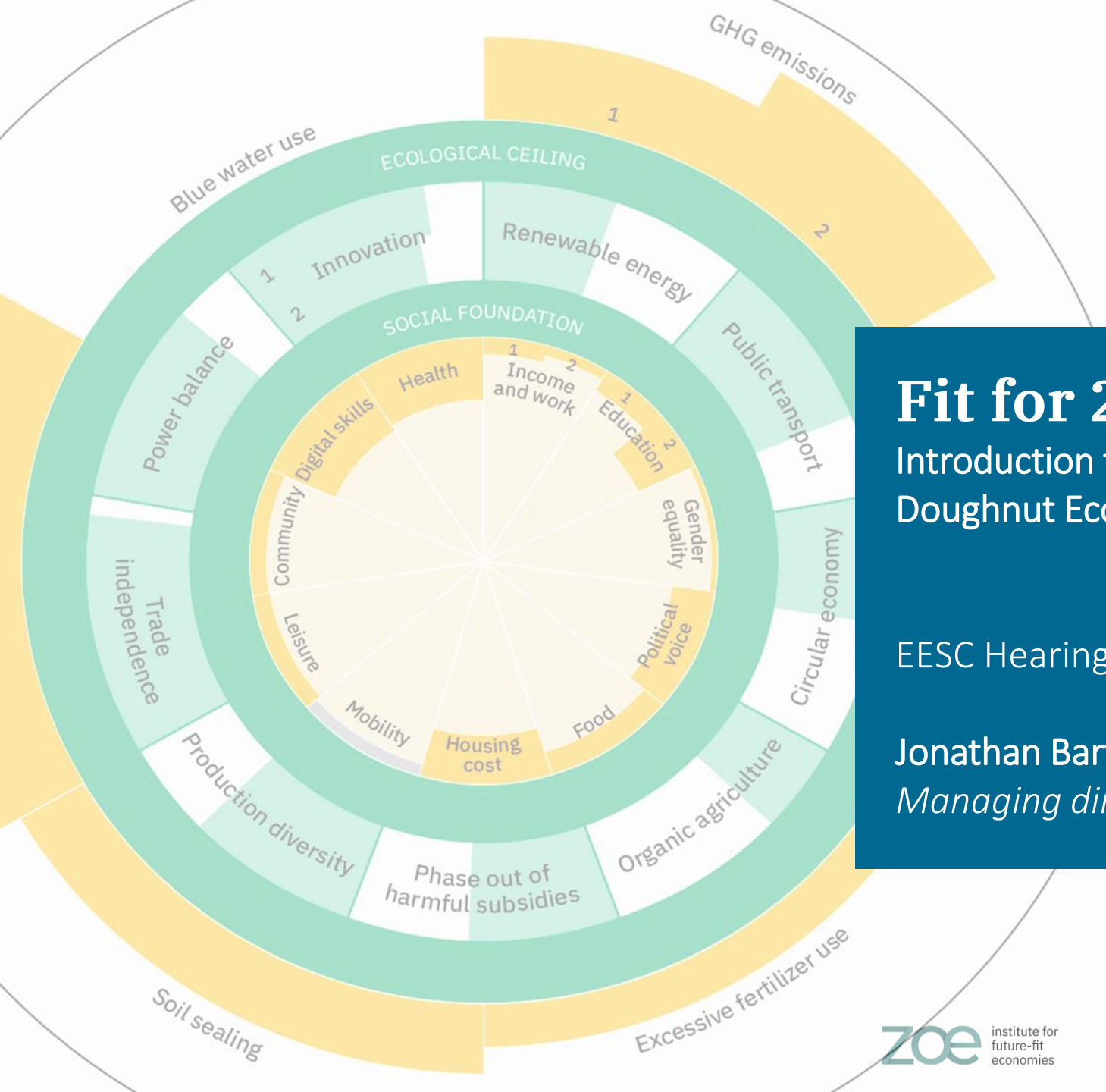


Fit for 2030

Introduction to a beyond GDP dashboard, inspired by the Doughnut Economics Framework

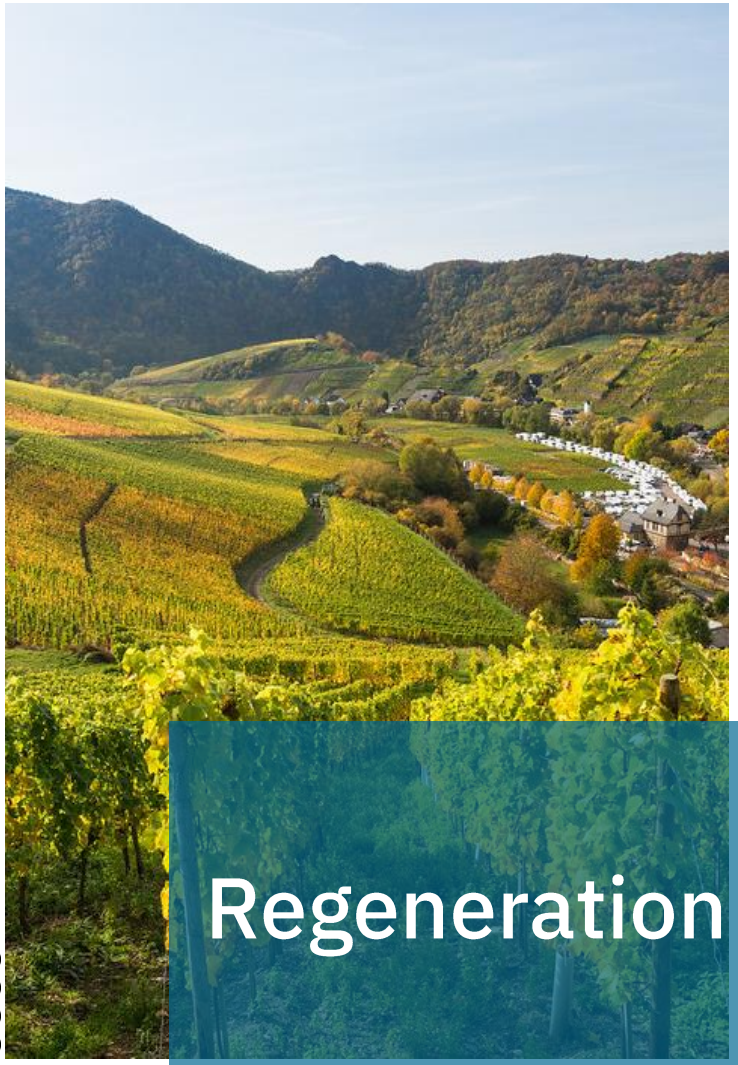
EESC Hearing, 3 November 2021

Jonathan Barth
Managing director at ZOE-Institute for Future-fit Economies

zoe institute for future-fit economies

Climate change is happening now

The beyond GDP mission: shaping a regenerative, resilient wellbeing economy



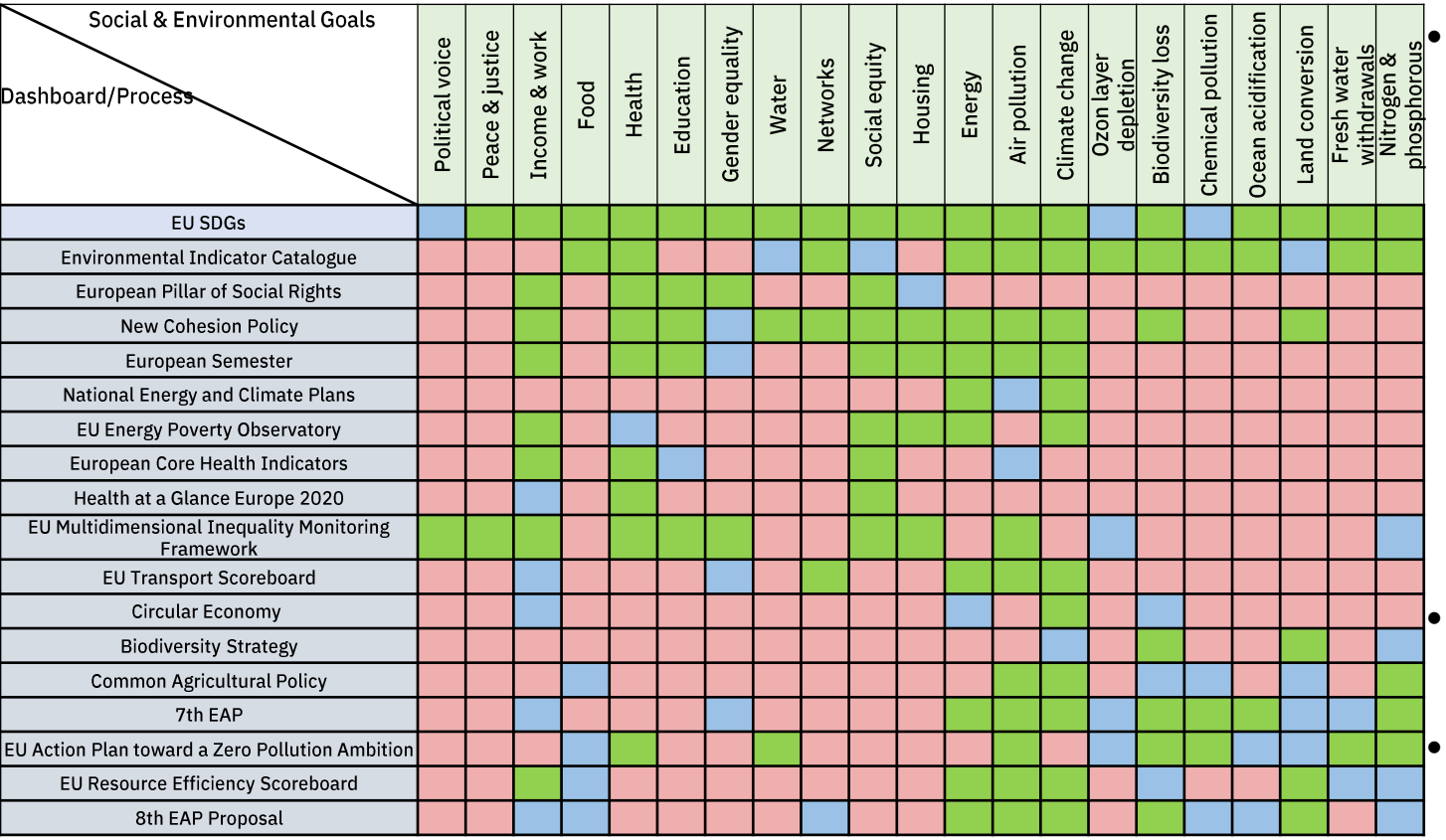
Regeneration

Resilience

Wellbeing

A compass towards a regenerative, resilient wellbeing economy?

State of play: Current dashboards not suited to address these needs



Social & Environmental Goals / Dashboard/Process	Political voice	Peace & justice	Income & work	Food	Health	Education	Gender equality	Water	Networks	Social equity	Housing	Energy	Air pollution	Climate change	Ozon layer depletion	Biodiversity loss	Chemical pollution	Ocean acidification	Land conversion	Fresh water withdrawals	Nitrogen & phosphorous
EU SDGs																					
Environmental Indicator Catalogue																					
European Pillar of Social Rights																					
New Cohesion Policy																					
European Semester																					
National Energy and Climate Plans																					
EU Energy Poverty Observatory																					
European Core Health Indicators																					
Health at a Glance Europe 2020																					
EU Multidimensional Inequality Monitoring Framework																					
EU Transport Scoreboard																					
Circular Economy																					
Biodiversity Strategy																					
Common Agricultural Policy																					
7th EAP																					
EU Action Plan toward a Zero Pollution Ambition																					
EU Resource Efficiency Scoreboard																					
8th EAP Proposal																					

PINK: no indicator is included BLUE: a maximum of two indicators is included
GREEN: more than two indicators are included

- **None of the assessed dashboards can serve as a political summary for a beyond GDP agenda**
  - **SDGs:** scope is too broad, not fully consistent with the EU's political agenda
  - **Resilience Dashboards:** purpose is about monitoring the "ability to make progress" rather than measuring progress itself
  - **8th EAP MF (draft):** lacks social and economic indicators
- **Risk of silos** due to a too-narrow focus on specific policy areas
- **Lack of compelling narrative and visualisation**

Our idea: taking inspiration from Doughnut Economics

Doughnut Economics as an overarching frame

"The Doughnut model can guide how we think about the Green Deal."

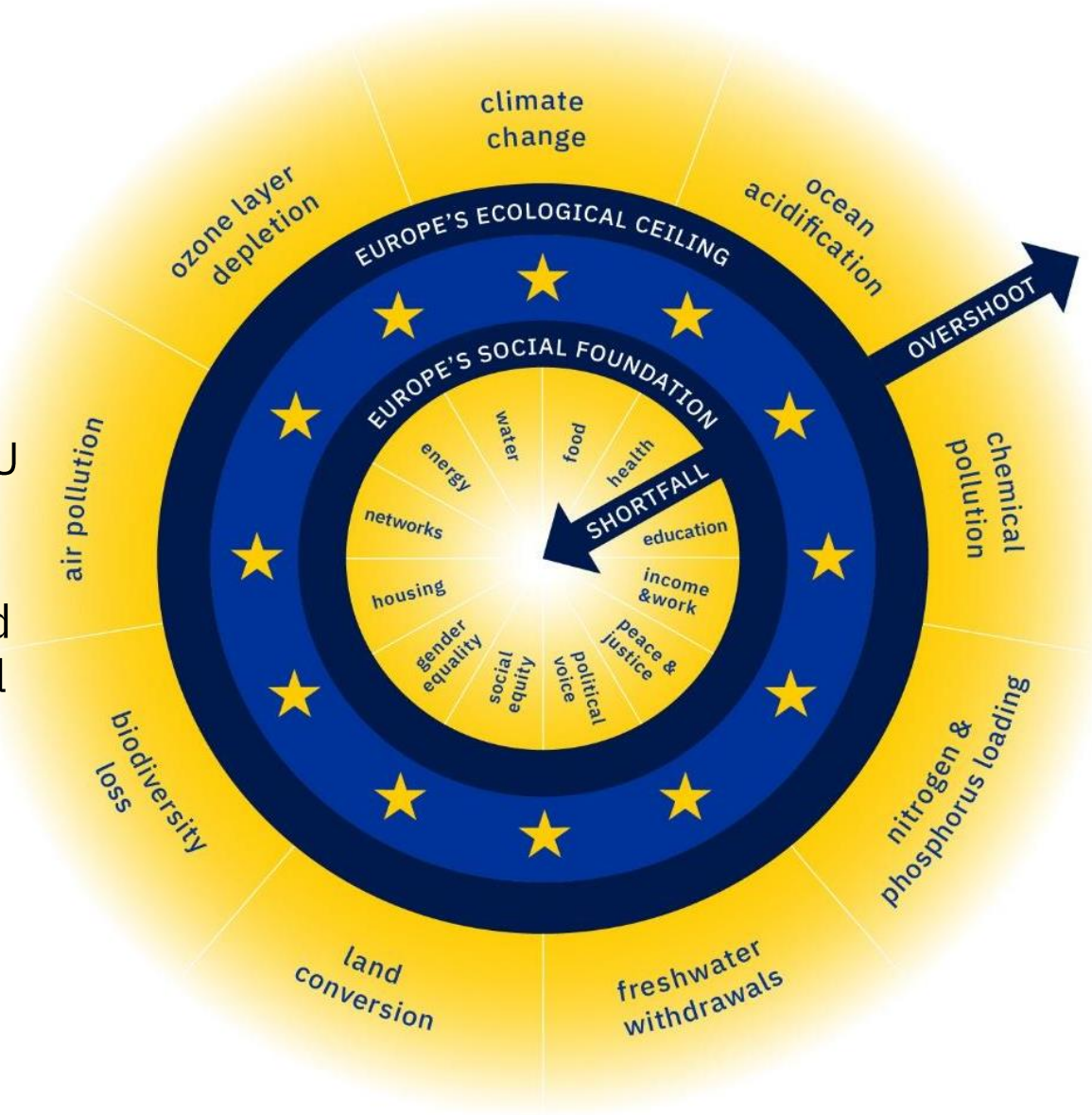
EVP Maroš Šefčovič

"The Doughnut model is a possible basis for developing a coherent monitoring framework that includes different indicators into a single frame."

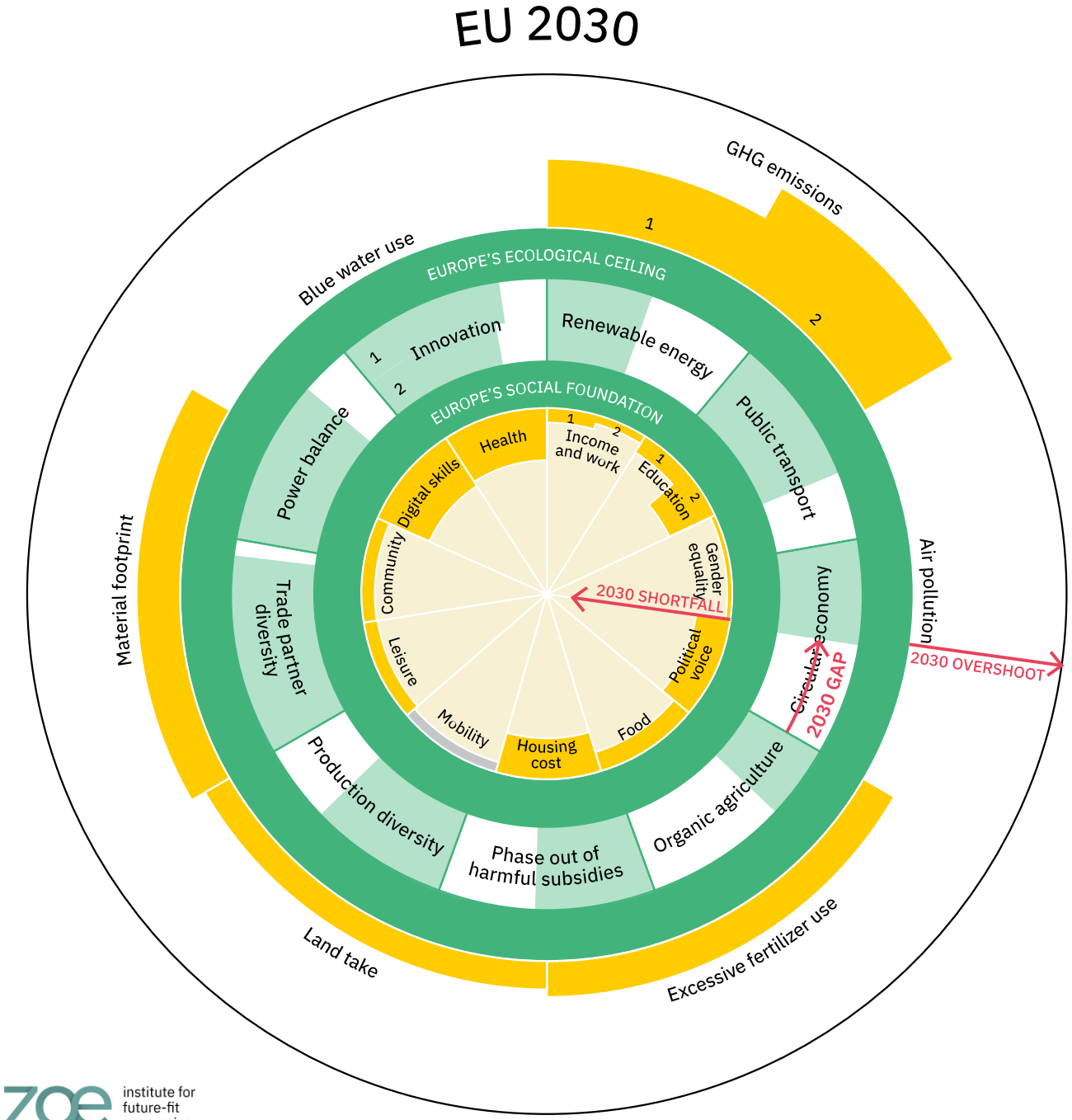
Informal COM Working Group Doughnut4EU

The Doughnut

- Provides an **overarching frame** that points at the need to **balance** the environmental sustainability and social cohesion by means of a resilient economy
- Provides a **clear visual representation** of the EU's priorities for 2030 and **tracks its position** in those different aspects.

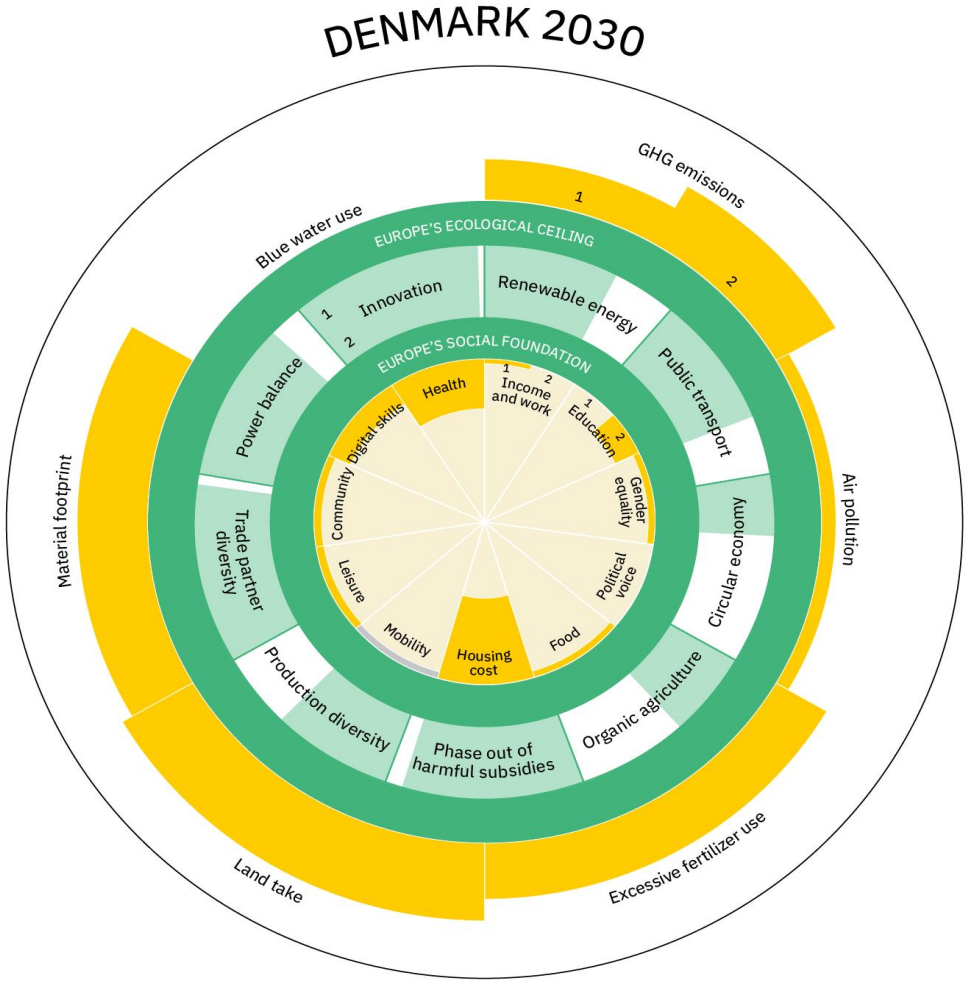


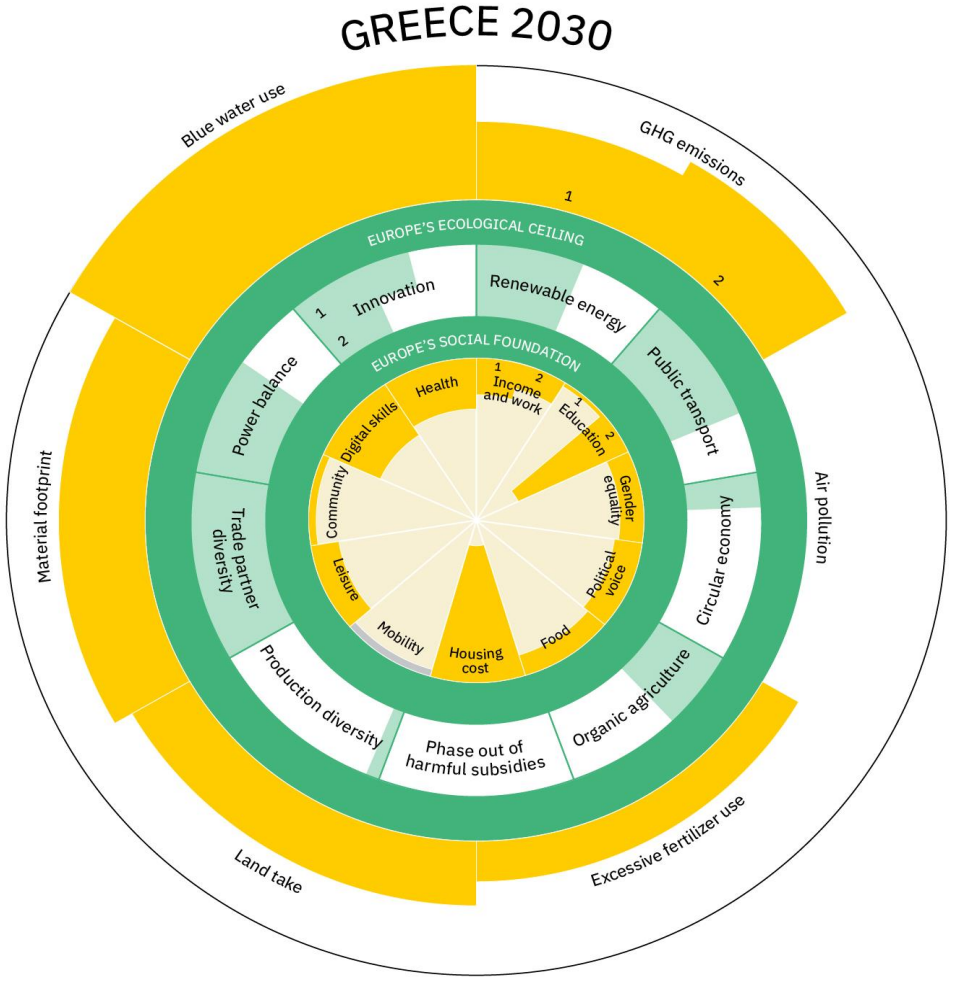
A first look at the Doughnut portraits for 2030



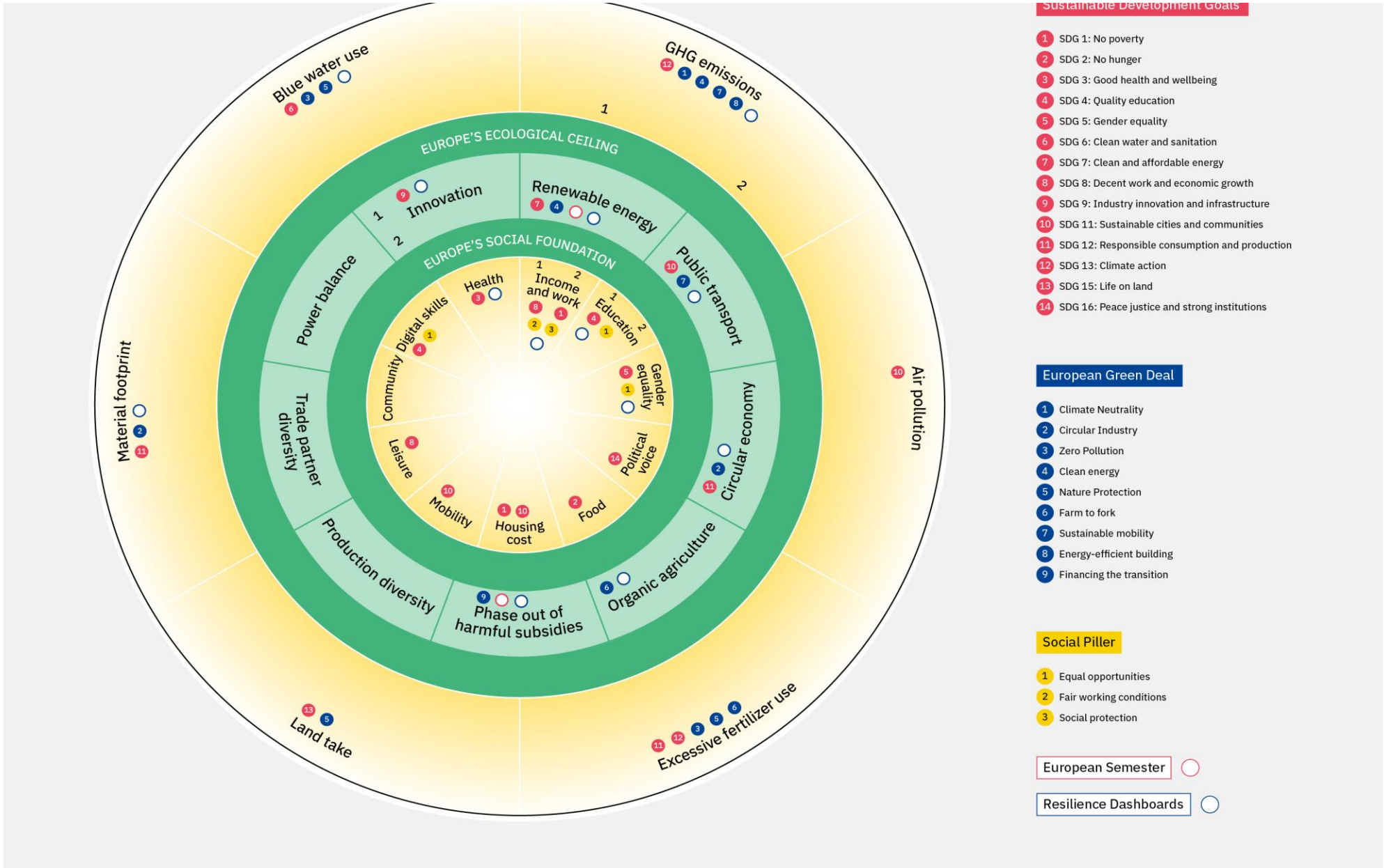
zoe institute for future-fit economies

A first look at the Doughnut portraits for 2030





The relation of indicators to existing dashboards



Quick evaluation of the proposal

The dashboard meets the following criteria:					
Overarching and systemic Maps how the EU performs in key sustainability, wellbeing and resilience aspects	**Big picture** Bringings together selected indicators from different dashboards	**Coherent with priorities** Builds on the priorities of the Commission (EGD, SDGs, EU Semester, social scoreboard)	**Long term** Made to last so policy makers are accountable to meet mid- and long-term objectives (2030-2050)	**Appealing and ambitious** Speaks to the needs of people while acknowledging the needs for change	**Easy to understand** Limits the set of indicators to 20-30, use easy to understand indicators

The benefits of a beyond GDP compass

- **Political summary for progress** on the EU's political priorities and systemic changes required
- **Quickly grasp the EU's most important trends**
- **Identify important tensions** that need to be balanced
- provide a basis for **inform policy development.**
- Create **buy-in of society** as a whole: the target audience is not only Member States but also social partners, businesses and EU citizens.

→ Momentum for a compass in the form of an overarching beyond GDP dashboard is there: 8th EAP, Proposal from the Social Partners

Defining with targets for 2030

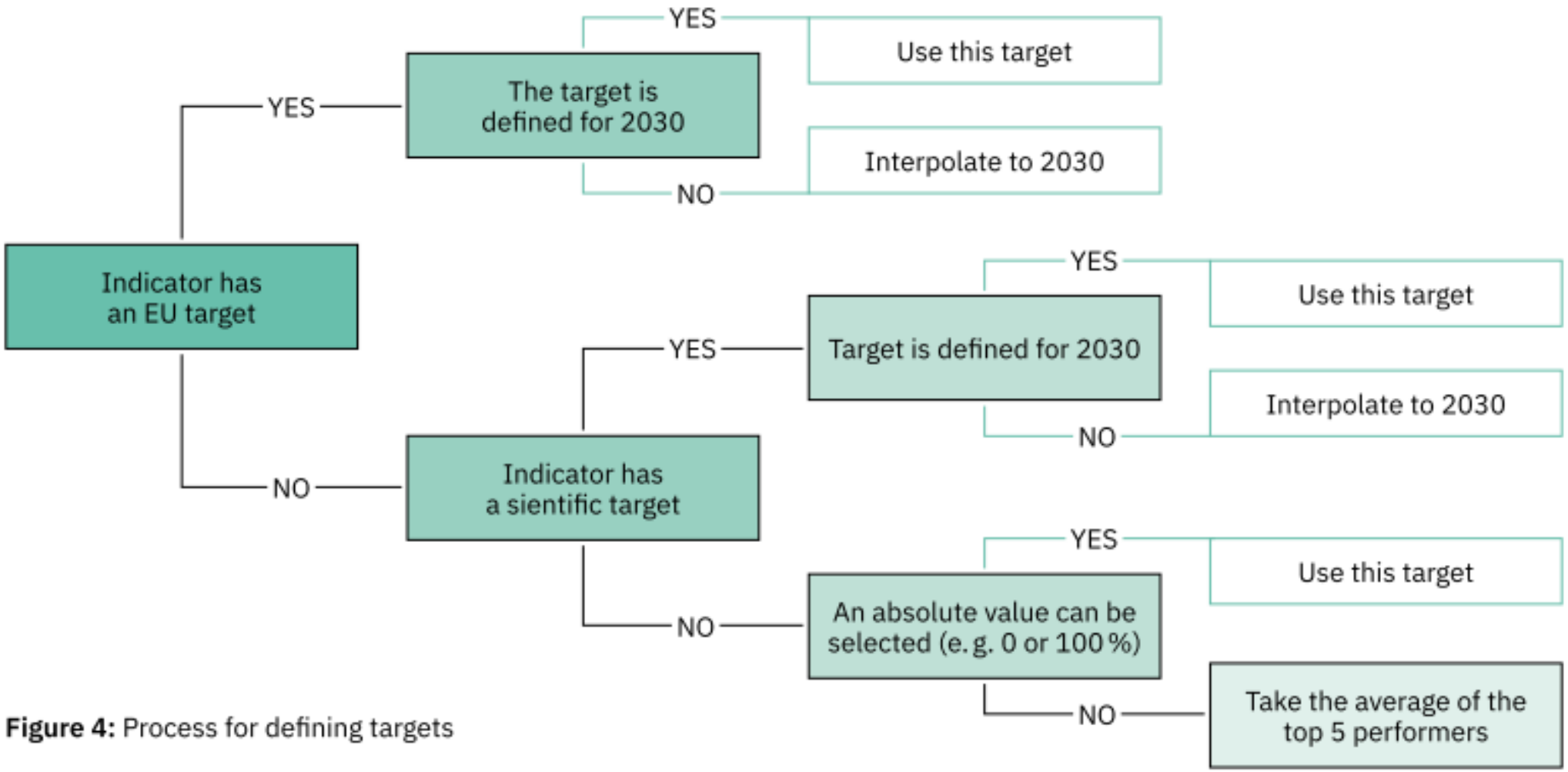


Figure 4: Process for defining targets

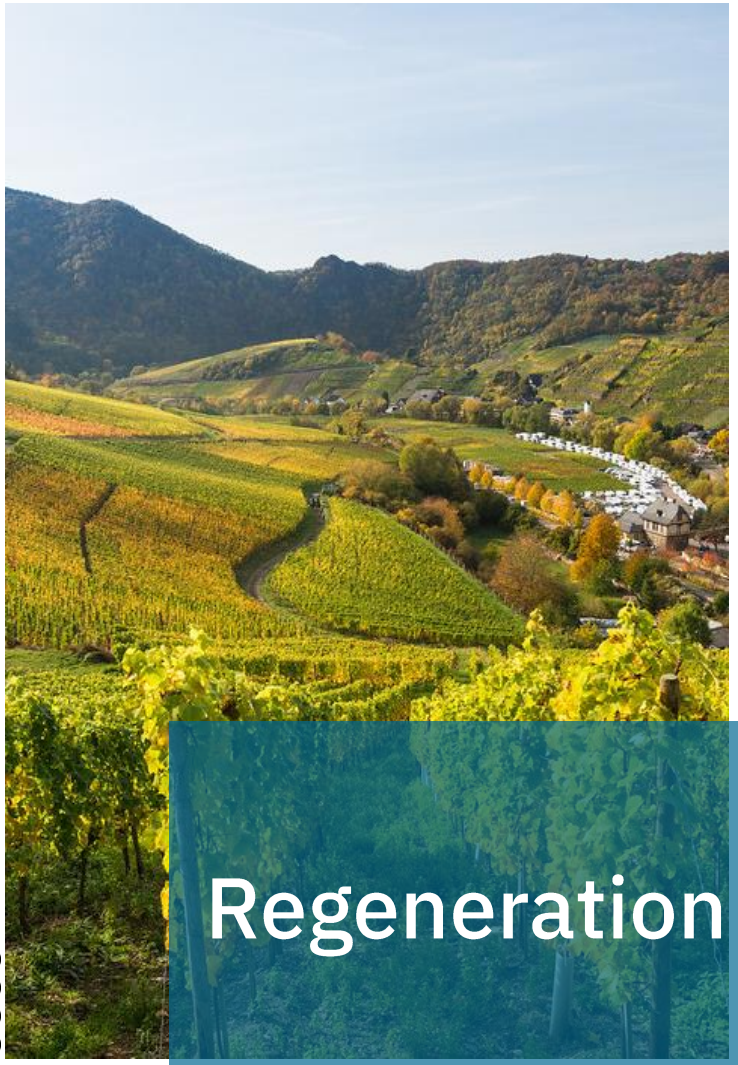
Conclusion and recommendations

Seven recommendations for the EESC

Call for

1. a condensed **beyond GDP** dashboard and discuss, whether this can be integrated with the European Green Deal Dashboard
2. the application of **Doughnut Economics as a new narrative** for social and environmental priorities of economic progress
3. **defining a targets** for indicators and using a **distance-to-target** for monitoring to improve understandability
4. Incorporating the beyond GDP dashboard into a **governance process** like the 8th EAP, including the regular evaluation of progress and definition of actions to achieve targets
5. institutionalising beyond GDP indicators through the **further enhancement of the EU's environmental accounts and the development of social accounts**
6. **updating current indicators** and increase their timeliness to track the EU's objectives
7. developing additional **indicators for measuring economic resilience (adaptability, transformability) and the leave-no-one behind principle**

The beyond GDP mission: shaping a regenerative, resilient wellbeing economy



Regeneration

Resilience

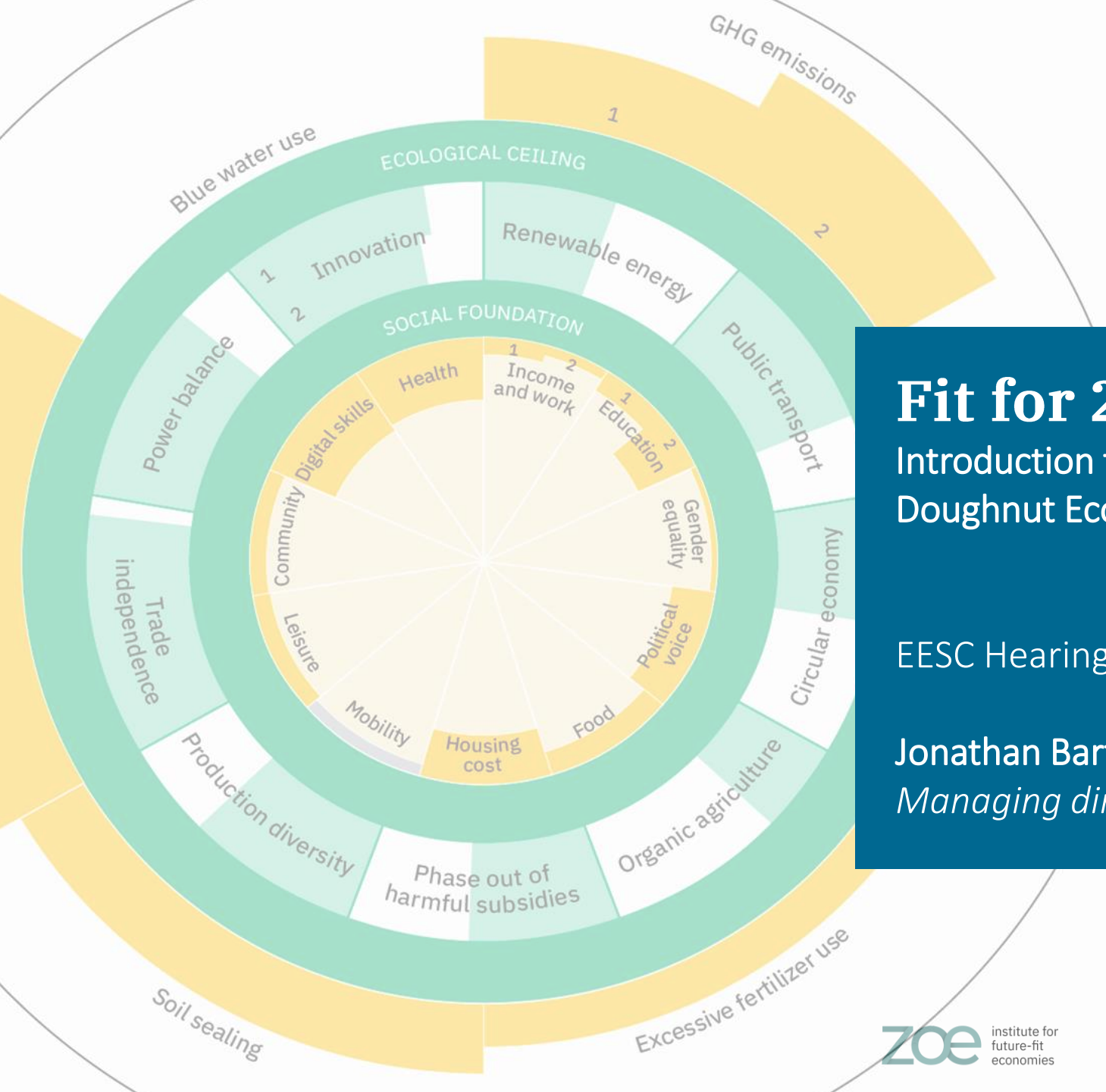
Wellbeing

Get in touch and learn more!

Jonathan Barth
Managing Director
ZOE Institute for Future-fit Economies

T: @JonathanB4RTH
M: Jonathan.Barth@zoe-institut.de

zoe institute for future-fit economies



Fit for 2030

Introduction to a beyond GDP dashboard, inspired by the Doughnut Economics Framework

EESC Hearing, 3 November 2021

Jonathan Barth
Managing director at ZOE-Institute for Future-fit Economies

zoe institute for future-fit economies

Thank you

The biophysical and social indicators and targets

Label	Indicator name	EU target by 2030* [unit]
GHG emissions 1	*GHG Emissions*	-55 [%] (EU target)
GHG emissions 2	*GHG Emissions*	-62 [%] (scientific target)
Air pollution	*Exposure to air pollution by particulate matter (PM2.5)*	MS specific [%]
Excessive fertilizer use	*Gross nutrient balance for agricultural land*	0 [kg of nutrient per hectare]
Land take	*Net land take*	331 [km2/year]
Material footprint	*Material footprint per capita*	14117 [kg per capita]
Blue water use	*Water exploitation index plus*	10 [%]

Label	Indicator name	EU target by 2030* [unit]
Health	*Self-reported unmet needs for health care (total per MS)*	0 [%]
Leisure	*Long working hours in main job*	0 [%]
Community	*Persons who have someone to discuss personal matters*	100 [%]
Digital skills	*Individuals who have basic or above average digital skills*	80 [%]
Education 1	*Tertiary education attainment as share of students*	45 [%]
Education 2	*Share of adults participating in training annually*	60 [%]
Income and work 1	*Employment rate age group 20-64 as a share of total population*	78 [%]

EU target

Scientific target

Absolute target (e.g. 0 or 100%)

Average of top 5 performers

Income and work 2	*People at risk of poverty or social exclusion*	17 [%]
Gender equality	*Gender employment gap*	/2 [unit]
Political voice	*Voter turnout*	77 [%]
Housing cost	*Housing cost overburden rate by income quintile (first quintile)*	12 [%]
Food	*Inability to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day*	0 [%]
Mobility	*Self-reported unmet needs for mobility*	0 [%]

*See justification of targets in the supplementary information

Supplementary slides

The biophysical and social indicators and targets

EU target

Scientific target

Absolute target (e.g. 0 or 100%)

Average of top 5 performers

Label	Indicator name	EU target by 2030* [unit]
GHG emissions 1	*GHG Emissions*	-55 [%] (EU target)
GHG emissions 2	*GHG Emissions*	-62 [%] (scientific target)
Air pollution	*Exposure to air pollution by particulate matter (PM2.5)*	MS specific [%]
Excessive fertilizer use	*Gross nutrient balance for agricultural land*	0 [kg of nutrient per hectare]
Land take	*Net land take*	331 [km2/year]
Material footprint	*Material footprint per capita*	14117 [kg per capita]
Blue water use	*Water exploitation index plus*	10 [%]

Label	Indicator name	EU target by 2030* [unit]
Health	*Self-reported unmet needs for health care (total per MS)*	0 [%]
Leisure	*Long working hours in main job*	0 [%]
Community	*Persons who have someone to discuss personal matters*	100 [%]
Digital skills	*Individuals who have basic or above average digital skills*	80 [%]
Education 1	*Tertiary education attainment as share of students*	45 [%]
Education 2	*Share of adults participating in training annually*	60 [%]
Income and work 1	*Employment rate age group 20-64 as a share of total population*	78 [%]

Income and work 2	*People at risk of poverty or social exclusion*	17 [%]
Gender equality	*Gender employment gap*	/2 [unit]
Political voice	*Voter turnout*	77 [%]
Housing cost	*Housing cost overburden rate by income quintile (first quintile)*	12 [%]
Food	*Inability to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day*	0 [%]
Mobility	*Self-reported unmet needs for mobility*	0 [%]

*See justification of targets in the supplementary information

Indicators and targets: policy levers and enablers

Label	Indicator name	EU target by 2030* [unit]
Innovation 1	*Research and Development expenditure (% of GDP)*	3 [%]
Phase out of harmful subsidies	*Fossil fuel support as a share of GDP*	0 [%]
Renewable energy	*Share of renewables in final energy consumption*	40 [%]
Public transport	*Share of busses and trains in total passenger transport*	25 [%]
Circular economy	*Circular material rate*	24 [%]
Organic agriculture	*Share of land under organic farming*	25 [%]
Innovation 2	*Eco-innovation index*	154 [Score]
Production diversity	*ECI index*	1.81 [unit]
Power balance	*Labour income share as a percent of GDP*	70 [%]
Trade partner diversity	*HHI for trade partners*	22 [%]

EU target

Scientific target

Absolute target (e.g. 0 or 100%)

Average of top 5 performers

*See justification of targets in the supplementary information

Justifications of the targets

Indicator name	EU target by 2030 [unit]	Justification of target
GHG Emissions	-55 [%] (EU target) -62 [%] (scientific target)	The EU target comes from the European climate law and European Climate Target plan. However, scientific studies show that the fair share of the EU corresponds to a 62% reduction. According to calculations by Cornet et al., this is feasible if best practices are applied by MS.
Exposure to air pollutants (PM2.5)	MS specific [%]	Set by the National Emission Reduction Commitments at MS level in 2005 with 2005 as the base year based on WHO guidelines.
Gross nutrient balance for agricultural land	0 [kg of nutrient per hectare]	No EU target but scientific target points towards 0 since GNB>0 leads to eutrophication and GNB<0 leads to a low fertility.
Net land take	331 [km2]	The Roadmap to a Resource Efficient Europe (COM(2011) 571) to reach net zero land take by 2050. The value for 2030 was calculated by linear interpolation.
Material footprint per capita	14117 [kg]	No EU target so a scientific target was used from the literature. It was calculated by interpolation between the most recent value for the EU and the target for 2050 from Bringezu (2015).
Water exploitation index, plus	10 [%]	No EU target but under 10% corresponds to low water scarcity and is thus a desirable outcome.

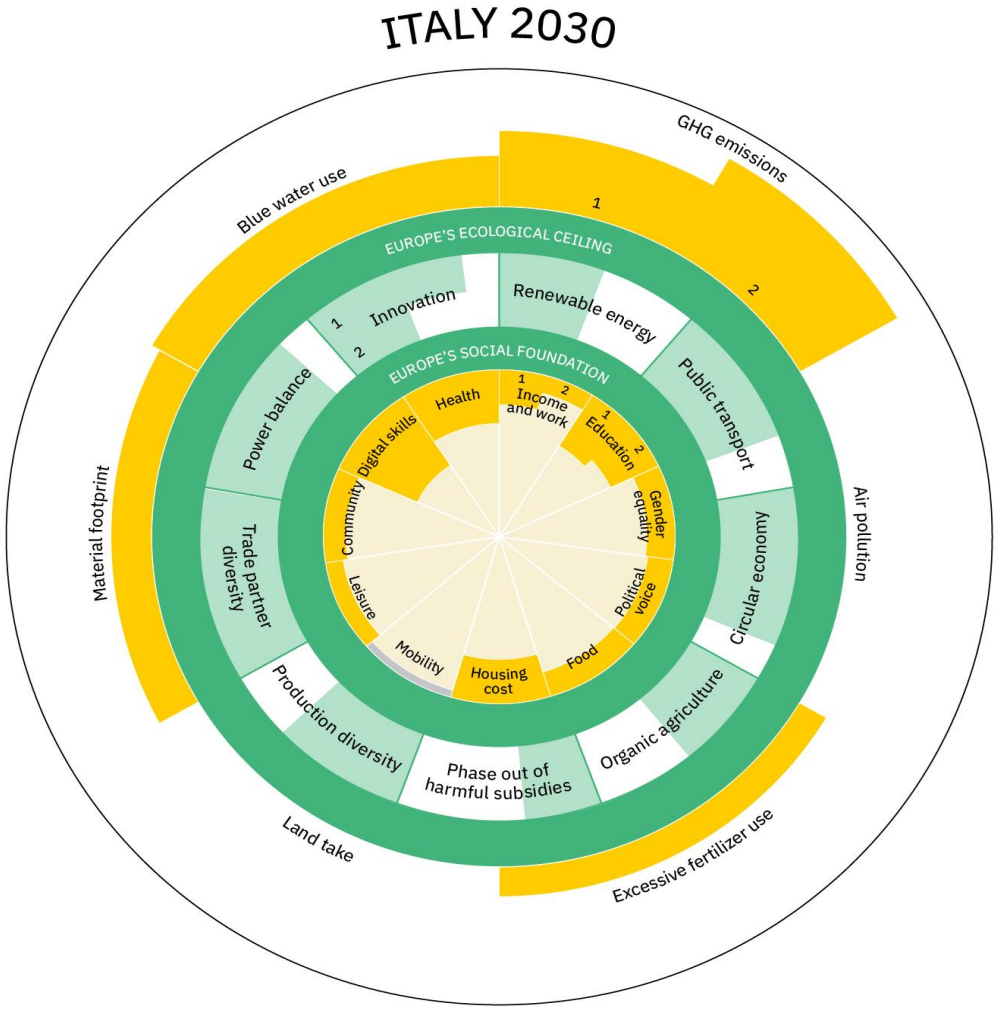
Justifications of the targets

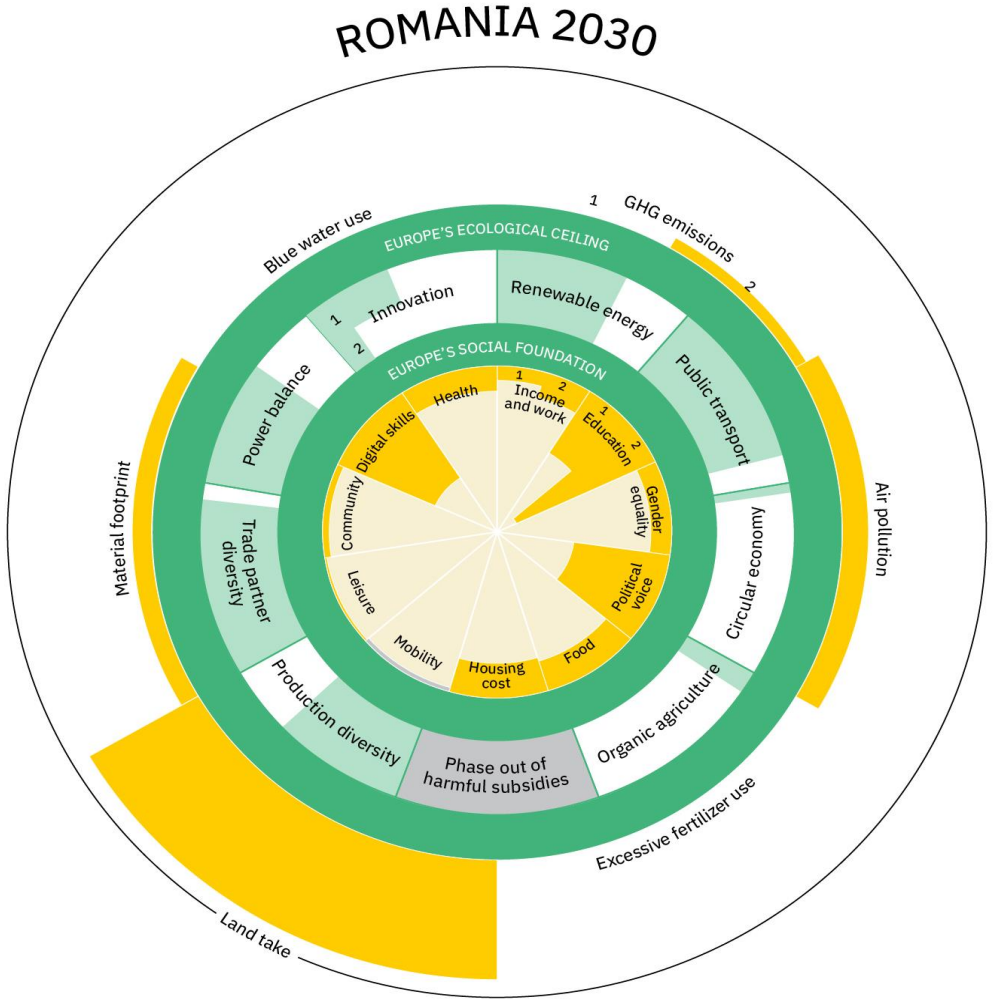
Indicator name	EU target by 2030 [unit]	Target justification
Self-reported unmet needs for health care (total per MS)	0 [%]	SDG 3 (3.8): "Achieve universal health coverage". Target of the Europe Sustainable Development Report.
Long working hours in main job	0 [%]	Long hours impact the amount of leisure and therefore wellbeing.
Persons who have someone to discuss personal matters	100 [%]	EU average of 93% and having relatives present for you is a factor of wellbeing.
Individuals who have basic or above average digital skills	80 [%]	Target from the European Pillar of Social Rights Action Plan.
Tertiary education attainment as share of students	45 [%]	Target from the EU Council's resolution (2021/C 66/01).
Share of adults participating in training annually	60 [%]	Target to be adopted with the new European Pillar of Social Right's action plan in Q4 2021.
Employment rate age group 20-64 as a share of total population	78 [%]	Target to be adopted with the new European Pillar of Social Right's action plan in Q4 2021.
People at risk of poverty or social exclusion	17 [%]	Target to be adopted with the new European Pillar of Social Right's action plan in Q4 2021. The target is to decrease by 15 milion people but this equals keeping the ratio to under 17% of the EU population.
Gender employment gap	/2 [unit]	Target to be adopted with the new European Pillar of Social Right's action plan in Q4 2021.
Voter turnout	77 [%]	No official target from EU so target calculated as the average of the top 5 performers.
Housing cost overburden rate by income quintile (first quintile)	12 [%]	No EU target and EU average of 32% so targe calculated as the average of the top 5 performers.
Inability to afford a meal with meat, chicken, fish (or vegetarian equivalent) every second day	0 [%]	Based on SDG 2 (2.1, zero hunger which states “ensure access by all people [...] to safe, nutritious and sufficient food all year round”.
Self-reported unmet needs for mobility	0 [%]	Based on SDG 11 (11.2), of which the aim is to "provide access to safe, affordable, accessible and sustainable transport systems for all".

Justifications of the targets

Indicator name	EU target by 2030 [unit]	Target justification
Research and Development expenditure (% of GDP)	3 [%]	This target is set to 20% based on the lowest OECD average since the financial crises of 2010.
Fossil fuel support as a share of GDP	0 [%]	Proposal in the 8th EAP supported by the Council of the EU and the EP.
Share of renewables in final energy consumption	40 [%]	Target from the Fit for 55 package. MS have own targets based on the Renewable Energy Directive which were kept when more ambitious than Fit for 55 target.
Share of busses and trains in total passenger transport	25 [%]	Target proposed to DG ENVI in Think2030 report by the IEEP.
Eco-innovation index	154 [Score]	No EU target thus the average of the top 5 performers was calculated.
ECI index	1.81 [unit]	No EU target thus the average of the top 5 performers was calculated.
Labour income share as a percent of GDP	70 [%]	According to Bowley's law, the wage share should remain constant and it was considered as a stylised fact of the inclusiveness of economic development. It was around 70% in the 1970s and suffered a steep drop in the 1980s while GDP kept increasing.
HHI for trade partners	22 [%]	No EU target thus the average of the top 5 performers was calculated.
Circular material rate	24 [%]	Target from the EU circular economy action plan to double the circular material rate.
Share of land under organic farming	25 [%]	Target from the EU Farm to Fork strategy.

More doughnuts of Member States





More doughnuts of Member States

zoe institute for future-fit economies