

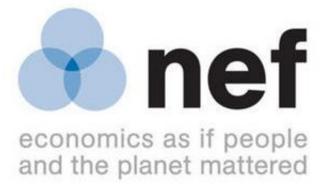


### **Sharing lessons from the Beyond-GDP world**

Karen Jeffrey Degrowth Conference 5<sup>th</sup> September 2014

#### new economics foundation

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



- NEF and degrowth:
  - NEF doesn't explicitly promote a degrowth agenda...

#### Sharing lessons from our research



- What are the barriers to the use of Beyond-GDP indicators in policy-making?
- 2. What opportunities are there to increase their use?





### Why are the findings interesting for advocates of degrowth?

Lessons learned that the degrowth community may also benefit from

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

Lesson 2: Using indicators: the recipe for success

Lesson 3: Overcoming barriers to the use of alternative indicators

#### What is Beyond-GDP?







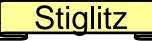


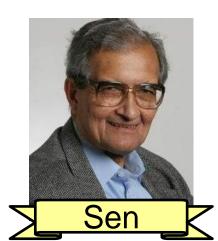


Come si vive in Italia? Indice di Qualità Regionale dello Sviluppo

















#### About the Beyond-GDP agenda



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

A spectrum of positions exist regarding economic growth:

Less radical

More radical

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

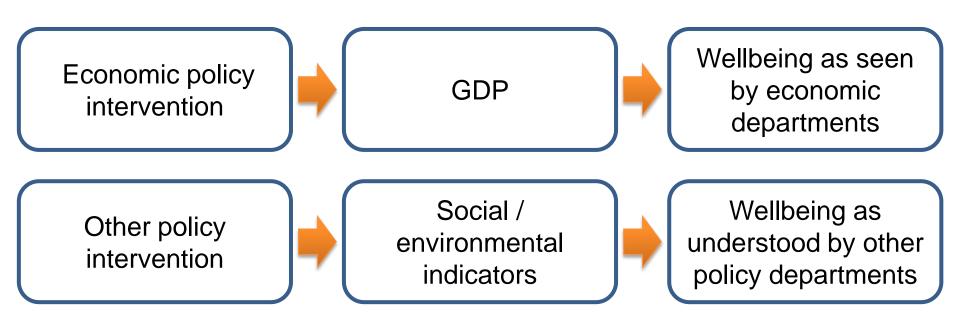
Growth is good, but we need to target other things too - 'sustainable growth'

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

Continued growth will be detrimental – degrowth is needed

#### About the Beyond-GDP agenda

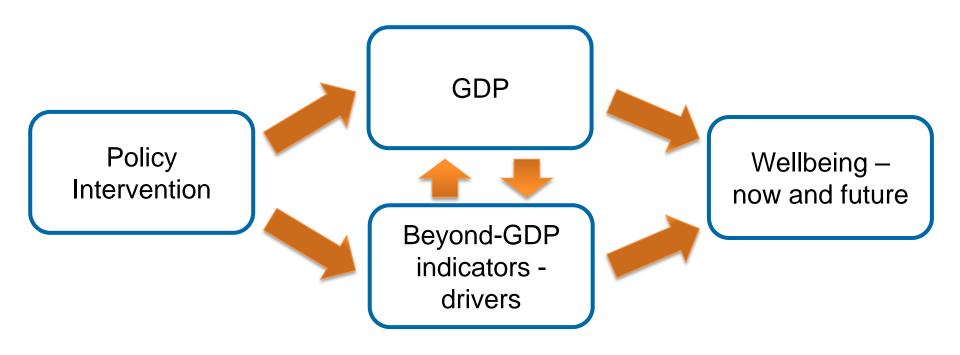
In the less radical view of Beyond-GDP, social and environmental goals are considered **in parallel** with economic goals

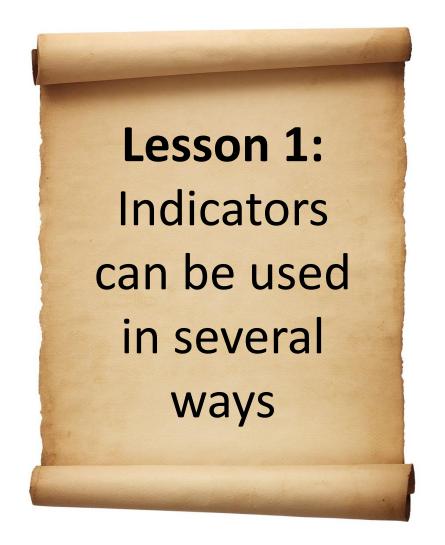


Problematic because economic goals tend to be prioritised over other goals

#### About the Beyond-GDP agenda

Our view of Beyond-GDP is that social and environmental goals need to be **integrated** with economic goals





**Key academic texts:**Boulanger, P. M. (2007)
Carol Weiss (1979)

#### **Instrumental** use

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

This **isn't the only way** that indicators can be used...



...very often, indicators are used in **more subtle** ways



#### Conceptual use

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



#### Political use

- Using an indicator to justify or support a decision (which may already have been made)
- E.g. using subjective well-being indicators to justify environmental policies
- E.g. using subjective well-being indicators to push an agenda

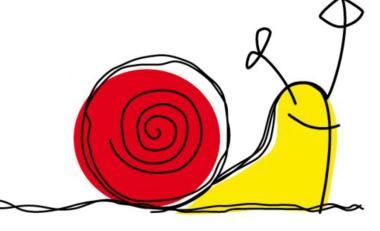


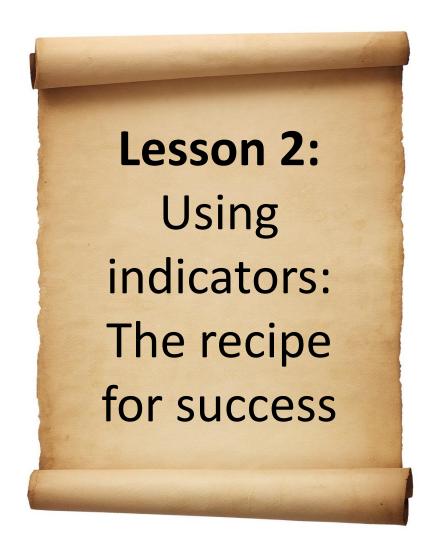




#### What does this means for the degrowth agenda?

- Indicators are useful tools for objectively monitoring a situation, and appealing to those with a positivist mindset...
  - ...but this isn't their only useful application!
- Indicators can also be used to:
  - Raise awareness
  - Promote thinking in new ways
  - Shift debates
  - Legitimise calls for action





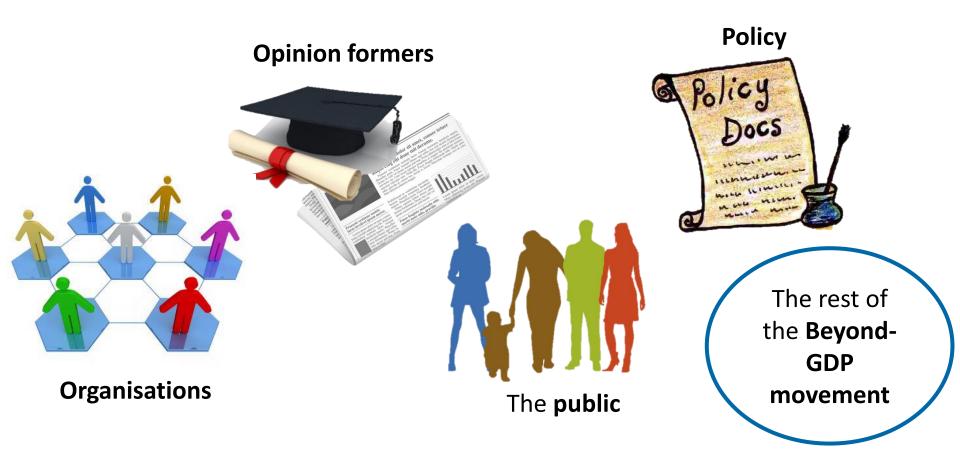


The findings in this section are based on...

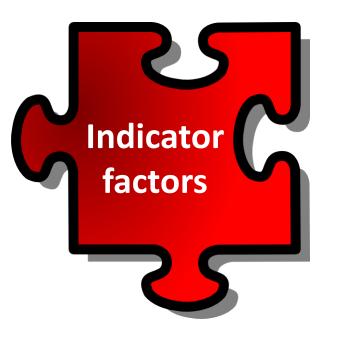
- Interviews with 18 indicator producers and promoters
- Media analysis of public and expert media
- Questionnaire responses from 41 indicator producers and promoters



- Q. What counts as 'success' when using indicators?
- A. Bringing about societal change by influencing:



Four clusters of factors contribute to the successful use of indicators Relational factors User factors **SUCCESS Indicator** factors **Indicators Users** Policy/ factors



#### 1. Salience

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

#### 2. Credibility

- perceived **reliability** of data
- caution around **composite** indicators

#### 3. Legitimacy

- neutrality of the indicator's production
- public consultations vs. vested interests



Not much you can do to change your users

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

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

externality

market failure

opportunity cost



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

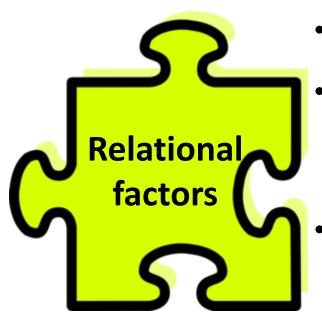
#### **Opportunities**

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

#### **Obstacles**

- Ideologies: e.g. SWB "not the govt's job" scientific validity may help overcome
- Resistance from those who feel indicators could cause their decisionmaking to be bypassed

Look out for these qualities to maximise impact:



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

What does this means for degrowthists using indicators?

When selecting indicators to work with:

- Think about the needs of your intended audience
- Be prepared to demonstrate scientific robustness
- Look for indicators that connect to political agendas or have captured the public's attention
- Try to use indicators developed in consultation and contact with their intended audience

The findings in this section are based on...



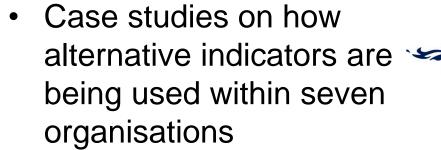






City of Rotterdam







 A 2-day workshop with experts from the field



Identified 3 categories of barriers:

- 1. Indicator barriers
- 2. Political barriers
- 3. Process and structural barriers

#### **Indicator barriers**

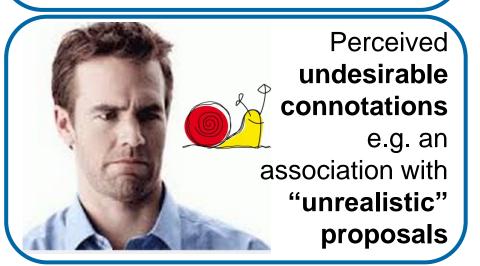


Data is unavailable, not timely, or not robust enough

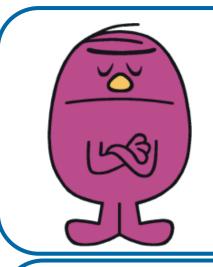




Use of many concepts (quality of life, living standards, human development, sus development) causes confusion



#### **Process and structural barriers**



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



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



faith in the current system, or don't think that using alternative indicators would be an improvement





Failure by some producers to connect with intended users prevents their indicators from being useful or visible

#### **Political barriers**



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



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



Lack of demand from the public means there is little pressure on policy makers to use Beyond-GDP indicators

#### Why is this interesting for degrowthists?

- The barriers that Beyond-GDP advocates face are very similar to the barriers faced by degrowthists
- We can work together to overcome the barriers...
- ...but how?



#### **Key recommendation: Narrative**

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

- Compelling intellectual arguments about the economy
- Compelling popular messages about what government should deliver, if not growth
- Answer questions like 'how do we maintain employment without growth?'
- The more people pushing a single message, the more powerful it will be

#### More recommendations

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

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



# Find out more www.neweconomics.org @nefwellbeing karen.jeffrey@neweconomics.org