



## PRINCIPAL CONCLUSIONS

On 10 June 2014, the members of the Various Interests Group of the European Economic and Social Committee (EESC) met with representatives of the European Institutions, academia, European civil society and the media, to debate indicators of well-being and societal progress within the context of a transition to an alternative model of development. The participants recalled that social and economic cohesion and sustainable development are overarching objectives of the EU and that Article 3 of the Lisbon Treaty states that “the Union’s aim is to promote peace, its values and the well-being of its peoples”<sup>1</sup>. The participants also recalled that the Europe 2020 Strategy already sets targets on climate change, energy and social issues and that the 2012 Rio + 20 Summit called on the UN Statistics Commission (UNSC) to develop global indicators to measure beyond GDP. Based on the discussions and on the work of the EESC to date, the following principal conclusions were drafted and distributed among the participants, to be forwarded to the European Institutions:

### Measuring societal progress in the 21st Century: the opportunities of a new paradigm of development

- Stress that GDP is a fundamental instrument for comparative measurements of macro-economic activity, but highlight that **GDP alone is an insufficient condition to comprehensively measure societal growth and progress**, particularly in view of the interrelated global challenges facing the 21st Century;
- Insist that investment in social cohesion, sustainable development, human capital and quality of life will be **instrumental in creating and driving employment, wealth and sustainable growth** in the future;
- Within this context, it is imperative to **shift attention from a system of ‘production-oriented’ measurement** to one focused on the disposable income of households, which is financially measurable. In parallel, indicators beyond GDP should be measured, such as quality of life, environmental sustainability, social cohesion, health and the overall well-being of current and future generations;
- It is also necessary to include more **qualitative measurements** and indicators which examine the **impact of specific measures on society, families and individuals**, rather than only reporting on results and outcomes;
- Highlight that measuring only GDP does not indicate whether economic development is sustainable, nor does it explain how **economic benefits are shared within a society**;
- Note that if greater emphasis had been placed on an integrated approach to progress and development prior to the **economic and financial crisis**, the negative socio-economic effects of the crisis could have been mitigated. Within this context, the crisis has put centre stage the **necessity to change the paradigm of societal progress and the overall development model**;
- Regret that although there has been progress in developing indicators beyond GDP, the opportunities provided by the crisis have not been seized upon and there has been **insufficient**

**political will and coordinated action to concretely use these indicators in policy-making and analysis;**

- Call on political authorities and all relevant stakeholders to take urgent steps towards rapidly **implementing the recommendations of the 2009 Stiglitz Report**;
- Highlight that indicators beyond GDP should become instruments not only to monitor and measure, but to also **inform policy development, improve communication and encourage target setting**. Crucially, they should encourage a **holistic and integrated approach to policy making**.

### Enhancing democracy through novel indicators: the contribution of reliable statistics and of civil society

- Note that the increasing awareness of the importance of indicators beyond GDP has placed the topic on the political agenda as a **democracy-promoting instrument**, which should enable citizens to make informed, rational and democratic choices and demonstrate greater **proximity between EU policies and the preoccupations of citizens**;
- To this end, citizens should be involved in selecting the political priorities and the information to be reviewed and in **monitoring, assessing and reporting on the new indices**. They should also be involved in **identifying future integrated policy responses**;
- Call for the **formation of strategic alliances** at the national and international level among key stakeholders, in order to encourage consensus-building, awareness-raising of the importance of indicators beyond GDP and to move the agenda forward;
- Nonetheless, stress that an extensive involvement by multiple actors raises the question of **how to re-invent the democratic system and how to manage it**, in order to avoid political paralysis;
- Highlight that methodologies and best practices should be exchanged with social economy enterprises, as they have developed **methods to measure social impact** that balances qualitative and quantitative measurements, thus capturing well-being and happiness;
- Call for the development of **independent, high quality and internationally comparable official statistics** to measure the economic, social and environmental progress of societies. Efforts should be made to develop a restricted scoreboard summarising the multiple dimensions of quality-of-life;
- Recommend that **Eurostat increases its role** in the collection and dissemination of national and regional statistics in EU Member States, notably as concerns quality of life and sustainability issues.

### Overcoming challenges and promoting the new development model: the way forward

- Highlight that all opportunities should be seized to **raise the profile, spur international cooperation** and make concrete progress on using indicators beyond GDP;

- At the European level, emphasise the **need to anchor growth on the objectives of the Europe 2020 Strategy** and stress the need for the revised Europe 2020 Strategy to **integrate indicators beyond GDP**;
- As a first step, call for a **large-scale public debate** to be organised on how to revise the EU2020 Strategy. Secondly, in parallel to the 2015 State of the Union Address by the President of the EC, there should be a **declaration on the priorities for the EU** by civil society and citizen's groups, resulting from a broader participative and consultative process based on Article 11 of the TFEU. Thirdly, the new EU institutions should assess the **impact of EU policies on European's quality of life**;
- Welcome the fact that the **2014 Annual Growth Survey (AGS)** calls on Member States to include longer-term objectives such as climate change and welcome the inclusion of indicators beyond GDP in the annual **EU Cohesion Reports**;
- Insist that both the **AGS and the European Semester should be re-balanced** in order to include indicators beyond GDP and an approach that embraces sustainability, growth, innovation, social and human capital;
- Regret that there has been little progress in developing a **Sustainable Development Scoreboard** at the EU level, but welcome the partial progress in extending **European national accounts to environmental issues** and call for a renewed commitment to extend to accounts on social aspects;
- At the international level, call for greater progress in implementing the conclusions of the **Rio + 20 Summit** and for the UNSC to develop global level indicators beyond GDP;
- Insist that the **2015 review of the Millennium Development Goals** leads to the inclusion of measurable indicators beyond GDP in the future global development agenda;
- Stress the necessity to **ensure coherence between the UN post-2015 sustainable development objectives** (future SDOs) and the **sustainable development strategy of Europe**. To this end, recommend that the mid-term review of the EU 2020 strategy be aligned with the post 2015 international sustainable development objectives;
- Highlight that in order for a new model of development and of measuring progress to be effective, sustained efforts are necessary to **increase significantly the timeliness of environmental and social data**, which is frequently outdated in comparison to macro-economic data;
- Take note of the challenges facing national and European authorities in managing data beyond GDP. These include the necessity to process and summarise large amounts of information and the **difficulties of effectively raising awareness and of communicating with citizens**;
- Stress that significant additional efforts are necessary in order to link the new indicators of social progress with **existing instruments for policy assessment** and with existing estimations of long-term sustainability.

<sup>1</sup> See the full text of Article 3 of the Lisbon Treaty in Annex I to the conference conclusions

## ANNEX I

### Consolidated versions of the Treaty on European Union and the Treaty on the Functioning of the European Union

#### Article 3 (ex Article 2 TEU)

1. The Union's aim is to promote peace, its values and the well-being of its peoples.
2. The Union shall offer its citizens an area of freedom, security and justice without internal frontiers, in which the free movement of persons is ensured in conjunction with appropriate measures with respect to external border controls, asylum, immigration and the prevention and combating of crime.
3. The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment. It shall promote scientific and technological advance. It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child. It shall promote economic, social and territorial cohesion, and solidarity among Member States. It shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced.
4. The Union shall establish an economic and monetary union whose currency is the euro.
5. In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.
6. The Union shall pursue its objectives by appropriate means commensurate with the competences which are conferred upon it in the Treaties.

