

Call for Action

NEW CONCEPTION OF PROSPERITY AND MEASURES OF PROGRESS NEEDED

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To overcome the major challenges the world is facing today - from recovering from the pandemic to mitigating climate change - the global community will need concerted, transformative policy efforts, aligned with collective values and societal goals. To achieve this, a new conception of prosperity, along with a related comprehensive yet concise set of goalpost indicators, are needed. We call upon the G7 to begin systematically measuring progress through internationally comparable, multidimensional metrics that cover (1) social well-being, (2) economic well-being, and (3) environmental sustainability.

It has been widely acknowledged, for example by the UN Secretary General and the current German G7 Presidency, that economic growth, measured in terms of GDP, is insufficient as a yardstick for the progress of nations. There is extensive evidence of the shortcomings of GDP as a measure of progress, including its association with the deterioration of natural and social capital. Nevertheless, GDP is still the central goalpost for assessing progress, informing development strategies, policy pathways, and budget priorities. The unintended consequences of this focus have been devastating, as is evident from pollution, climate change, and biodiversity loss, but also from growing inequalities, decreased social cohesion, and mounting public/private debt.

While significant advances have been made on the international and national statistical agendas on measuring progress beyond GDP, well-being indicator frameworks remain fragmented across countries and organisations, and their benefits for policy making are not even close to being used to their full potential. Therefore, a comprehensive measurement framework that rests on globally shared normative foundations and can serve as worldwide authority on assessing progress towards well-being of people within planetary boundaries is needed. We recommend that the key dimensions of present and future well-being be monitored for G7 countries and beyond to set the course for a sustainably prosperous future, in line with the Sustainable Development Goals. Policy makers must adopt this new

measurement framework swiftly and consistently across countries and through time. The indicators must summarise well-being across its multiple dimensions and be amenable to disaggregation.

The G7 has a unique opportunity to recouple the social, economic, and environmental dimensions of well-being in assessing the progress of nations, aiming for an appropriate balance across these dimensions to achieve equitable, inclusive, and sustainable outcomes within planetary boundaries. We recommend that the G7 take the following concrete steps:

- Establish a G7 Working Group to explore the measurement of progress beyond GDP, with the objective of identifying a comprehensive yet concise set of indicators focused on multidimensional well-being across G7 countries to be regularly monitored in the future.
- Use this new measurement framework to align the G7 members around concrete policies for advancing social, economic, and environmental well-being beyond GDP.
- Promote data collection efforts at maximally granular level to monitor both multidimensional well-being and its distribution.

We call upon the G7 to show leadership by rethinking progress and adopting new measures focused on well-being that are comparable across countries and encompass not only material wealth and economic performance, but also the social and environmental dimensions of well-being.



The Think7 engagement group under the German G7 presidency 2022 is jointly chaired by the Global Solutions Initiative and the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) as mandated by the German Federal Chancellery.



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