

Proposal of a text supporting the modification of the UNCSO zero draft

1° We recognize the progress incorporated in the zero draft proposed by the UNCSO concerning the necessity of indicators: the paragraphs 33 and 43 clearly recognize the necessity of “a set of indicators to measure progress” and “the importance of measuring global progress” through the “establishment of indicators and measures”. Moreover, the zero draft recognizes in the first line of the paragraph 111 “the limitations of GDP as a measure of well-being”. So, as non-governmental organizations involved in the evaluation of the global progress of our societies, we also think that, in order to guide and monitor policies addressing economic, social and environmental global issues, we need new metrics, i.e. new goals and indicators. Such an aim is well addressed by the two first lines of paragraph 111 stating, “We agree to further develop and strengthen indicators complementing GDP”.

2°. On these issues of central importance for the future of us all, official institutions like the United Nations, the European Commission, Eurostat, the OECD have produced much analysis. Non-governmental organizations as well have been involved, such as the Club of Rome and WWF, with the publication of the report “Taking Nature into Account” (1995) and the organization of the first major conference with the same title in Brussels in 1995, together with the European Commission and the European Parliament and subsequent initiatives such as the last major conference with the European Commission and European Parliament in Brussels in 2007, the report of the committee coordinated by Joseph Stiglitz, Amartya Sen and Jean Paul Fitoussi, or the OECD’s work on the global project on new indicators of progress for society.

In addition to all this, other international initiatives and practical experiences are underway through the work of research and development matured in recent years. In Canada (with the Canadian Index of Well Being) and Australia (through the work of the Australian Bureau of Statistics), there have been concrete advancements using indicators measuring well-being and supplementing GDP. The ISEW (Index of Sustainable Welfare), which calculates the environmental costs and income distribution, has already been adopted in several national and local contexts. Social budgeting practices, gender auditing and similar assessments are spreading more and more in local areas (or in central government such as New Zealand), and cover many hundreds of municipalities and local governments all over the world. In some of these local experiences, specific indicators such as ecological footprint or QUARS (Quality of Regional Development created by Sbilanciomoci!) are used as a tool to address economic and financial policies.

3°. But we have to be aware that inadequate or misleading monetary indicators can deal with global challenges even if monetization seems, at first sight, to be a very convenient tool for making commensurable goods and services that enhance the well-being (which is a positive aspect) and deterioration of the natural heritage or pollution due to production and transportation (which is a negative aspect). Actually, monetization is at the same time a dangerous instrument because it develops the fiction that it is possible to make equivalent, and thus to add and integrate very different dimensions of well-being or ill-being. Even worse, monetization gives the illusion that it would be possible to compensate these damages to the environment through investments or additional

consumption. At the same time, such valuation conventions are the basis of some dominant economic indicators, like GDP (and their more or less green variations) or the ANS, which add quite dissimilar values and so, may mislead us about the meaning of progress.

4°. Otherwise, we have to distinguish different kinds of indicators according the kind of sustainability that we want to evaluate. Although the words 'sustainable development' and 'sustainability' are now used frequently in the world, none of the meanings attached to them necessarily conveys the concept of "strong sustainability" rather than "weak sustainability". Actually, the way sustainability is weakly quantified in many indicators is positively appreciated by some for it allows going on growing in a "green" way, while it is rejected by others for it avoids properly considering the issue of respecting ecological limits and remains anchored in a productivist logic which appears untenable to them. Summing up various determinants of well-being (among which nature) within the same utility function comes to deny the non-commensurability of nature and economic variables: there is a tacit hypothesis of substitutability between the different determinants of utility (monetarily evaluated). This weak sustainability approach, which assumes that human knowledge can engender technological innovations liable to compensate for the depletion of nature resulting from growth, is highly debatable and more and more criticized as the ecological crisis deepens. More theoretically, thinking of sustainability as non-decreasing utility across time implicitly assumes that utility maximization coincides with ecological sustainability, that is, non-decreasing stocks of resources. Such an assumption is only possible under a well-defined constraint and under the assumption that the agent is perfectly informed on the impact of its own behaviour on the environment and is ontologically altruistic towards others and nature.

5°. The public process of building participatory and shared indicators with all stakeholders concerned becomes a crucial point in defining a set of domains and indicators that have institutional and social legitimacy.

6°. Considering these arguments, we propose another formulation of the paragraph 111 of the zero draft:

111. We also recognize the limitations of GDP as a measure of well-being. We agree to further develop and strengthen indicators complementing GDP that **address** economic, social and environmental dimensions with different measures for each of the three pillars in a balanced manner. We request the Secretary-General to establish a working process in consultation with the UN system, **with all stakeholders concerned** and other relevant organizations.

FDIW (Forum for Different Indicators of Wealth) **Sbilanciamoci!** **Social Watch**