 7.1%; groundwater depletion, 3.9%; water pollution, 3.6%; and depletion of forest resources, 2.7%. Environmental protection expenditures have been decreasing over the last years, representing 0.5% of GDP in 2019.

Costa Rica is also setting up SEEA ecosystem accounts to understand the dynamics between the environment and the economy and is about to publish ecosystem accounts on biodiversity, in addition to accounts on forest, water, and energy. This work is helping Costa Rica to balance economic growth (monetary terms) with conservation of the environment. Already in 1991, a study by the World Resource Institute (WRI), together with local authorities, compiled accounts for forestry, soil, and fisheries. In 1997, Costa Rica became the first country to initiate a country-wide payments for environmental services program. Using data from the National Forest Inventory, Costa Rica has reversed the trend of deforestation and has increased forest cover from 26% in 1983 to 52% in 2013.ⁱⁱ

ⁱ See: <https://seea.un.org/news/inegi-environmental-economic-accounts-2019>

ⁱⁱ World Bank, 2016 and www.wavespartnership.org/en/costa-rica-1

75. Building on the SEEA Central Framework, as a major leap forward, the UN Statistical Commission adopted in March 2021 the “SEEA Ecosystem Accounting”.⁸⁸ This, together with the SEEA Central Framework, presents an integrated statistical framework to measure the contribution of ecosystems to the economy, as well as the impacts of the economy on the environment and on the natural capital that a country is endowed with. It puts the measures of environmental assets (e.g., land, soil, water, timber, aquatic, mineral, and energy resources) alongside produced capital (e.g., roads, buildings, bridges, etc.) by using for environmental information the same accounting rules, definitions and classifications used for economic information. It provides the foundation to go beyond GDP to measure the impacts and spillover effects of economic decisions on the environment, using a language which economic policymakers and the financial sector are used to (see Box 2).

76. Implementation of the SEEA and its thematic accounts requires investment and new priority setting in national statistical systems. According to the 2021 Global Assessment of Environmental-Economic

⁸⁷ See: <https://seea.un.org/>

⁸⁸ United Nations., 2021.

Accounting and Supporting Statistics,⁸⁹ 90 countries have implemented the SEEA. 69% of these countries published at least one account on a regular basis; 17% published their accounts on an ad-hoc basis, while 14% compile, but did not yet publish their accounts. This marks a significant increase in the number of countries implementing the SEEA with about 30% increase compared to 2017. Much of this progress has taken place in developing countries with close to 50% increase from 2017.

77. The 2025 SNA update and extension⁹⁰ is focusing on issues of digitalization, globalization, wellbeing and sustainability, distributional aspects and informal economy, including unpaid work - and as such will provide the basis for identifying metrics of Beyond GDP. The UN Statistical Commission carries out regular updates of statistical standards, and as several statistical frameworks are linked to the SNA, many are being updated in a coordinated effort among statisticians across Member States, and in open global consultations, such as the Balance of Payments Manual,⁹¹ Manuals on International Trade in Goods and Services,⁹² and classifications such as International Standard Industrial Classification, Central Product Classification, and the Classification of the Functions of Government, etc. Each of these update processes are also working to better account for and present issues related to wellbeing and sustainability.
78. This is perhaps one of the most ambitious SNA update processes considering the issues being discussed, but it will also take time for countries to test and implement the agreed changes. The experts are considering ways to enhance GDP and national accounts by reflecting on developments since the last update in 2008, the pressing policy needs, and countries' capacities to implement these changes.
79. The role of data and digital platforms is not sufficiently considered in economic statistics. The Task Team on digitalization considers various aspects of the recording and valuation of data and digital 'assets' in the SNA and has elaborated recommendations and definitions. They consider data as the result of a production process with economic value. For practical reasons, the focus of measurement should be on digital data. 'Long-lived' data, i.e., those used in production for more than one year, should be considered an asset and be capitalized in the national accounts. Data is also subject to economic ownership, valuation, and depreciation. The Task Team is considering a newly-created asset category under 'Computer software, data and databases' for these purposes.
80. One of the work streams in the SNA update is looking into the informal economy. While many statistical components of informality are covered by the SNA, such as the informal sector and informal employment, this task team developed a draft framework⁹³ that allows understanding of the scope of informality and how the different components relate to each other.
81. The issues being addressed in the SNA update are highly interlinked. For instance, the informal economy links to globalization among other things through informal cross-border trade and global digital platforms that have given rise to new forms of work. This links to globalization which has spread production processes across borders, shifted jobs to countries with lower wages, and moved environmental pressures to countries other than where the outputs are consumed. As a result, the work of national accounts has become increasingly complicated.

⁸⁹ United Nations Statistics Division, 2021.

⁹⁰ See: <https://unstats.un.org/unsd/nationalaccount/snaUpdate.asp>

⁹¹ IMF, 2013.

⁹² UNDESA, Statistics Division, 2010a and 2010b.

⁹³ See: https://unstats.un.org/unsd/nationalaccount/aeg/2022/M19/M19_12_IE1_Informal_Economy.pdf

82. The update of the SNA considers distributional measures⁹⁴ of household income, consumption, savings and wealth (by quantiles or household types, e.g., by age and composition of household members), extensions for households' unpaid work, new labour accounts including demographic characteristics and extensions for human capital, along with increased detail for the health and education sectors. More detailed insight in household groups may also be obtained by combining the distributional results with socio-demographic characteristics of households or individuals belonging to the various household groups. Data can also be disaggregated by geographic region, housing status (e.g., rental, owner-occupied with or without mortgage), by the age, labour market status, education attainment, disability, migratory status, ethnicity or gender of the household reference person, etc.
83. The update also targets a range of enhancements to address environmental sustainability,⁹⁵ including, among others, the ownership and depletion of natural resources, renewable energy, and better accounting for biological assets. There are discussions related to accounting for depletion as a cost of production and an increased emphasis on net measures. This could give rise to an indicator of economic activity adjusted for depletion and regeneration of biological resources, for instance. A proposal to create a separate class for natural assets is being considered to provide better information than when it is distributed across many categories.
84. Broadened measures to address wellbeing and sustainability have been prioritized in the SNA update. A proliferation of alternatives to modify or expand measures, and to account for the negative externalities of economic activity goes back decades.⁹⁶ The recent efforts reflect a widely held view that wellbeing and sustainability over time are complex multidimensional phenomena that cannot be addressed by a single summary indicator, such as GDP. Its effective assessment, therefore, warrants the development of a broader measurement framework to monitor and analyze its multiple aspects, enabling a better understanding of trade-offs. Examples of recent initiatives includes:
 - i. The 2030 Agenda (United Nations, 2015) and the SDGs with their economic, social and environmental dimensions.
 - ii. The Stiglitz-Sen-Fitoussi Report (2009), calling for statistics to move Beyond GDP and close the gap between aggregate production, citizens' wellbeing and sustainability.
 - iii. The development and dissemination of dashboards with indicators covering various aspects of wellbeing by international organizations (e.g., OECD⁹⁷) and countries.
 - iv. Inclusive Growth policies adopted by many international organizations (e.g., OECD, World Bank, IMF) that seek to generate growth through inclusion.
 - v. Measures of comprehensive or inclusive wealth by UNEP and the World Bank for an enhanced understanding of sustainability.
85. There are also many sectoral developments, for instance to develop a Statistical Framework for Measuring the Sustainability of Tourism (MST).⁹⁸ A sectoral approach benefits from a more targeted articulation of data needs and close partnership with policymakers and other data users. The request to develop a clearly organized framework to inform society of the many challenges and opportunities of sustainable tourism came from countries and other stakeholders directly. They also ask for data integration across statistical

⁹⁴ See:

https://unstats.un.org/unsd/nationalaccount/aeg/2020/M14_6_6_Distribution_Household_Income_Consumption_Wealth.pdf

⁹⁵ See: https://unstats.un.org/unsd/nationalaccount/aeg/2020/M14_6_5_Wellbeing_Sustainability_Framework.pdf

⁹⁶ See, Hoekstra, 2019.

⁹⁷ OECD, 2011.

⁹⁸ UNWTO, 2018.

domains (economic, environmental and social) with a focus on tourism, and underline the importance of comparability and credibility.

86. While a network of frameworks could be envisaged in which linkages between national accounts and social and environmental statistics are fully elaborated, the short-term challenge for the upcoming update of the 2008 SNA is to define a feasible scope to leverage the comparative advantage of the SNA as a coherent integrating framework and to fully exploit the body of guidance already available. The experts currently consider guidance for a broader framework addressing five key areas:

- i. Distributions of household income, consumption, saving and wealth
- ii. Unpaid household service work
- iii. Labour, education, and human capital
- iv. Health and social conditions
- v. Environmental-economic accounting

87. The first four are being considered as extended modules of the SNA through linking these satellite accounts to the core SNA framework. For SEEA, better alignment with the SNA is being prepared for more integrated use and analysis of related indicators. This will also enable better analysis of the ecological integrity of natural assets as part of the ecosystem accounts.

88. These extensions would form an expanded SNA framework or contribute to the development of a network of frameworks that could provide the source of many strong headline indicators to complement GDP and enable broadened national wealth concepts to address sustainability, such as those currently published by the World Bank or UNEP (see Box 3). The development of guidance notes for discussions on the update of the SNA standards has engaged a broad range of experts from national statistical offices and the research community, and proposals have been refined via global consultations. These extended statistical frameworks will underpin the development of a framework and metrics for Beyond GDP.

89. The ‘wealth theory of sustainability’, underlying the examples given in box 3, emerges from the notion that future consumption depends on future productive capacity, which in turn depends on current net investment in capital defining comprehensive, or inclusive wealth as the sum of all forms of capital, e.g., natural, human and physical.⁹⁹ These comprise an economy’s productive base. Endowing future generations with the potential to be ‘at least as well off as the present’ requires that total wealth is non-declining over time. Inclusive wealth statistics present an opportunity to consider development comprehensively reflecting changes in natural, human and physical capital to assess e.g., recovery from the COVID-19 pandemic, sustainability of growth, and inform the Beyond GDP framework.

⁹⁹ Dasgupta, 2021.

Box 3. Wealth measurement frameworks and indicators

Methodologies and frameworks around wealth accounting have advanced significantly in the past decade. UNEP's Inclusive Wealth Indexⁱ and the World Bank's Changing Wealth of Nationsⁱⁱ have demonstrated that it is possible to assess changes in natural, human, and physical capital across all countries, regardless of income level.

UNEP's Inclusive Wealth Index measures the wealth of nations in terms of progress, wellbeing and long-term sustainability. The *Inclusive Wealth Report 2022* will provide an assessment of 160 countries and a valuable addition to time series data. It is based on an analysis of a country's productive base including the assets from which human wellbeing is derived. The approach considers that:

- a) A positive change in inclusive wealth indicates a positive change in human wellbeing.
- b) A country's inclusive wealth is the social value (not dollar price) of all its capital assets, including natural capital, human capital and produced capital.
- c) A positive change in inclusive wealth signifies positive wellbeing across generations.

The World Bank has developed wealth accounts for more than 15 years, using a methodology that is consistent with the SNA and SEEA. The World Bank's Comprehensive Wealth metric considers produced, human, and renewable and non-renewable natural capital, as well as net foreign assets. It is regularly updated by the *Changing Wealth of Nations*, currently available for 146 countries for 1995-2018 (update to 2020 ongoing).

ⁱ UNEP, 2018.

ⁱⁱ World Bank, 2021b.

Proliferation of practices - indicators and policies - to go beyond GDP

90. A large number of researchers, non-governmental organizations, countries and international organizations have worked for decades to measure development beyond GDP. In 2019, the OECD¹⁰⁰ listed around 500 initiatives. Indicators of wellbeing and/or sustainability developed include for instance: Adjusted Net Savings, Better Life Index, Comprehensive Wealth Index, Ecological Footprint, Genuine Progress Indicator, Happy Planet Index, Human Development Index, Inclusive Wealth Index, Measure of Economic Welfare, etc.¹⁰¹ In addition, there are many composite indicators that address some aspects of Beyond GDP, such as gender equality indices, human assets and governance indicators and many individual indicators that are often used in their own right and as part of composite indicators, such as life expectancy, healthy life expectancy, years of schooling, and many more. Annex 2 presents further information on initiatives of international organizations.
91. Countries like Canada, China, India, Indonesia, Morocco, and Pakistan, among others, have produced **inclusive wealth** estimates for national policy purposes, and Barbados, Philippines, Saint Lucia, Thailand, and Vietnam have started work in 2021.

¹⁰⁰ The Global Project on "Measuring the Progress of Societies", hosted by the OECD

¹⁰¹ For more information, see respectively: World Bank, 2002; OECD, 2011; World Bank, 2021b; Wackernagel and Rees, 1996; Cobb 1995; NEF, 2006; UNDP, 1994; UNEP, 2018; Nordhaus and Tobin, 1972; .

92. The government of the United Kingdom carried out a *Review on Economics of Biodiversity*¹⁰² to assess the economic benefits of **biodiversity**, and the economic costs of biodiversity loss; and identify actions which can protect and enhance both biodiversity and economic prosperity. The Office for National Statistics of the United Kingdom also developed a national wellbeing dashboard with indicators of personal wellbeing, relationships, health, what we do, where we live, personal finance, economy, education and skills, governance and environment.
93. Bhutan has developed a *Gross National Happiness Index*¹⁰³ with four pillars: good governance, sustainable socio-economic development, preservation and promotion of culture and environmental conservation, which are further supported by 33 indicators, including indicators such as annual average real GDP growth, ambient air quality levels, food insufficiency and suicide rate.
94. In 2018, New Zealand became the first country to embed **wellbeing** and **sustainable development** in its budget decisions by using measures of social, cultural, and environmental progress. They have developed a *Living Standards Framework*¹⁰⁴ which captures things that matter for New Zealanders' wellbeing, now and into the future. It is a flexible framework that prompts thinking about policy impacts across the different dimensions of wellbeing, as well as the long-term and distributional issues and implications of policy. Information about data gaps feeds into the government's ten-year data investment plan to be addressed in the future.
95. In December 2020, the UN General Assembly ([A/RES/75/215](#))¹⁰⁵ called for "the potential development and coordination of work within the United Nations system on a multidimensional vulnerability index for small island developing States". It would assess the vulnerability of small island developing States, and other countries. While the vulnerability of countries has been recognized since the beginning of development economics as a major challenge, it became a stronger concern in recent decades with the increasing consequences of other types of shocks and global challenges, including climate change. UNDESA is currently coordinating efforts to develop a multidimensional vulnerability index¹⁰⁶ to address these needs.
96. The above experiences as well as additional initiatives outlined in Annex 2 provide opportunities to understand how new metrics can be successfully used and why some gained more traction than others. The many country examples should be studied further to assess what kind of indicators are used and could inform the Beyond GDP framework. The examples also underline the need for new metrics to assist Member States in the formulation and implementation of policies and strategies that aim to achieve development that responds to today's needs and aspirations.

¹⁰² Dasgupta, 2021.

¹⁰³ See: <https://www.gnhcentrebhutan.org/>

¹⁰⁴ New Zealand Treasury, 2021.

¹⁰⁵ United Nations, 2020.

¹⁰⁶ See: <https://sdgs.un.org/topics/small-island-developing-states/mvi>

3. Framework for Beyond GDP and metrics

3.1. What is it that matters to people and for the planet?

97. Who the economy is for? Who is development for? All countries and peoples should have the right to sustainable development, equally and without compromising the needs of future generations. This means that every human and all peoples have the right to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized. This should be based on their active, free and meaningful participation in development and in the fair distribution of benefits resulting therefrom. To achieve this, what needs to change in our paths towards the future?
98. The challenge in going beyond GDP is to define what matters to people, their wellbeing and agency, and to define key policy goals and theory of change with a forward-looking lens that considers planetary pressures and inequalities between people of today and the future.
99. The analysis of progress towards the SDGs and the 2030 Agenda, discussed previously, gives rise to the following themes that should be considered in a framework for Beyond GDP:
- i. The world is faced by serious crises of biodiversity loss, climate change, pollution, and degradation of natural resources. Humanity cannot build wellbeing without measuring the impact of our actions on **planetary resources** and considering the needs of the future.
 - ii. Governments and communities must be better prepared for shocks and crises, monitor **vulnerabilities** and risks, and focus on building stronger societies that are resilient.
 - iii. After decades of progress, human development is declining. What is needed is a focus on **wellbeing**, not only material, but also its social agency and subjective aspects, and environmental sustainability to ensure a long-term perspective to progress.
 - iv. Regardless of economic growth, **inequalities** between countries and between people, based on sex, income, race, ethnicity and other factors have not declined. Metrics are needed that put people at the centre and account for trends in local, national and regional demands and conditions.
 - v. The economy should not be a goal in itself. It should be serving people and societies to drive innovation and entrepreneurship, use natural resources responsibly and act as an ethical employer to provide economic means for human development and wellbeing. New measures are needed of **the economy of the future** as the engine that generates solutions to the challenges facing humankind.
 - vi. The above concerns and opportunities call for participatory **governance** to harness societies' full potential in defining society and its future is essential to build trust and close loopholes to achieve the SDGs. Measures are needed that focus on advancing peace and security, equal participation in political and public affairs, protection of fundamental freedoms and containment of illegal, illicit, and harmful practices.
100. Policies aligned with Beyond GDP would focus on achieving transformational progress that is inclusive, just, and sustainable. Policies of the future should be guided by a framework and metrics of Beyond GDP that provide a balanced scorecard to steer policy interventions.

3.2. Towards a framework and main elements of Beyond GDP

101. A The many alternative measures developed in recent years have built analytical capacities attempting to draw attention to pertinent trends, concerns, and opportunities. The proliferation of metrics without a

common focus may also have been counterproductive by spreading focus among various initiatives, which each promote a different language and solutions. However, these efforts have laid the foundations for a joint effort to go beyond GDP towards achieving the SDGs and Our Common Agenda.

102. The world needs a common direction with a narrative and a framework to guide national, regional, and global efforts. What is missing is a coherent and focused approach to move beyond GDP – one that everyone, everywhere can benefit from and engage in building on the vision enshrined in the 2030 Agenda and Our Common Agenda and premised on the respect for the Universal Declaration of Human Rights and International human right treaties. International human rights standards can serve as the benchmark for measuring development Beyond GDP.
103. The strategy should be accompanied by metrics that measure progress beyond income, beyond averages and beyond today and build on the core values of the UN system. These includes the commitment to Member States, the core values expressed in the UN Charter (peace, justice, human rights, and the promotion of the economic and social advancement of all peoples),¹⁰⁷ and the social norms and policy incentives needed for a better future.
104. Figure 1 presents foundational themes, identified based on substantive analysis and discussions across the UN system and deliberations by HLCP, including in its meeting of 31 March-1 April 2022. This proposal aims to inform a discussion on a framework for Beyond GDP, with informal consultations planned in July and August of 2022.
105. The framework is anchored in ‘respect for life and the planet’ as natural resources form the foundations for life and wellbeing today and in the future. It uses the term ‘respect for life’ since the environment and life on Earth is not only seen as an instrument but also as having intrinsic value.
106. The framework consists of three outcome elements and three process elements. The three outcomes are derived from the dimensions identified in the Brundtland Report¹⁰⁸ which was prepared for discussion by the UN General Assembly in 1987 and later informed the Rio+20 Conference and the 2030 Agenda. It defines sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their needs”. The report also considers that sustainable development is essentially about distributional justice. This framework, thus, proposes three outcome elements:
 - i. ‘wellbeing and agency’ to focus on wellbeing now;
 - ii. ‘respect for life and the planet’ to ensure possibilities for life and wellbeing in the future; and
 - iii. ‘reduced inequalities and greater solidarity’ towards a more equal distribution of wellbeing.
107. The dimensions of the Brundtland Report were later translated to wellbeing “here and now” (current wellbeing), “later” (sustainability) and “elsewhere” (distribution).¹⁰⁹ Building on the Brundtland Report, it is acknowledged that all three dimensions are interrelated and may have positive feedback loops or trade-offs. Measures or indicators for each dimension may include flows as well as stocks and, potentially, composite indicators. While flow measures focus more on current changes e.g., wellbeing now, stock measures are particularly important for assessing sustainability, i.e., possibilities for future wellbeing, and metrics on inequalities require detailed information that enable analysis of distributions.

¹⁰⁷ United Nations Charter, 1945

¹⁰⁸ World Commission on Environment and Development, 1987.

¹⁰⁹ See, for instance UNECE, 2014 and The Netherlands Central Bureau of Statistics, 2022.

108. The three process elements reflect the 2030 Agenda and the Our Common Agenda report with a particular focus on factors that enable sustained progress towards the three outcomes:

- i. 'from vulnerability to resilience' focuses on human interaction with the natural and built environment to strengthen preparedness and ensure the conditions for wellbeing given multiple risks;
- ii. 'participatory governance and stronger institutions' steer societies towards the outcomes ensuring equal and safe societal conditions empowering everyone to contribute;
- iii. 'innovative and ethical economies' serve people and societies by fostering innovation to find solutions to their challenges with responsible and ethical actions that expand the capacity to coordinate and deliver positive outcomes.

Figure 1: Foundational dimensions of a framework for Beyond GDP



109. These process enablers help to address the problems targeted by the SDGs and to progress towards the vision of the 2030 Agenda and Our Common Agenda. All the elements need to be underpinned by active, free and meaningful participation of people. Mazzucato,¹¹⁰ among others, has discussed repurposing the economy. She talks about a mission economy based on desired values and dynamic, learning public institutions focusing on the kinds of innovation we need, with long-term financing for societal goals. She

¹¹⁰ Mazzucato, 2020.

calls for partnership, stakeholder value and co-creation with diversity of voices working together. It is imperative to engage all stakeholders and harness the resources for common goals.

110. Respect for life and the planet: 'Respect' is the attitude of protecting and preserving the life of humans, all species of animals and plants, and the environment, enabling them to coexist sustainably without unresolved conflict and without overuse of any one particular resource, or dominance of another. It requires protecting the ecosystem and biodiversity. 'Respect' also entails compliance with international human rights norms and standards, including the right to a clean, healthy, and sustainable environment.¹¹¹ 'Biodiversity' refers to the variety and variability of life on Earth, including ecosystems meaning a dynamic complex of plant, animal and micro-organism communities and their non-living environment interacting as a functional unit.¹¹²
111. From vulnerability to resilience: 'Vulnerability' is understood here as the conditions determined by physical, social, economic, and environmental factors or processes which increase the susceptibility of an individual, a community, assets, or systems to the impacts of hazards (stresses and shocks).¹¹³ 'Resilience', on the other hand, refers to the ability of a system, community or society exposed to hazards to resist, absorb, accommodate, adapt to, transform, and recover from the effects of a hazard (stress or shock) in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions through risk management.¹¹⁴
112. Participatory governance and stronger institutions: According to former UN Secretary-General Kofi Annan, "Good governance is ensuring respect for human rights and the rule of law; strengthening democracy; promoting transparency and capacity in public administration."¹¹⁵ Governance is often assessed by elements of participation; rule of law; peace and security; consensus orientation; equality and inclusiveness; and government effectiveness, efficiency, accountability, transparency, and responsiveness.
113. Innovative and ethical economies: 'Ethical economy' refers both to the productive capacity of the economy, which is essential to provide necessary goods and services that enhance wellbeing, as well as the ethics in the value chain of production and consumption of goods and services. 'Innovative economy' refers to value creation in society by offering products and services that contribute to people's wellbeing and increase sustainability of production and consumption in a process of innovation creating and using new green technologies, solutions, and tools which prevent pollution and provide solutions for better lives today shifting focus from consumption to investment for the future.
114. Wellbeing and agency: 'Wellbeing' is understood in this context not only as material, but also more broadly as health, personal security, safe and healthy environment, self-realisation, and social relationships etc. There are many definitions of wellbeing.¹¹⁶ In this report, wellbeing now should also be socially and environmentally just and sustainable, grounded in the progressive realization of economic, social, and cultural rights, as well as freedom from violence. The capabilities approach¹¹⁷ understands wellbeing as

¹¹¹ United Nations, 1948: UN Human Rights Council resolution 48/13: The human right to a clean, healthy, and sustainable environment.

¹¹² Ecosystem defined as in the Convention on Biological Diversity, article 2.

¹¹³ UNDRR terminology, see: <https://www.undrr.org/terminology/vulnerability>

¹¹⁴ UNDRR terminology, see: <https://www.undrr.org/terminology/resilience>

¹¹⁵ Weiss, 2000.

¹¹⁶ For a discussion on the definitions of wellbeing: Griffin, 1986; Dodge et al, 2012; Helliwell and Wang, 2013; Dasgupta, 2021; etc.

¹¹⁷ Sen, 1999.

what people can be and can do, rather than simply through what they have, including both objective and subjective perceptions of wellbeing. Wellbeing as understood here is close to the concept of agency. 'Agency' is the capacity of a person to act in a given environment, to exercise bodily autonomy and make decisions about their own lives, and to enable active, free and meaningful participation in society. This includes free and meaningful participation in society in formal roles and cultural activities, and freedom of expression. Sense of agency and capacity to contribute are important factors of wellbeing that promote human development.

115. Reduced inequalities and greater solidarity: 'Inequality' is understood as a multidimensional concept, which can manifest itself in many ways, such as ability to live a healthy and comfortable life, to enjoy physical and legal safety and security, to access education and developing skills to participate in society, have financial security and dignified work, influence governance, and enjoying individual, family and social life, and exercise the right to express oneself. 'Solidarity' refers to an awareness of shared interests, objectives, standards, and sympathies creating a sense of unity, increasing collaboration, help and support, and strengthening ties that bind people together in a society.

3.3. Criteria for identifying metrics

116. One of the appeals of GDP is its conciseness. While GDP is anything but simple, it manages to summarize information in an intuitive manner that can tell a story. Whatever is proposed to complement GDP should be concise, widely accepted, comparable and attractive for decision-making.
117. The 2025 SNA update is focusing on issues of digitalization, globalization, wellbeing and sustainability, distributional aspects and informal economy, including unpaid work – all of which intersect with the Beyond GDP agenda. The SNA update is well aligned with the foundational elements of the framework for Beyond GDP and many of the Beyond GDP indicators could be derived from the SNA, or other statistical frameworks, especially SEEA and its satellite accounts, government finance statistics, etc.
118. Many of the methods and metrics for Beyond GDP indicators already exist in the context of SDG indicators, and underlie labour, health, justice, income and environmental statistics. These will be leveraged as a first phase and any gaps that exist will necessitate the development of new metrics and methods. It will be important to increase the frequency and timeliness of these indicators as GDP is a timely high-frequency indicator. As in the SNA, both stock and flow information will need to be included in the Beyond GDP metrics.
119. But not everything that matters is measured with established and widely available indicators. This is why measuring progress Beyond GDP needs to be a gradual, iterative process. The aim is that Beyond GDP measures will eventually form a high-quality, widely available, and comparable body of information which relies on existing global and national official statistics, in particular the SNA, its satellite accounts and the SEEA, as well as social and demographic statistics, while also exploring new data sources and new data collection technologies, including by harnessing non-official statistics (produced by civil society organizations, and academia among others).
120. Many approaches to developing metrics of Beyond GDP have been applied that can be built upon:
 - i. Moving the focus **from gross to net indicators** to consider environmental sustainability, for instance by adjusting Net Domestic Product for depletion and growth of natural resources in the future (as being discussed in the SNA update).

- ii. Selecting a **dashboard of indicators** covering a range of measures that consider wellbeing (current), sustainability (future wellbeing), and inclusion (distribution of wellbeing). SDG indicators are an example of a large dashboard.
- iii. Developing **composite indices to summarize** selected economic, wellbeing, sustainability, and inclusiveness aspects in one measure. It would attempt to measure everything that matters, but meaningful interpretation and policy use could be difficult without a decomposition of the indicator. Composite indicators also require value judgement, such as applying weights to reflect the relative importance of each component.
- iv. Several **multi-dimensional indices** could be selected to highlight progress in priority policy areas. There are many current examples, such as the multidimensional indices of poverty, vulnerability, human development and comprehensive or inclusive wealth.
- v. It has also been suggested that a **global sustainability accounting framework**¹¹⁸ be developed to track human and ecosystem wellbeing, similarly to the SNA framework for the economy.

121. GDP needs to be balanced by similarly strong, thematic, or multidimensional headline indicators. The aim is not to establish just one complex, composite indicator of Beyond GDP. An indicator of everything would summarize too much and reveal too little. More targeted information will be needed. Therefore, the UN system proposes that it is preferable to use a set of core metrics, limited to a maximum of 10 to 20 indicators building on existing indicators, particularly SDG indicators, and current statistical frameworks.

122. A balanced set of indicators will consider both stocks¹¹⁹ and flows.¹²⁰ Stock measures can tell the story of sustainability to complement flow measures like GDP, e.g., to assess simultaneously economic, human, and natural capital stocks and flows related to depletion and investment would enable, for example, assessing the impact of economic growth on natural capital stock, and treat education expenditure as an investment in human capital.¹²¹ Both fast and slow indicators will be needed. Some are rather constant over short periods of time, such as the HDI, GDP per capita, inequalities in healthy life expectancy or years of schooling but will reveal important long term trends. Other indicators could fluctuate more and reveal fast changes, such as unemployment, output, prices, hunger and confidence indicators.

123. **The Beyond GDP metrics should be assessed against the below criteria:**

- i. Be comparable across time and countries, well-established and trusted. The selected indicators should meet the quality criteria for official statistics, requiring relevance; accuracy and reliability; coherence and comparability; timeliness and punctuality; and accessibility and clarity.
- ii. Be complementary to GDP so that they enrich the story. Priority should be given to indicators that do not have a high correlation with GDP, such as indicators of inequality and the environment.
- iii. Convey strong and clear messages that are actionable for policymakers, and intuitive to communicate so that they can build momentum, such as the 1.5 and 2-degrees Celsius objectives of the Paris Climate Agreement.
- iv. Put people at the centre. Measurement units of Beyond GDP metrics may vary. The aim is not to monetize all indicators.

¹¹⁸ Bordt and Sane, 2022.

¹¹⁹ According to United Nations et al. (2009), i.e. the 2008 SNA, para 3.4: "Stocks are a position in, or holdings of, assets and liabilities at a point in time."

¹²⁰ According to United Nations et al. (2009), i.e. the 2008 SNA, para 3.4: "Economic flows reflect the creation, transformation, exchange, transfer or extinction of economic value; they involve changes in the volume, composition, or value of an institutional unit's assets and liabilities."

¹²¹ See for instance UNESCO, 2022 and Dasgupta, 2021.

- v. Be measured by professionally independent entities with objective and scientifically selected methods and data sources without any vested interests or political interference to measurement.
- vi. Be feasible to compile across countries taking existing data and official statistics as a starting point as they are available and comparable for a large number of countries, including SDG indicators.
- vii. Be relevant for unique national contexts and flexible enough to consider country specific challenges while balancing with the need for comparability.
- viii. Be conceptually in line with the Beyond GDP framework aiming at a balance between conciseness and coverage. Some themes of the framework may be measured by one composite indicator, while others may require several strong metrics. Some indicators may be relevant to several themes.
- ix. Be ambitious by including placeholders for metrics of the future to measure what matters, even when those indicators are not yet available. The selection of metrics should not be limited by current data availability.

124. Two simultaneous paths will need to be pursued to measure progress Beyond GDP. In addition to 10 to 20 strong headline indicators to focus and balance policy efforts, granularity of information is essential to highlight the particularities of specific population groups and territories, their vulnerabilities and exposure to risks. The UN system need to support Member States to collect and maintain comprehensive datasets that enable disaggregation by region, rural/urban, age, sex, socioeconomic status, nationality, county of origin/migratory, ethnicity, disability, profession, educational attainment, income level, etc. Obtaining disaggregated data requires considerable investment in technology and statistical capacity. Strong statistical systems also serve as the source of internationally comparable strong headline indicators to complement GDP.

125. While the set of core indicators would be limited to a manageable size, they could be complemented by any reliable and relevant information available in the data universe to support policy efforts. Also, as priorities change, comprehensive statistical and data ecosystems will be needed to derive new headline indicators.

126. The framework and metrics of Beyond GDP should be dynamic and forward looking in that they:

- i. Support a shift from fragmented and project-based development interventions to holistic, long-term approaches that address structural barriers to sustainable and inclusive development.
- ii. Are selected, maintained, and developed in a dynamic process starting with what exists but not being limited by data availability in selection of metrics. As the indicator set will be focused, it will require choices and compromises between data needs and capacity.
- iii. Strive for better measurement of what matters by enhancing the statistical capacity of Member States to develop a strong data architecture enabling the capture of additional information and development of new headline indicators as new priorities emerge or the context changes.

3.4. Stories to be told by indicators that go beyond GDP

127. Available data does not cover everything that matters but can already provide information about many aspects of wellbeing beyond the economic dimension, on sustainability, risks and vulnerabilities, inequalities, and governance.

128. Stiglitz et al. in their 2009 report discussed the limits of GDP as an indicator of economic performance and social progress, including problems with its measurement to consider what additional information might be required. They drew attention to the need for better measures of the complex economy and a shift of

emphasis from economic production to people's wellbeing. They suggested focusing on income and consumption rather than production when assessing material wellbeing from the household perspective. They also noted the need to analyze income and consumption jointly with wealth data and put the focus on distributions. They called for broadening of income measures to non-market activities and measuring both objective and subjective wellbeing, with a focus on social connections, political voice and insecurity, and comprehensive measures of inequalities. Stiglitz et al. recommended development of a dashboard of sustainability indicators, including a set of physical indicators of environmental pressures.

129. The metrics of Beyond GDP need to go beyond today's needs, for instance following the 'wealth theory of sustainability'¹²² which notes that future consumption depends on future productive capacity, which in turn depends on current net investment in human, natural, financial, and produced capital and reductions in those assets. For future generations to be 'at least as well off as the present' requires that total wealth is not declining over time. If it is, resources are consumed at the expense of future generations.
130. Better measurement of digitalization and globalization are areas of constant work by statisticians and the academia, and it needs to be considered how their potential and impact on progress can be quantified with metrics that more effectively guide policy action in addition to ensuring they are covered in overall measures of the economy.
131. Indicators of inequality, vulnerability, governance, and sustainability show high complementarity to GDP (with often notably low correlations). Important existing indicators that can inform us about some of these dimensions include for instance these, mentioned by Ghosh,¹²³ and can build on SDG indicators:
 - i. **Median wage and employment rate**, disaggregated by gender, age, etc. For instance, average hourly earnings of employees are reported with SDG indicator 8.5.1, and unemployment rate with SDG indicator 8.5.2 with disaggregations.
 - ii. **Time use, including time spent on paid and unpaid work**, disaggregated by gender, age, etc. SDG indicator 5.4.1 measures the proportion of time spent on unpaid domestic and care work, by sex, age and location.
 - iii. **Proportion of households that can afford a nutritious diet and safely managed water**. Related issues are measured by SDG indicator 2.1.1 on prevalence of undernourishment and 2.1.2 on food insecurity, as well as indicator 6.1.1 on the proportion of population using safely managed drinking water services.
 - iv. **CO₂ emissions per capita**, with disaggregation to reveal inequalities (e.g. top 10%/bottom50%). Currently, the SDG indicator framework includes measures of total greenhouse gas emissions per year as indicator 13.2.2 and CO₂ emission per unit of value added as indicator 9.4.1.
132. These could be complemented with indicators of depreciation of natural resources and vulnerability. The SDG indicator framework includes several indicators that measure degradation of different types of natural resources, such as indicator 15.3.1 on the proportion of land that is degraded over total land area, material footprint as indicator 8.4.1 and domestic material consumption as indicator 8.4.2 etc. The multidimensional vulnerability index, currently being developed, would be a useful additional measure.

¹²² For instance: Dasgupta, 2021.

¹²³ Ghosh, 2022.

133. Inequalities should be measured by several indicators or multidimensional indices, as some inequalities, for instance in health and education, could be reduced, while inequalities in other areas, like wealth and income, might persist. Inequalities are also costly from the economic perspective, therefore the cost of inequality could be measured, with similar cost indicators such as the cost of environmental degradation and climate change.
134. Recent analysis¹²⁴ shows that many developing countries generate less waste per capita than those developed countries with the highest economic performance, high levels of technological advancement and low inequalities. Solutions are needed to help developing countries to improve the lives of their people, equipped with energy-efficient technology to avoid large increases in global emissions and waste.
135. Some countries show poor performance in available governance indicators¹²⁵ regardless of their high-income level. The lack of effective and impartial institutions, weak rule of law, corruption, and the concentration of power has enabled growing inequalities, risking instability, social unrest and insecurity. These considerations are key for democratic development of societies. Governance statistics are a relatively new area of official statistics and require further investment to enable broad availability of comparable indicators.¹²⁶
136. While a common strategy to go Beyond GDP is needed, different efforts will be required depending on the context in each country. Some countries, like many SIDS, face special difficulties in their development due to their smallness, remoteness and exposure to adverse events which impose costs and risks¹²⁷ that other countries do not have to confront. The metrics must inform such considerations.
137. Additional examples of topics that can be considered in Beyond GDP is outlined in Annex 3.

4. Recommendations on how to progress beyond GDP

138. The 2030 Agenda for Sustainable Development brought new impetus to pursuing integrated policies considering social, economic, and environmental aspects of progress. However, Member States are expressing increasing concern as, in many ways, the world is not moving in the right direction. We are, and the future generations will be, paying a high price for not respecting the planetary boundaries. We have reached a point where inaction has become more costly than changing the course. We need an enhanced Political Strategy to address development challenges, environmental concerns, vulnerabilities and inequalities with better governance and new innovative and ethical economy.
139. The 2030 Agenda and the recommendations contained in our Common Agenda paint a path through greater solidarity, transformation, stronger governance and resilience, technology, innovation, and creativity to ensure wellbeing today, in the future (sustainability) and for everyone (distribution). The world is in constant change. The proposed Beyond GDP Framework would allow us to measure progress and steer their implementation. The metrics of Beyond GDP need to be dynamic and evolve as priorities and challenges shift. Improved diagnostics are only one part of the solution. Policy commitment to shape the future and use more balanced diagnostics is key to achieving a real change. It will define the lives of future generations and how they will look back at today's generations.

¹²⁴ UNCTAD, 2022b.

¹²⁵ See, for instance: <http://info.worldbank.org/governance/wgi/>

¹²⁶ Praia Group on Governance Statistics, 2021.

¹²⁷ UNCTAD, 2021a.

140. The Beyond GDP agenda is not new. A stream of metrics, conceptual and analytical proposals has built up with the Brundtland 1987 report, the Stiglitz, Sen and Fitoussi 2009 report and many other initiatives, and provides the capacity to take action. The 2030 Agenda added to this momentum with a global commitment on goals and targets and a set of social, environmental, and economic indicators to ensure accountability and monitor progress in a country-owned process and in coordination by national statistical offices to ensure reliable and credible measurement. Our Common Agenda aims to catalyze this process and take it to a new level.
141. This contribution brings together experience and expertise from across the full UN system to focus attention on systems, metrics, and capabilities to build a Beyond GDP agenda and invites Member States, academia and other stakeholders, including multilateral institutions, civil society, and the private sector, to materialize a moonshot by 2030: to advance wellbeing, sustainability and resilience metrics decoupled from GDP as a yardstick for progress. This involves not merely computing new metrics, but creating the capabilities and systems needed to build up a new ecosystem of Beyond GDP measures in every country around the globe.

Box 4. The WHAT and the HOW: A political moonshot to move beyond GDP and the technical reforms to make it happen

The what: The UN system has an ask for Member-States: to ensure that the multilateral development system stops using GDP as the main yardstick for progress, and adopts new metrics beyond GDP to assess wellbeing, sustainability and resilience by the year 2025. The Summit of the Future in 2024 could launch a technical process to identify and develop metrics for the Beyond GDP framework.

The how: The Beyond GDP framework needs to be technically sound, comparable and replicable across countries. A series of technical reforms are required to make this happen: (a) expand the SNA beyond issues reflected in the Beyond GDP framework as appropriate and proposed in this report; (b) develop an ambitious UN data agenda that will allow the metrics to materialize; (c) review the uses of metrics in national decision-making and in the multilateral development system; and (d) launch an ambitious capacity-building agenda to allow country-based national statistical offices the means to develop the Beyond GDP agenda around the globe.

4.1. A political moonshot to decouple GDP as a yardstick for progress

142. The UN system proposes a political moonshot, enhanced Political Strategy, to position Beyond GDP metrics as yardsticks of wellbeing, sustainability and resilience by 2025. Assessments of development progress should consider the level of vulnerabilities and disaster risk of national economic, environmental, and social systems, including the vulnerability and exposure of those systems under current and future climate scenarios. GDP will continue to play an important role to captures the flow of economic activities, but should no longer be used to define progress, to determine what development means or how countries are allocated public or private financial resources. For this to happen, broad Member State agreement is needed: a high-level political process, relying on the intergovernmental structures of the UN System, including its Regional Commissions, should provide Member State commitments to build yardsticks of progress beyond GDP.

143. The Summit of the Future in 2024 could commit to the urgent need to go beyond GDP and launch a technical process to identify and develop metrics for the Beyond GDP framework reflecting on the outcomes of Member States' deliberations. It could consider mechanisms, such as a Friends of the Chair group to steer progress with two engaged co-chairs.
144. GDP needs to be balanced with strong, thematic, or multidimensional headline indicators. The aim is not to establish just one complex, composite indicator of Beyond GDP. An indicator of everything would summarize too much and reveal too little. More targeted information will be needed for focused and balanced policy interventions; therefore, the UN system proposes the development of a set of core metrics, limited to a maximum of 10 to 20 indicators noting that whatever is proposed to complement GDP should be concise, widely accepted, comparable and attractive for decision-making.

Box 5. A high-level political process to move beyond GDP

The political process could start with consultations with Member States and stakeholders, including civil society (from the third quarter of 2022), spearheaded by the UN Secretary-General, to discuss the rationale to go beyond GDP, and ensure the validity and relevance of themes to be considered in progress Beyond GDP, reflecting on the particular needs of countries and country groups.

The political deliberations could be planned to include:

1. **Informal consultations**, 2022-2023: Discuss the rationale for progress Beyond GDP, identify opportunities and challenges in progress towards better wellbeing, sustainability for future generations and inclusiveness, i.e., wellbeing for all.
 2. **Consideration and preparation**, before and at the Summit of the Future in 2024: Discuss how to move beyond GDP, placing true value on the environment and focusing on human progress and wellbeing to achieve the 2030 Agenda. Aim at a high ambition for the outcomes of the Summit of the Future, build rapport.
 3. **Commit**, at the Summit of the Future in 2024: Make firm commitments to change the policy paradigm to ensure progress towards the vision for wellbeing for everyone and everywhere (equality), now and later (sustainability).
 4. **Set targets**, follow up to the Summit of the Future in 2024: Set a common vision and concrete goals for a future policy framework to move beyond GDP.
 5. **Empower**, 2024-2025: Engage national, regional, and international authorities, and stakeholders to advance the agenda within their current and new mandates.
 6. **Lead and steer**, annual recap from 2025 onwards: Monitor progress with metrics of Beyond GDP, engage, influence, and ensure corrective or enforcing action to achieve the common vision for the future of people and the planet.
 7. **Reprioritize**, every three to five years: Ensure a continuous discussion of priorities, adjust goals and targets of the Beyond GDP framework, and take corrective action.
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4.2. The technical reforms needed to move forward

145. First, **update the SNA to go beyond GDP with a high level of ambition**, for endorsement by Member States by 2025. The SNA is the internationally agreed standard for measuring economic activity, and hosts GDP as one of the headline indicators. The update is being carried out under the UN Statistical Commission. The future SNA with its extended wellbeing and sustainability accounts, as well as the SEEA and its Ecosystem Accounts can provide sources for headline indicators to measure wellbeing, resilience,

sustainability, inequalities, governance and an ethical economy with the same rigour, comparability and consistency as current economic accounts do. They also form a powerful basis for the development of additional measurement frameworks as necessary.

146. The six elements and related issues described in this paper should guide the UN Statistical Commission in this historical endeavour. An expanded SNA will aim, not to displace GDP, nor to push all aspects of wellbeing, sustainability, or resilience into GDP, but to provide an ecosystem for new metrics. These metrics will eventually allow a decoupling from GDP as yardstick for progress.
147. Update the satellite statistics on the use of time to assess the contribution of unpaid work to the economy. Europe and Latin America have made considerable progress in this regard.
148. Second, **launch technical work on a 'UN Data Agenda for Beyond GDP'**, reflecting the outcomes of the Summit of the Future in 2024, to develop new methods and metrics in line with this framework and its six themes. This work will aim to identify 10 to 20 strong headline indicators that tell also the uncomfortable stories and form a scientifically-backed, empirical basis to inform progress Beyond GDP, involving experts from different disciplines and relying on statistical frameworks, the SNA and the SEEA in particular, the SDG indicator framework and existing practice in line with the criteria and process envisaged in the previous chapter. The work will address priority data gaps, and develop new methodologies and metrics for the framework by setting up International Data Task Teams with experts from Member States, UN system entities, civil society and other partners to work under the UN Statistical Commission aiming to create a strong community of practice for measuring Beyond GDP, including consultations relying on the intergovernmental structures of the UN System including its Regional Commissions.
149. The proposed Beyond GDP framework and its future metrics will draw on the efforts of the UN system with statistical standards, frameworks, indicators, and analysis that go beyond GDP. The indicators will build on the experience and capacity developed for SDG indicators in joint efforts by Member States and international organizations. Ideally, the headline indicators will be drawn from existing national statistics compiled within consolidated frameworks consistent with the SNA and SEEA, including launching development of new extended frameworks as necessary. The move to expanded metrics will require multiple standards for the measurement of assets, flows, geo-physical data, social and human rights data, and political and governance data.
150. New types of data, new time horizons and new sources of data will need to be fleshed out. While the set of core indicators would be limited to a manageable size, they could be complemented by any reliable and relevant information available in the data universe. Flexibility and building of strong statistical ecosystems will be key to respond to changing priorities and contexts.
151. The technical process of identifying metrics for Beyond GDP will need to start with existing data and statistical capacity while working towards new metrics, for instance as follows:
 - iv. **Identify initial headline indicators, by 2024:** Draw on existing statistical frameworks, the SDG indicator framework, other indicators and statistical capacity to identify Beyond GDP metrics of stocks and flows while not limiting the selection of indicators to those for which data are available.
 - v. **Assess priority data gaps, 2024-2025:** Pilot test indicators to assess their feasibility. Flag data gaps where "what matters" is not measured to inform global and national data investment plans to

which governments and donors commit. Take the time and put in the effort it requires to identify and validate new metrics.

- vi. **Develop new metrics to fill gaps:** Work towards new metrics and enhanced statistical capacity to measure “what matters” and update the set of metrics in a dynamic and stepwise process. Establish dedicated work streams to develop new methods and indicators to feed onto the framework.
- vii. **Revisit the indicator set, every 3 to 5 years:** The world is in constant change. The metrics need to be set in a dynamic process and evolve as priorities and challenges shift. The themes of Beyond GDP should also be regularly revisited. These steps are also iterative and start from the beginning once finished, gradually improving the metrics of Beyond GDP towards higher ambition to measure what matters.

152. Third, **commission a review of the uses of GDP and Beyond GDP metrics within the multilateral system in 2023.** GDP is currently used for everything from defining what ‘development’ is, to ‘graduating’ countries from different thresholds, to allocating development and climate finance according to metrics tied to GDP. The enduring nature of GDP is, in part, anchored to its multiple uses. The review should distinguish *normative* from *descriptive* uses of metrics. While GDP is without match for descriptive accounting of economic activity, it is often misused as a yardstick for progress and wellbeing.
153. The UN General Assembly should commission a comprehensive review of how metrics are used and misused within the multilateral system. This is a momentous challenge: it will allow decision makers to map the ‘power of GDP’ within multilateral decision-making processes.
154. Fourth, **step up statistical capacity development to enable country-owned reporting of progress Beyond GDP, particularly in developing countries,** in line with the framework and its headline indicators. Capacity-building efforts to strengthen national statistical systems are already ongoing and should notably intensify to strengthen statistical frameworks that provide the baseline elements for Beyond GDP measures (e.g., SNA, SEEA, SDG indicators). The compilation of headline indicators will require a strong ‘data infrastructure’ from national statistical systems so that changes in the key indicators can be disaggregated, explained, and analyzed in detail, in particular, for vulnerable groups of population, and that new indicators can be highlighted as new priorities emerge. The development of the SDG indicator framework has provided a great opportunity to advance the methodologies for several key indicators and strengthen national capacities to compile them, for instance for inequality, non-discrimination, good governance, and civic space metrics while a lot still remains to be done. The capacity-building efforts would have to focus and intensify even further after 2025, once the measurement framework is fully defined.
155. These efforts would benefit from a coordinated statistical capacity development strategy in the context of the UN Development Account and external donors to ensure concerted, coherent, timely and efficient support to Member States to address priority data gaps. Such a strategic plan should include short-term, medium-term, and long-term priorities globally and regionally to be reflected in national activities.
156. In parallel to the above tracks, the UN could launch a global challenge to contribute to the development of new metrics to complement GDP. Leveraging the UN’s role as a leading global voice and advocate for an equal, just and sustainable world, guided by the Universal Declaration of Human Rights, the UN would invite statisticians, academia, civil society, students and others to come up with the metrics for the future. In addition to technical contributions from stakeholders beyond the UN’s traditional reach, this would aim to create global excitement and engagement in contributing to Beyond GDP through a participatory

process, where, for example, universities across the world would put their best efforts towards new world-leading metrics. The process would also serve as a constant companion to the first two technical tracks referred to above, to ensure that new metrics measure what matters to people.

4.3. Member States, academia and other stakeholders

157. Member States, academia and other stakeholders, including multilateral institutions, civil society, and the private sector, have been expressing increasing concerns regarding widening inequalities and deepening vulnerability. The 2030 Agenda and its indicator framework have brought about great progress in more integrated policymaking and measurement of social, economic, and environmental aspects of development. Further integration is called for by Member States, with all stakeholders to strengthen efforts to achieve the 2030 Agenda.
158. This work, the future of humanity and the planet, is at stake and **progress will rely on engagement of all stakeholders and ownership by Member States**. It will be important to constructively discuss the rationale of going Beyond GDP, consider the issues at stake, the opportunities and challenges that must be considered, and commit firmly and seriously to a common vision. Progress will rely on all stakeholders' contribution fully acknowledging ongoing initiatives related to progress Beyond GDP – both metrics and policies. This effort on Beyond GDP is intended to support and reinforce current practices.
159. **Member States, joined by academia, multilateral institutions, civil society, and the private sector, are invited to review their sustainable development challenges and progress** in an integrated manner, considering planetary resources, vulnerabilities, governance, innovative and ethical economies, wellbeing, human rights, and inequalities and solidarity. This will help to ensure that the Beyond GDP framework will fully reflect countries' perspectives.
160. **Moving Beyond GDP will require reprioritizing national policy and administrative work**. Decisions based on only economic considerations will no longer reflect the changed paradigm, and wellbeing and sustainability aspects will have to be mainstreamed in all decision-making.
161. **With enhanced international support, statistical systems need to be reprioritized reflecting on the Beyond GDP framework**, consulting stakeholders in academia, civil society, and the private sector on pressing data needs. In addition to surveys that feed GDP, for instance household budget surveys priority should also be given to time use surveys that require similar investment to provide important information about paid and unpaid work, care work, food production, voluntary work, social life, travel, environmental conservation, gender equality and leisure activities. Indicators derived from the SEEA, other environmental statistics and ecosystems accounts will be in higher demand. New survey vehicles may need to be developed to measure progress Beyond GDP, and countries need to be ready to identify data gaps and make data investment planning a regular part of government's investment planning.
162. **National statistical authorities are invited to engage early in the efforts to test new extensions and improvements to the SNA** and its extended wellbeing and sustainability accounts, and the new approaches to measure digitalization and globalization. Early engagement will enable testing and validation of new metrics, and will help countries build capacity to implement the new SNA effectively with support by the UN system and donors.

163. **Institutional and legal arrangements need to support the effective flow of data** (e.g., from administrative records (tax, social security) in line ministries) to national statistical offices as the central data steward. Data exchange and integration will be in higher demand than ever before, and should be considered in the efforts to strengthen national statistical frameworks.
164. **Decision makers, the private sector, including media and other stakeholders would benefit from support on the use of the Beyond GDP metrics** and the related frameworks and concepts, including the SNA, SEEA and other statistical systems. Such substantive support could be provided by national statistical offices in collaboration with partner organizations across countries.
165. The UN system can support Member States to use Beyond GDP metrics in their policymaking processes. Pilot exercises could be implemented in selected countries with the support of the UN System. A key element of this is the ease in which Beyond GDP can be used by policymakers, as well as the capacity of national statistical offices to produce accurate and up-to-date data for indicators included in Beyond GDP.
166. The proposal to move Beyond GDP by valuing what counts and counting what is valuable is to shift the world towards a just and sustainable future for people and the planet. This an agenda for everyone, everywhere, aiming to ensure wellbeing now and later, locally and globally.

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ANNEX 1: Concept note on progress Beyond GDP

(Prepared by HLCP Core Group on Beyond GDP; approved by HLCP at 18 February 2022 intersessional meeting)

I. Introduction

1. The simultaneous challenges with which the world is grappling (COVID-19, the climate, biodiversity, and pollution crises, extreme inequalities, shifting globalization dynamics, financial volatility and vulnerability, rapid digital transformation and the digital and data divides – to name a few) have ignited a broad rethinking of business-as-usual practices in evaluating the wellbeing of people and planet. In this context, the United Nations System Chief Executives Board for Coordination (CEB) in November 2021 deliberated on measuring progress beyond GDP. As numbers and the lack of them shape national and global policies in important ways, CEB members felt strongly that this was not just a macroeconomic or statistical issue, rather it interconnected all dimensions and key drivers of sustainable development and was deeply consequential for people, planet, prosperity, peace and partnerships.
2. CEB concluded it would be useful to seize the window of opportunity at this unique juncture and to offer a UN systemwide contribution towards creating metrics for measuring progress beyond GDP. Such a contribution would feed into follow-up processes to the 2030 Agenda for Sustainable Development¹²⁸ and the Our Common Agenda report¹²⁹ including the proposed Summit of the Future to be held in conjunction with the high-level week of the seventy-eighth session of the General Assembly in 2024. Additionally, such a contribution could support ongoing related processes, in particular the multi-year update of the System of National Accounts by the Statistical Commission, to be completed by 2025.
3. CEB tasked its High-level Committee on Programmes (HLCP) to develop by the beginning of the third quarter of 2022 a UN systemwide contribution on progress beyond GDP, with DESA, UNDP and UNCTAD as co-leads, comprising analysis and recommendations related to data, policy coherence, and capacity development in support of Member States in the implementation of the 2030 Agenda, and specifically SDG target 17.19.
4. To respond to this request, a core group¹³⁰ has been created to conduct the necessary analysis and prepare the deliverables, with inputs from the broader HLCP membership and other relevant stakeholders.

II. Objectives:

5. To provide a systemwide contribution to (a) improve GDP metrics, (b) identify additional metrics of well-being, welfare and sustainability beyond GDP, and (c) review the uses of GDP in sustainable development that can be used by the Secretary-General in his engagement with Member States on this issue and to support uptake by Member States.
6. To aid the UN system leadership; and support policy coherence in the use of metrics beyond GDP by consideration of, inter alia, social and environmental externalities including public goods, measuring unpriced or underpriced goods and services such as care work and unpaid work in general, wellbeing, digitalization, and distribution.

¹²⁸ SDG Target 17.19: “By 2030, build on existing initiatives to develop measurements of progress on sustainable development that complement gross domestic product, and support statistical capacity-building in developing countries”

¹²⁹ Para 38: “We must urgently find measures of progress that complement GDP”

¹³⁰ The core group includes the co-leads DESA, UNDP and UNCTAD, as well as ECA, ECE, ECLAC, ESCAP, ESCWA, ILO, IMF, UNEP, UNICEF, UN Women, World Bank. CCS-UNS will be invited in an ex officio capacity.

III. Scope:

7. This UN systemwide contribution will focus on the conceptual and foundational aspects of achieving progress beyond GDP. This exercise will not aim to resolve more granular methodological or technical questions of measurement, though addressing such technical questions could be a recommendation or follow-up activity. It will map significant streams of work, flag best practices and identify gaps in the process. The HLCP process fully acknowledges ongoing intergovernmental initiatives related to measuring progress beyond GDP and is intended to support and reinforce them.

IV. Outputs:

8. A narrative on why progress beyond GDP is needed at this critical juncture, and ways to shift the paradigm towards measures that adequately take into consideration all dimensions of sustainable development in a fully integrated manner. The paper will include sections on: (a) improved GDP metrics; (b) measurements of well-being, welfare and sustainability that move beyond GDP, and (c) the uses of GDP metrics in sustainable development work. The narrative should be of limited length (15-to-20 pages with a sharp 2-3 page executive summary) with additional information included in an annex; other communication assets such as briefs, infographics or slides could also be developed. It should focus more on “why” beyond GDP measures are needed than “what” such measures should be composed of.
9. A conceptual foundation or framework that communicates effectively through text and visuals key elements of beyond GDP, including flows that should be integrated, as well as relevant stocks, assets and additional indicators of wellbeing and sustainability that are complementary to and the result of the measurement of GDP. Beyond GDP metrics should be easy and straightforward for use in policymaking.
10. A set of recommendations for the UN system, Member States, academia and other stakeholders including multilateral institutions, civil society and the private sector, to take forward beyond GDP, including those relating to data, policy, and capacity development, and their better integration, with a focus on how beyond GDP can support policy work on sustainable development and expected or potential uses of beyond GDP in the future.

V. Context of progress beyond GDP:

11. The work on measuring progress beyond GDP has been ongoing for decades with multiple existing initiatives and frameworks to be drawn upon. While this concept note will not outline what is to be included in a framework on progress beyond GDP, this understanding will be developed subsequently building on outcomes of earlier work and further deliberations. The scope of beyond GDP will be a main focus of the 43rd session of HLCP.
12. Some areas of inquiry to inform the draft conceptual/foundational framework may include:
 - a. Exploring major challenges and policy needs towards beyond GDP and defining the scope of progress beyond GDP, its main elements and their interrelations.
 - b. Considering the current way of measuring GDP and exploring metrics that would make a progress beyond GDP framework fit for purposes, such as integrating environmental and social dimensions, as well as changes driven by digital technologies, and the rise of new economic models.
 - c. Suggesting improvements for the measurement of flows to include unpriced goods and services and relevant externalities and examining relevant stocks that should be included as a complementary measure to GDP – this will be particularly important for unpaid work, unpaid care work and informal sector activities, as well as ecosystem services and components of natural capital for which currently no markets exist.

- d. Factoring in distributional aspects, disaggregation, sustainability and intergenerational perspectives, vulnerability and risks, and aspects related to governance, stability and human rights.
- e. Determining which aspects of beyond GDP run through the National Statistics Systems and System of National Accounts and which run through other streams of internationally comparable data and statistics.
- f. Considering the practicality and usability of beyond GDP for informing policymaking and the feasibility for countries to collect, compile, analyze and disseminate the required data, considering support needed for capacity development and regional specificities.

VI. Process:

- 13. The work will be taken forward within HLCP through the core group, under the guidance of the Chair of HLCP and supported the HLCP Secretary and the CEB Secretariat. There will be three phases of work, as outlined below:
- 14. Phase 1: Preparatory phase (December 2021 to February 2022)

Timeframe	Activity	Notes
December 2021 – January 2022	Creation of the core group	
December 2021 – January 2022	Drafting of a concept note	Co-leads in consultation with the core group
January 2022	Initial meeting of the core group to refine concept note	to agree on a draft concept note which will be taken to the full HLCP. The concept note will not definitively outline what will be included in beyond GDP, as that will be the main area of work for phase 2.
18 February 2022	HLCP (virtual) intersessional meeting to discuss and approve the core group's proposed concept note	Co-leads to present the draft concept note. The concept note will outline the key objectives, deliverables and process. A substantive discussion on specific elements of beyond GDP is scheduled to be held during the 43 rd session of HLCP. Documentation deadline is 9 February 2022

15. Phase 2: Foundational phase (February to April 2022)

Timeframe	Activity	Notes
February – March 2022	Develop draft conceptual/foundational framework containing key elements of progress beyond GDP	Core group
February – March 2022	Outline of the narrative	Core group
31 March or 1 April 2022	43 rd session of HLCP where the draft narrative and framework will be deliberated on by the membership of HLCP	Co-leads to present the draft concept note To discuss the key elements that will be in the framework and key messages to be featured in the narrative. Documentation deadline is 17 March 2022
April 2022	Refine the draft framework and flesh out the narrative based on feedback from HLCP	Core group

16. Phase 3: Enrichment phase (May to July 2022)

Timeframe	Activity	Notes
May – June 2022	Further develop the draft framework benefiting from engagement with relevant stakeholders. Explore appropriate recommendations linked to the framework and arising from stakeholder engagements Identify additional needs, for example further development of economic models	Member/s of the core group to prepare and conduct roundtables/workshops with relevant stakeholder groups, channelling relevant feedback to the core group working on the draft as part of a validation exercise, noting the limitations of time. Stakeholders may include: <ul style="list-style-type: none"> • CCSA • UN Economist Network • Academia • Private sector • Civil Society
May – June 2022	Produce final draft of the narrative, and relevant communication tools	Core group
June 2022	Document potential sources or gaps in data with regards to the proposed framework	Core group supported by CCS-UNS
June 2022	Draft recommendations	Core group
July 2022	HLCP intersessional meeting to approve final product, transmit to CEB to take note	Co-leads to present final product.

ANNEX 2: Some international initiatives to measure progress Beyond GDP

1. There are a number of existing multilateral initiatives that can inform the development of progress Beyond GDP, such as the Stiglitz-Sen-Fitoussi report, the UN Friends of the Chair on Broader Measures of Progress, the OECD Better Life Initiative, the European Commission's work on GDP and beyond, and many current initiatives by UN system entities. Many global agenda, like the 2030 Agenda have set up a monitoring framework. This is also true for the United Nations Framework Convention on Climate Change that applies a so-called transparency framework¹³¹ and national reporting requirements as well as voluntary national reports. The Sendai Framework for Disaster Risk Reduction (A/RES/69/283)¹³² has a dashboard of 38 indicators.
2. The work of the UN Statistical Commission and the UN Regional Commissions has laid the foundations for developing and compiling indicators to go Beyond GDP. The Regional Commissions, such as ESCWA, and some agencies like UNWTO have developed analytical capacity and have or are developing statistical methodologies going Beyond GDP, held statistical discussions, e.g., ECLAC, ESCAP and UNECE, and have taken stock of current practices, including on sustainability, human capital, income distribution, informal economy, time-use, multidimensional poverty, wellbeing, digitalization and globalization, climate change and disasters, that have been globally taken onboard by the UN Statistical Commission. They all support Member States in implementing the SNA, SEEA and its ecosystem accounts and deriving new indicators for policymaking, particularly in the context of the SDG indicator framework.
3. The HDI was developed by UNDP in the 1990s to monitor human elements associated with economic development. The index aggregates indicators of life expectancy at birth, expected years of schooling, mean years of schooling and gross national income per capita across three dimensions of the index that include long and healthy life, knowledge, and a decent standard of living. The inequality-adjusted human development index considers in addition inequalities in education, health and income.
4. There are also lessons to be learned from the past rollouts of UNDP's HDI, the Genuine Progress Index, the Genuine Savings and Wealth Indices, ECLAC's Environmental-Economic Vulnerability Index, and the Ecological Footprint index, among others. There are many indicators that could have grown bigger; why are their uses often so modest? Success takes a long time to achieve, as can be seen with the HDI for instance. Now the UN is developing a Multidimensional Vulnerability Index, as requested by the General Assembly, to address the limitations of GDP to properly capture their vulnerabilities and provide better metrics for governance and accountability mechanisms, and to serve as criteria for fiscal, redistributive, and monetary policies.
5. OHCHR's *Framework on Human Rights Indicators*¹³³ reflects progress towards **human rights** norms and principles with country-level indicators that are or can be compiled using official and non-official statistical sources by Member States. The emphasis is on disaggregation by type of discrimination and by vulnerable and marginalized population group. The human rights-based approach seeks to analyze inequalities which lie at the heart of development problems and redress discriminatory practices and unjust distributions of power that impede development progress and often result in groups of people being left behind. OHCHR developed a beta version of the RIGHTSTAT dashboard to share indicators of human rights, first with 11 indicators and SDGs indicators under OHCHR's custodianship.

¹³¹ See: <https://unfccc.int/Transparency>.

¹³² United Nations, 2015b.

¹³³ OHCHR, 2022; for empirical studies, see: The Danish Institute for Human Rights, 2017; Cole, 2016.

6. The WHO Council on the Economics of Health for All has developed a *Health for All framework*¹³⁴ aiming at a state in which **health** and wellbeing are within the reach of every person on the planet focusing on (1) valuing planetary health, including essential common goods such as clean water, clean air and a stable climate, with respect to planetary and local ecological boundaries; (2) valuing the diverse social foundations and activities that promote equity, including social cohesion, supporting people in need and enabling communities to thrive, and; (3) valuing human health and wellbeing, with every person able to prosper physically, mentally and emotionally, and endowed with the capabilities and freedom needed to lead lives of dignity, opportunity and community. This includes similar values as the Beyond GDP approach focusing on (i) treating health as investment and not expenditure; (ii) acknowledging the multidimensional health, cultural wellness and biodiversity protection for the 370–500 million indigenous people living in over 90 countries; (iii) promoting sustainable investment by means of environmental, social and governance taxonomy and developing health taxonomy; (iv) applying time use data to measure the value of subsistence agriculture, breastfeeding, household and care work; (v) and making data collection for satellite accounts mandatory to influence policymaking.
7. UNWTO is leading the development of a Statistical Framework for Measuring the Sustainability of Tourism (MST), in partnership with UN Statistics Division and leading countries, and with the support of other international organizations like ILO. MST originates from the notion that “tourism is a social, cultural and economic phenomenon that relies on and has an impact on the economy, the natural and built environment, the local population at the places visited, and on visitors themselves. Owing to this range of impacts and the wide spectrum of stakeholders involved, there is a need for a holistic approach to tourism development, management and monitoring [...] and to formulate and implement national and local tourism policies”¹³⁵. Besides the development of a framework that integrates information on the economic, social and environmental impacts and dependencies of tourism, MST also involves the derivation of indicators - including for monitoring tourism in the SDGs, and (pilot) implementation in countries.
8. UNFPA’s *National Transfer Accounts (NTA)*,¹³⁶ first published in 2019, help to understand how population growth and changing structure influence economic growth, gender and **intergenerational** equity, public finances etc. UNFPA works in research teams of more than 60 countries to construct these accounts to complement the SNA and provide a source of policy-relevant indicators on pensions, health care, education, and reproductive health, the full economic contribution of women and implications of ageing.
9. The Handbook on Governance Statistics¹³⁷, developed in a collaborative effort of national statistical offices, international organizations and civil society organizations, highlights the most important metrics for each dimension of governance. UNODC is also engaged with Member States to measure human security through standard indicators based on crime and health records combined with population and business surveys.¹³⁸ They have also considered economic insecurity through the lens of the illicit economy and identified promising practices. Statistical standards to measure some forms of corruption are available and widely implemented by Member States.
10. UNCTAD’s Productive Capacities Index (PCI) covers 193 countries and economies on the basis of 46 indicators along eight categories: natural capital, human capital, energy, ICT, transport, structural change, institutions, and private sector. A series of analytical and methodological papers were published in 2021.

¹³⁴ WHO, 2022.

¹³⁵ UNWTO and UNDESA, Statistics Division, 2010.

¹³⁶ See: <https://ntaccounts.org/web/nta/show/>

¹³⁷ Praia Group on Governance Statistics, 2021.

¹³⁸ See for example, the numerous standards developed on crime and criminal justice statistics and indicators: Statistical activities (unodc.org).

The PCI allows for statistical analyses, benchmarks, and assessment of existing productive capacities and related gaps and limitations within and across countries and regions.

11. The OECD Better Life Index compares mainly OECD member countries on the basis of indicators within 11 categories: housing, income, jobs, community, education, environment, civic engagement, health, life satisfaction, safety and work-life balance. The most recent related report was published in 2020. The indicators measure issues such as air pollution and water quality, voter turnout, labour market insecurity and housing expenditure. The Better Life Index interface also allows users to create their own version of country comparisons by assigning their own priorities across the categories.

ANNEX 3: Examples of topics to be considered in Beyond GDP

1. The below lists provide examples of topics that would need to be considered in the selection of Beyond GDP metrics. These are also useful for identifying underlying statistical data for disaggregation to assess distributions and inequalities. Much of the information is already available, but country coverage and timeliness varies. It is not possible to say whether the SNA could provide the source for the information as changes are now being discussed under the SNA update, and countries will be at different stages of development of their national accounts.
2. It will be important to first agree politically on the issues at stake, targets and commit to action, before launching a comprehensive technical process of indicator selection. At that stage, indicator selection can focus on Member States' expressed priorities in line with the process recommended in the next chapter. The below topics included under each element are not mutually exclusive. To select 10 to 20 headline indicators for Beyond GDP, strong prioritization will be needed reflecting policy priorities.

Respect for life and the planet

3. Examples of issues: climate change targets are slipping out of reach, environmental degradation and pollution are increasing, serious biodiversity loss is occurring, heavy use of natural resources continues, environmental inequality of vulnerable populations, slow uptake of innovations such as renewable energy solutions, etc.
4. Progress towards sustainability to enable the wellbeing of future generations, and to protect our environment and biodiversity beyond their mere utilization value could be informed by indicators such as those on:
 - **Environmental impacts**, i.e., the unintended side-effects of growth, building on the SNA, SEEA, SEEA ecosystems accounts and related frameworks, such as CO₂ emissions, health effects, and air pollution.
 - **Natural capital**, including material footprint, material intensity, extraction flows and energy consumption and their relation with economic growth, also by assessing consumption-based accounts that record resource depletions embodied within a country's final demand, rather than where production took place.
 - **Environmental degradation** and depletion, including indicators such as Net Domestic Product if adjusted for changes in natural capital stock.
 - **Intergenerational transfers**, considering the depletion and depreciation of natural and physical capital, and the creation of physical, natural and human capital, considering sustainability of today's wellbeing, e.g., in the use of natural and human resources versus the needs of future generations.
 - **Biodiversity** stock and loss, including threatened species, the multidimensional biodiversity index being developed, etc.
5. The SEEA, its ecosystem accounting and related accounting frameworks¹³⁹ could provide the source for some headline indicators, such as material extraction flows or material footprint. Another option would be to use Celsius degrees-equivalent metrics to assess impacts on climate change, but environmental protection goes beyond tackling climate change.

¹³⁹ Such as UNWTO, 2018, see draft: <https://www.unwto.org/standards/measuring-sustainability-tourism>

From vulnerability to resilience

6. Examples of issues: vulnerability and exposure to economic and environmental risks, disasters and crises, lack of investment in prevention, weak social protection systems, insecurity, poor digital and transport connectivity, geographic remoteness, lack of economic diversification and structural transformation, weak productive capacities, reliance on primary production or food imports, poor technology readiness, weak infrastructures, lack of third sector engagement, barriers to participation in global value chains and digitalization, weak skills for the future, etc.
7. Vulnerability could be assessed by looking at data on exposure to risks, sensitivity, and adaptive capacity to build resilience, or by considering themes, such as:
 - **Environmental and physical** vulnerabilities or resilience, remoteness or landlocked countries, disaster risk, share of low coastal zones, population living in drylands, instability of agricultural production, and victims of disasters, displacement, migration, loss of life and property due to natural hazards, threatened species or elements of resilience like adaptive infrastructure, share of renewables, green technology, disaster preparedness, etc.
 - **Economic** vulnerabilities related to economic and trade diversity, remoteness, productive capacities, share of primary production, debt burden, dependence on volatile financing sources, low integration into global value chains, household indebtedness, trade and tourism diversification, etc. Comprehensive or inclusive wealth measures can also inform about economic resilience showing whether countries have a diversified portfolio of assets, or whether their wealth is concentrated and vulnerable to external or unanticipated shocks.
 - **Social** vulnerabilities assessed from the life cycle perspective and enjoyment of human rights, disaggregated by relevant characteristics including sex, income and race/ethnicity, including child poverty or deprivations; unemployment or risk of unemployment, reduction in working hours, and income-to-needs ratio; health risks, obesity, disabilities; access to food, quality health care, social security; and lack of access to food and clean water at times of shocks, etc.
 - **Institutional** adaptability as the ability to prepare for stresses and changes in advance or respond to them, governance and policy response to crisis, social protection, and integrated management, etc.
8. Most of these issues can be measured through people-centred metrics when anticipated (like numbers of people retired, unemployed, changed jobs due to digitalization, etc.) or unanticipated (disasters, conflicts, economic shocks) events happen. For instance, the majority of the world's poor live in rural areas, but harmonized information is difficult to obtain. Vulnerability is also linked to the weaknesses under the other elements, where stronger attention to life and planet, innovative and ethical economies, inequalities, governance, wellbeing, and agency, can strengthen resilience.

Participatory governance and stronger institutions

9. Examples of issues: problems of illegal activities, illicit financial flows, bribery and corruption, terrorism, crime, violence, armed conflict, fear, and insecurity, and responses through the rule of law, access to justice, regulatory quality, effectiveness in fighting criminality, strong civil and political rights, peace, social cohesion, good conditions for business, technological advancement and innovation, transparency, accountability (including in fiscal matters), strong institutions, democratic participation, etc.
10. To improve governance and to be able to understand and constrain the illegal economy, we need metrics covering some of the following:
 - **Key aspects of governance**, among issues such as non-discrimination and equality, active, free and meaningful participation in political and public affairs, inclusive representation, openness (including a

free, safe and equal and inclusive civic space) and transparency of public institutions and decision-making, access to and quality of justice, the rule of law, government responsiveness to the public, absence of corruption, trust, peace, safety and security, including access to information, open data, civic space, freedom of expression for the media, media plurality and professional independence of national statistics.

- **“Unhealthy” economic development**, such as skewed income and wealth distributions, unfair competition, distorted resource allocation, illicit and criminal economic activities. These should be measured as a challenge and not as a resource of growth for a country.
- **Corruption** undermines democratic institutions, contributes to instability, exacerbates inequalities, and affects the progress of nations. It is difficult to measure; the prevalence of bribery measures its extent, albeit partially. Measures of terrorism, violence, armed conflict, etc., would also be of interest.

11. Institutions play a crucial role in ensuring stability, justice, and equality, delivering essential public services, enabling active, free, and meaningful participation, protecting human rights, and fighting crime, corruption, and terrorism. Governance statistics are being enhanced in line with the recent Handbook on Governance Statistics.¹⁴⁰

Innovative and ethical economies

12. Examples of issues: decision-making based on quick wins, ignoring social benefits and international human rights standards, poor or insecure working conditions, gender pay gaps, heavy use and destruction of natural resources, intergenerational inequity, unethical treatment of animals, unnecessarily long transport routes, CO2 emissions embedded in goods, GDP generated by crime, war, reconstruction after destruction, and illegal activities including smuggling and trafficking in persons, other unethical work practices, illicit finance, air pollution, degenerating health of ecosystems, increasing business efforts on environmental, social and governance practices, harnessing innovation and new technology for more ethical economy, etc.
13. While the economy is measured extensively, the evidence-base must be improved to shed light on:
 - The role and changes in environmental, digital, and human **capital**, considering health and education expenditure as an investment, as being discussed in the SNA update.
 - The **digital** economy, trade, and platforms, and the value of data to be measured in the future SNA but also as indicators in their own right, harnessing innovation and new technology for a more ethical economy.
 - The role of the economy as an **ethical** employer and provider of fair, equal pay could be informed by linking business, labour and migration statistics.
 - The degree and impact of **globalization** and the activities of multinational enterprises, including new metrics of **enterprise responsibility**, including business adherence to human rights,¹⁴¹ non-financial performance and environmental and social sustainability, such as decarbonization, etc.
 - The size and contribution of the **informal economy** and its importance for livelihoods, agency, equality, and wellbeing, including volunteering, care and unpaid work, and new forms of work. Total work time indicators taking into account unpaid work and paid work to help understand the total contribution to society could be considered.

¹⁴⁰ Praia Group on Governance Statistics, 2021.

¹⁴¹ UN Guiding Principles on Business and Human Rights: <https://www.ohchr.org/en/publications/reference-publicationspublications/guiding-principles-business-and-human-rights>

- The **economic reality of households**, for instance current indicators of households' disposable income by decile, as measured in the institutional sector accounts.
14. For instance, inclusive and comprehensive wealth accounting would enable making decisions considering impacts on human, natural, produced, and financial capital. It considers the health of ecosystems, strong communities, educated citizens, efficient buildings, and sound financial holdings – the basis of generating wellbeing today and in the future. These form the foundation for clean air and water, social trust, a productive workforce, and a vibrant economy.

Wellbeing and agency

15. Examples of issues: life expectancy and healthy life expectancy and differences between countries by age and sex, as well as in different social, ethnic and income groups, improved coverage of informal activity, care economy, voluntary work, underpaid or unpaid work activities, safe and regular labour migration, achievement of human rights regardless of, inter alia, sex, gender, age, migratory status and other intersecting factors, health, education, housing, decent employment, freedom from violence, food security, nutrition, creative economy, tourism, cultural activities and new forms of employment, social justice, inclusive political representation and civic space, capacities and capabilities taking a person-centred approach to describing whether people can meet basic needs, continue to grow and learn, build and maintain relationships, move around within their community or travel to where they want to go, and contribute whether volunteering or paid, to society (cultural, artistic, trade, household, etc), etc.
16. Goals for wellbeing and agency could be informed by metrics that shed light on wellbeing beyond its economic aspects to measure what matters taking into account everyone's contribution and participation. Given the cross-cutting nature of gender inequality across all aspects of wellbeing and agency, it would be especially important to disaggregate these metrics by sex, as well as other relevant characteristics to capture intersectional forms of discrimination. It could be measured with a composite index and with specific indicators highlighting particular social challenges to ensure no one is left behind, for instance:
- **Biomedical wellbeing and health**, including health status and access to health facilities and care, with measures of life expectancy, healthy life expectancy and gaps in life expectancy, sex ratios at birth, indicators of mortality, premature mortality, including child and maternal mortality, are core measures as without life much else is not important.
 - **Economic wellbeing** with issues such as income, employment and wealth reflects access to economic and natural resources, and to lead a life commensurate to that of others in society.
 - **Standards of living** covering issues such as respect for human rights, food, housing, access to quality health and social services, educational attainment, decent work, unpaid work, and environmental aspects related to quality of life from the perspective of the stock of environmental assets.
 - **Social wellbeing** including social-cultural elements, considering family, work-life balance, social connections, fulfilling free time activities, tourism, creative economy, culture and cultural activities.
 - **Personal development** including issues like knowledge and skills, education attainment, quality of education, and work experience.
 - **Subjective wellbeing** and the spiritual conditions necessary for well-being, with measures of perceived health status, feeling of safety or insecurity, life satisfaction or perception of wellbeing, proportion of population reporting having personally felt discriminated against, etc.
 - **Bodily autonomy and physical safety** to capture the extent to which everyone, but particularly women and gender-diverse people, are able to make decisions about their fertility and sexuality and can live free from sexual and gender-based violence.

- **Inclusiveness and gender equality**, including empowerment of women. Across all elements data should be disaggregated by sex among other variables.
- **Agency** with indicators on active, free and meaningful participation in society, and decision-making reflecting that the individuals are very much part of the community that they belong to; solidarity.

17. Some of these issues are being discussed under improvements to the SNA as part of the SNA update. In addition to improving the coverage of GDP aggregates, non-monetary measures are needed of what matters to people and their opportunity to pursue a healthy life and achieve a good quality of life. Life expectancy is also considered in the HDI and OECD's Better Life measures. An indicator of opportunity could measure the degree to which people can participate in public affairs, be active and pursue a good life, such as through time-use. Several indicators could be considered, such as SDG indicators 2.1.1 (prevalence of undernourishment) and 2.1.2 (prevalence of food insecurity) which provide important information for assessing the socio-economic progress of countries.

Reduced inequalities and greater solidarity

18. Examples of issues: GDP growth does not benefit everybody, extreme poverty increases while the richest get richer, rural and urban communities, intra-country and inter-country income/wealth disparities, unequal distributions of power, resources and opportunities, discriminatory laws, policies, restrictive or discriminatory social norms, marginalizing people based on gender, sex, age, race or ethnic origin, colour, religion, disability, location, migrant status, sexual orientation, or gender identity, political or other opinion, national or social origin, health, economic or other status, multidimensional and intersectional inequalities, intergenerational equity, food insecurity is rising in many countries while it has vanished from others, the pandemic has increased gaps and affected countries unevenly, soaring debt burden of countries, development aid, financing for development, etc.

19. Inequalities merit their own indicators that focus on differences between genders, population groups and countries and capture the relative position of those at both the top and at the bottom, as well as the gulf between them, capturing all aspects of inequality.

- **Inequalities of outcome**, assessing differences between groups horizontally by systematically disaggregating wellbeing measures by age, sex, race, ethnicity, colour, religion, disability, migratory status, sexual orientation and gender identity, geographic location, income and other factors. Measures of distance and distributions, like applying the Gini coefficient to other variables. Consider also vertical inequalities between top and bottom performers by variable, such as deciles.
- **Inequalities of opportunity** with indicators of rights and opportunities enjoyed by individuals, such as on access to wealth, education and health services, prevalence of discrimination and intersectional discrimination, digital and data divide, secure affordable Internet access, disruptions and shutdowns of Internet or mobile networks.
- **Intergenerational inequalities**, tracking human capabilities over time, considering sustainability of today's wellbeing, e.g., mobility between social or income groups when comparing parents and children.
- **Income and wealth inequalities** across population with Gini coefficient and the Palma index, global income distribution within and between countries and within countries, between women and men, distribution of income between capital and labour as in labour share in income and distribution of labour income/wealth within an economy (top/bottom, deciles).
- **Inequalities in paid and unpaid work** to factor in care work and the value of unpaid work, including indicators of time use, by sex. Total work time indicators by sex taking into account unpaid work and paid work to help us understand the total contribution to society

- **Deprivations** with a focus on those left behind, including with an analysis of extreme poverty and multidimensional poverty, by sex/gender and other characteristics, including rural multidimensional poverty, and the prevalence of undernourishment across population.
 - **Solidarity** where the costs and burdens are distributed fairly in accordance with basic principles of equity and social justice. Those who suffer or who benefit least deserve help from those who benefit most.
20. There are population groups that are continuously excluded from the progress of societies. Inequalities are deeply entrenched by structural drivers and barriers across all economic, social, political, cultural, and environmental domains. These drivers intersect and reinforce each other, and can have cumulative, mutually reinforcing effects. The global community is calling for greater solidarity in tackling the COVID-19 pandemic and to achieve the vision of the 2030 Agenda. The pandemic demonstrated that the planet, people, and the economy are intertwined and that what happens in one country affects others.