



Beyond GDP: Rethinking Recovery

POSITION PAPER



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Beyond Gross Domestic Product

**Rethinking Success in the Economic Recovery
from COVID-19 in Central and Eastern Europe**

Acknowledgements

Author: Madoc Wade (CEEweb for Biodiversity)

Editor: Orsolya Nyárai (CEEweb for Biodiversity)

Copy editing: Endre Papp and Thor Morante (CEEweb for Biodiversity)

Design: Eszter Sebestyén (CEEweb for Biodiversity)

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Katona József utca 35. 1/1., 1137 Budapest, Hungary



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1. Introduction

The European Union (EU) Resilience and Recovery Facility (RRF) came into force in February 2021 with the goal of financing both economic recovery and reforms in Member States (MS) following the COVID-19 pandemic. The RRF allocates € 723.8B (at 2022 price levels) in both grants and loans to member states once they provide a framework outlining their planned investments and meet certain milestones. At least 37% of the funds must be used for the ‘green’ transition and at least 20 % must be used for the digital transition.¹ These mandatory funding thresholds are worth celebrating; the RRF and other EU Green Deal investments represent historic environmental reform. But in order to secure a liveable future, it is necessary to go further. The recovery from COVID-19 presents an opportunity not only for investment in successful economies, but for a profound redefinition of what success can and should mean in the modern world.

Nations have historically defined their success in any number of ways. The personal opulence of a ruler, the land area controlled or the cultural impact they had have all been measures of ‘great civilisations’ throughout history. Since the Bretton Woods Conference in 1944, the most central index used in the discussion of national success has been the Gross Domestic Product (GDP) or GDP per capita.²

In the contemporary world, we can observe measurements which are given significant political and media attention, to the point where they become used as heuristics for

¹ (2021) Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility. *Official Journal of the European Union, Volume 64*, Pages 17-75. <http://data.europa.eu/eli/reg/2021/241/oj>

² Gross National Income/Gross National Product (GNI/GNP) will be used interchangeably with GDP throughout this paper. While I appreciate that the two indices are calculated in distinct ways, since the outcomes of governments pursuing either relative to environmental and social goals are nearly identical, I do not think that it is problematic to do so. A replacement keystone index should encourage us to deprioritise net economic growth internationally, regardless of the specific location of citizens. A description of the differences between the two indices is available here: <https://www.economicshelp.org/blog/3491>



approximating the success of a nation's governance. Moreover, the importance of GDP means that policies intended to encourage economic growth are subject to less political scrutiny than alternatives which seek to improve ecological health or social welfare directly. Admittedly, most countries do not legally formalise any particular metric as a goal for their development. This leaves room for debate as to the extent that GDP growth has taken hold as an end for its own sake in developed nations. However, it is enough for the sake of the arguments made throughout this paper that GDP growth is a major policy objective in the EU, and that the invocation of its importance is used to regularly stifle pro-environmental and pro-social policy.

While economic growth has historically allowed for an unprecedented rise in global living standards, infinite, exponential growth is fundamentally unsustainable on a finite planet.³ Without an explicit acknowledgement of this fact, governments in Europe and beyond will struggle to implement the changes necessary to avoid catastrophic ecological collapse. It is essential to redefine economic 'success' to include not only the surpassing of social foundations but the awareness and consideration of environmental ceilings. This paper will make the case that, alongside the funding of ambitious projects which would help Europe transition to a just and sustainable economic system, EU and CEE policymakers should seek to centre indices of environmental, economic and social health in their rhetoric and decision-making. The recovery from COVID-19 provides an opportunity for a truly historical reframing of our economic and social goals.

³ Meadows, D. *et al.* *The limits to growth: A report for the club of Rome's project on the predicament of mankind* *Demography* 10, 289–299 (1973). <https://doi.org/10.2307/2060819>



2. The purpose and limits of growth

Since the industrial revolution, the economic activity of industrialised nation-states has increased at a rate which was previously unheard of, and this has undoubtedly enabled a similarly unprecedented increase in the average quality of life in such nations. Leaders in pre-industrialised societies broadly thought of the world as a zero-sum game, with increases in quality of living being possible only through conquest and the extraction of resources from other peoples. The industrial revolution is widely credited with breaking this relationship. Our capacity for increasing the economic returns to labour increased drastically. Consequently, it became possible to increase the size of the economic ‘pie’ for all, and thus to raise average living standards. Modern economic historians have raised questions as to the exact time and manner in which this rise in living standards took place relative to the innovations of the 18th century, but where there has been exclusion and exploitation this is primarily the result of existing political structures and the pursuit of profit over human lives.⁴

As a result of this revolution, growth in economic activity due to advances in our productive technologies over time has become almost synonymous with increases in the standard of living. When politicians promise “economic growth,” they are promising higher wages, better jobs, full stomachs and, in some sense, fulfilling lives. But that growth in economic activity has historically led to higher living standards does not mean that this relationship will hold indefinitely, and we must be careful to not mistake the means for the end. We do not seek a world with high economic growth. We seek a world in which as many people as possible achieve as good a quality of life as possible. Growth is one way to raise the average quality of life, but it is not the only one. Redistribution or reorganisation of our existing economic and social activities holds very valuable potential for improving our lives.

⁴ Voth, H.-J. (2003). Living Standards during the Industrial Revolution: An Economist’s Guide. *The American Economic Review*, 93(2), 221–226. <http://www.jstor.org/stable/3132228>



This philosophy is not new. Public services which operate at a loss are already organised and funded first and foremost for the public good. Such expenditure, whether on public transport, public spaces or expensive socialised healthcare for the elderly, can be justified on ethical grounds while flying in the face of economic growth. It may well be the case that some of these services somehow benefit the economy in the long-run, but their existence does not rely on this assumption. Shorter working weeks, reductions in material consumption, investments in sustainable, pro-social urban development and socialised provision of basic needs would not be in line with a purely growth-driven economic ideology but would simultaneously increase the quality of life for the average person more than an increase of their cost per capita in GDP would have done.^{5 & 6}

Human prosperity in the short-term, furthermore, must be placed within the context of the ecological crisis. Our blind pursuit of economic growth in the last two centuries, without regard for planetary boundaries⁷, has fundamentally and permanently destabilised the natural systems on which we rely for our survival. The Earth is not a source of limitless resources, and an ideological system predicated on the assumption that infinite growth is possible is therefore not only flawed, but suicidal.

The blanket moniker of 'degrowth' to describe the deprioritisation of net economic growth is perhaps a little misleading. Due to the common association of growth with increased prosperity, 'degrowth' is often misunderstood as a condonation of a reduction in quality of life. On the contrary, this is fundamentally a mission which seeks to improve our lives. Degrowth or 'Beyond Growth' strategies call for the cutting out of the proverbial middleman of economic growth. By recentring humanity and ecosystems in

⁵ Lepinteur, A. (2019). The shorter workweek and worker wellbeing: Evidence from Portugal and France. *Labour Economics*, Volume 58, Pages 204-220. <https://doi.org/10.1016/j.labeco.2018.05.010>

⁶ Groenewegen, P.P., van den Berg, A.E., de Vries, S. et al. (2006) Vitamin G: effects of green space on health, well-being, and social safety. *BMC Public Health* 6, 149. <https://doi.org/10.1186/1471-2458-6-149>

⁷ Steffen, W. (2015) Planetary boundaries: guiding human development on a changing planet. *Science* 347. <https://doi.org/10.1126/science.1259855>



discussion of economic and domestic policy, we can build societies which better meet our needs, while living within our limits.



3. GDP and its shortcomings

3.1. What is GDP?

Gross Domestic Product captures the exchange value of all goods and services produced in a nation's economy in one year and is the most used figure in discussions of nations' economic health. GDP can be calculated in three ways: the total expenditure in the economy; the total income received in the economy; or the total output of the economy. In a model scenario, all three of these calculations would result in the same figure. Throughout the 20th Century, Gross National Product (GNP) or Gross National Income (GNI) were used instead of GDP, which calculated the economic activity of all nationals of a country, regardless of the country in which they were currently situated. However, this was largely abandoned in the 1990s.

GDP is almost omnipresent in discussions of national health and prosperity: GDP per capita estimates the average wealth of a resident, GDP-to-debt ratios are considered indicators of economic stability, and economic growth is calculated with reference to the year-on-year increase in GDP. However, this general usage has blinded us somewhat to the limitations of the index. In 1934, during his report on United States (US) National Income between 1929-33 — in which he introduced the modern concept of GNP — Simon Kuznets warned against its use as a measure of economic welfare. In his view, while GNP/GDP served as an “illuminating” measure of a nation's financial productivity, it was just that and nothing more.

It also was not an all-encompassing measure. In particular, he named six dimensions of economic activity which had been consciously excluded for the ease of calculation:

- a) Unpaid services (specifically that of “housewives and other members of the family”)
- b) Services of durable goods
- c) Earnings from “odd jobs”
- d) Charity and relief
- e) Changes in the value of assets



f) Earnings from illegal pursuits⁸

Although there have been advances in economic accounting, GDP was and continues to be fundamentally deficient for estimating the general welfare. This is not to say that GDP is entirely without value; it is a theoretically robust metric which can provide useful insights to economists and politicians alike. But it cannot, and should not, be the yardstick by which the success of our societies is measured. In the following sections, I will outline the ways in which GDP is ill-suited for use as a benchmark for modern international economic planning.

3.2. Social Development Values

During a speech at the University of Kansas in 1968, Robert Kennedy gave a now-famous, scathing critique of GNP as a metric by which to measure the success of a nation:

“Gross National Product counts air pollution and cigarette advertising, and ambulances to clear our highways of carnage.

It counts special locks for our doors and the jails for the people who break them. It counts the destruction of the redwood and the loss of our natural wonder in chaotic sprawl. It counts napalm and counts nuclear warheads and armored cars for the police to fight the riots in our cities. It counts Whitman’s rifle and Speck’s knife, and the television programs which glorify violence in order to sell toys to our children.

Yet the gross national product does not allow for the health of our children, the quality of their education or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate or the integrity of our public officials. It measures neither our wit nor our courage, neither our wisdom nor our

⁸ United States. Bureau of Foreign and Domestic Commerce, Seventy-Third Congress, & Kuznets, S. *National Income, 1929-1932*, Washington: U.S. Government Printing Office, 1934, Pages 3-8 <https://fraser.stlouisfed.org/title/971>



learning, neither our compassion nor our devotion to our country, it measures everything in short, except that which makes life worthwhile.”⁹

It is impossible to quantify objectively what ‘makes life worthwhile’, but there are certain statistics which one can point to as indicators of a happy and flourishing society. These include, but are not limited to: high life expectancy, happiness and education; a good work-life balance; and strong and safe communities. GDP fails to capture any of these indicators, and the correlations between them and GDP is spurious.

If our intention is to enrich human life, governments would do better to target these indicators directly in their decision-making. This might still require economic growth in certain sectors and regions, but generally a reduced or even negative rate of net growth could be achieved alongside an increase in the general standard of living.

3.3. Inequality

By only considering the total value of economic activity in an economy, GDP does not provide any insight into how the fruits of that activity are distributed.

Personal income has a diminishing return on emotional well-being beyond approximately US\$ 75 000,¹⁰ meaning that a mean approximation of average income may not be an appropriate way to approximate the well-being of citizens in countries which are very unequal. A person who has an annual income of US\$ 400 000 is not four times as satisfied with their life compared to a person who makes US\$ 100 000. A person who only makes US\$ 10 000 annually, however, may be vastly more unhappy than a person who makes US\$ 40 000, since the former will struggle to access essentials such as housing and food at a basic level.

The use of mean averages for GDP per capita as a heuristic measure of national welfare supposes that all increases in welfare are equal. So a marginal increase in welfare for

⁹ MR 89-34. Miscellaneous Recordings, John F. Kennedy Presidential Library. jfklibrary.org

¹⁰ Kahneman, D. & Deaton, A. (2010). High income improves evaluation of life but not emotional well-being. *Proceedings of the National Academy of Sciences* <https://doi.org/10.1073/pnas.1011492107>



someone who is already very well-off is ethically equivalent to that same increase for someone who is suffering tremendously. A 10 % growth in GDP which is concentrated entirely in the economic activities of the top 1 % of income earners would correlate to a net increase in GDP per capita, even though the economic activity associated with the other 99 % of society may have remained constant — or even decreased.

So long as the GDP per capita is taken as a proxy for well-being by policy making regarding distribution, policies which benefit the highest earners in society can therefore be pursued without much regard for the least well-off.

In practice, such policies can be seen in the global recovery from the 2008 financial crisis. Unprecedented financial support was issued to banks and the highest earners, while those who were suffering the most acute material pain were treated as an afterthought. The logic was that the financial sector was the engine of growth and that net economic growth would benefit everyone in society; wealth, and, with it, welfare, would 'trickle down'.¹¹ This has not happened.

3.4. Externalities and Ecological Impacts

GDP does not account for any of the externalities which might result from economic activity. This includes environmental damage, but also other effects such as sound and light pollution. Its status as a current keystone index means that policies which would protect our planet or improve our lives must justify their relative inhibition of GDP growth. Additionally, politicians are scrutinised by the media according to the performance of the GDP far more intensely than their dedication to ecological stability. This leaves them with strong incentives to pursue economic growth, but lesser incentives to try and protect the future of life on Earth.

So-called 'green growth' advocates argue that GDP growth can be sustained alongside a respect for our environmental ceilings, and that incremental shifts, spearheaded by a profit-driven private sector, can efficiently provide the systemic change necessary to

¹¹ Hope, D. , Limberg, J., The economic consequences of major tax cuts for the rich, *Socio-Economic Review*, Volume 20, Issue 2, April 2022, Pages 539–559, <https://doi.org/10.1093/ser/mwab061>



secure a liveable future. Much of this rests upon a belief that material use and greenhouse gas emissions will either plateau or begin to decrease while economic growth will continue, once a sufficient level of prosperity has been achieved.

There is very little evidence to support the theory that environmental degradation can be decoupled from the pursuit of limitless growth or that economies will trend towards sustainable organisation through market forces.¹² The prevalence of such ideas in mainstream discourse, along with the resultant apathy with which governments resign themselves, is dangerous.

3.5. Myopia and Stable Policy

GDP captures a snapshot of economic activity at one moment in time — most commonly, a single year. At best, it allows for backwards-looking comparisons. We can clearly observe that a country's economy has grown or shrunk at some particular rate in the past, but GDP alone puts no value on the expectations of how that economy might fare into the future.

This myopic understanding of economic health severely inhibits the will and ability of democratic governments to make the long-term investments necessary to protect planetary health.

The myopia of GDP also provides an opportunity for political business cycles, in which governments may adopt expansionary monetary and fiscal policy shortly before elections in order to grow the economy in the short term without regard for long-term stability.

Governments who are seeking to grow their economies sustainably will consider the long-term effects of policy, but communicating the short-term sacrifices that may have to be made in order to secure long-term stability to the public is a significant challenge.

¹² Haberl, H, Et al. (2020). *A systematic review of the evidence on decoupling of GDP, resource use and GHG emissions*, part II: synthesising the insights. *Environmental Research Letters*, 15(6). <https://doi.org/10.1088/1748-9326/ab842a>



In particular, the importance placed on GDP may allow opposition parties to challenge the government's policy in bad faith.

To try and resolve this, evaluation of policies could be weighted by the expected future stability of the status quo, with the near future being weighted more heavily to account for levels of certainty.

3.6. Durable Goods and the Digital Economy

GDP fundamentally seeks to answer the question “what is the total value of all the goods a nation produces in a single year?”. In the past, this was effective as an indicator of economic activity to the extent that goods and services could not be acquired without some expenditure. If one wanted to build a car, the parts necessary to build that car would need to be purchased. Those parts would then themselves have to be manufactured, which would involve the purchasing of raw materials and the extraction of those materials from the earth. This process, as well as the transport and labour costs involved, would fundamentally define the cost of the end product. There is no way to build tactile goods such as books, cars, laptops or robot arms without some resource expenditure.

But, as Kuznets noted in his initial report, GDP does not capture the activity that takes place once a good has been purchased. Say a new laptop costs € 2000. The value of that laptop is considered to be entirely summarised in the initial purchasing cost, regardless of how the laptop is used. That one consumer might use their laptop twice as much as another, and therefore presumably derive more utility, is irrelevant except insofar as their additional usage is connected to the wider economy in some way. From an accounting perspective, this is not a significant problem, however it encourages policy and business practices which are extremely wasteful. The practice of annually selling new models of nearly identical phones, laptops or cars has become widespread, and there is scarce government encouragement or support for companies which produce products which are truly durable and designed to last for much longer.

In these tactile cases there is still some material cost, and thus the production of these goods is still subject to scarcity. In the modern age, however, this is not the case for all goods and services which GDP accounts for. Software which can increase productivity



can be duplicated and used at almost no cost. The expenses for software-producing companies are almost entirely in wages, office space and advertising. Many software companies must also pay for server space in order to maintain their product, but this is not the case for all software. For software such as Adobe Photoshop, Unity and Sibelius, there is no material cost and therefore unlike that of tactile technologies, the scarcity is almost entirely artificial. The sale of technology is only profitable, and thus only contributes to GDP, because the companies who possess that intellectual property choose to charge for its use. When GDP accounts for the sale of these technologies, therefore, it is not measuring the productive capacity of that industry in the same way as when it accounts for, say, the sale of food.

3.7. Non-market Services

GDP fails to account for non-market economic activity, including work which takes place in the home and the activity of non-profit organisations. A cleaner's time spent cleaning for a wage is considered to be 'productive', whereas their time cleaning their own home for free is not. In this way, GDP fails to account for a huge portion of the work performed in the economy. When policymakers are prioritising GDP growth, therefore, the benefit which this work provides is overlooked and potentially even sidelined in favour of policies which benefit 'real' work.



4. Alternative indices

4.1. Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted in 2015 as part of the United Nations (UN) General Assembly's 'Agenda 2030' commitments. They comprise 17 goals, including an end to world hunger, climate action, gender equality and good education. Each of these primary goals then sub-divides into a total of 169 total targets. Progress on the SDGs is officially monitored by the UN High-level Political Forum on Sustainable Development, but has also been monitored and tracked by third parties, including the 'SDG Tracker', based on the Our World in Data database, and The Global SDG Index and Dashboards Report, organised by the Bertelsmann Stiftung.

The Sustainable Development Goals struggle in a number of dimensions. The inclusion of 169 separate goals has been criticised as bloated and confusing; many of the included goals seem to directly conflict with one another, such as the pursuit of both economic growth and climate action, and some of the goals are fundamentally unfit for purpose. SDG 7.3, for example, calls for a reduction in energy consumption relative to GDP growth¹³ from -1.5 % to -3 %, but still allows for an increase in absolute energy consumption.

4.2. Human Development Index

The Human Development Index (HDI) is one of the most well-known composite indicators of human development. It was introduced by the United Nations in 1990 utilising data from organisations including the UN Educational, Scientific and Cultural Organization (UNESCO), the International Monetary Fund (IMF), the World Bank, and the Organization for Economic Cooperation and Development (OECD).¹⁴

¹³ United Nations, [Global Sustainable Development Report 6 2023](#) (Advance, Unedited Version), 14 June 2023

¹⁴ Stanton, E. (2007) *The Human Development Index: A History*, Political Economy Research Institute, 127. <https://doi.org/10.7275/1282621>



HDI consists of three key dimensions: economic prosperity, education, and life expectancy. Since the economic prosperity index is derived from GNI per capita, HDI can be understood as a direct development upon the latter index. However, even the inclusion of just these two additional dimensions allows HDI to capture the well-being of citizens far more effectively.

More recently, the UN has begun experimenting with two derivative indices of HDI: Inequality-adjusted HDI (IHDI) and Planetary pressure-adjusted HDI (PHDI). Both of these indices take the base of the HDI index and multiply it by an additional factor to account for the country's level of inequality or emissions and material footprint, respectively. These adjustments can have extremely significant impacts on countries' international placements. The United States ranked 7th for GDP per capita in 2021, but 22nd for HDI, 25th for IHDI and 55th for PHDI.

4.3. Genuine Progress Indicator

The genuine progress indicator (GPI) is a more holistic measure of economic health, which deducts activities with negative social or environmental effects and includes a more significant range of positive economic activities. This can be analogised to a firm's gross profit versus its net profit. Non-profit and unpaid labour, for example, is included, while negative externalities, such as ecological damage and future instability, is deducted. With a traditional measure of GDP, the expenditure to clean up pollution is actually included.

Unlike other indices such as the Transition Performance Index (TPI) and HDI, there is no one centralised accounting of GPI. Rather, it exists as more of a philosophical framework for how societies could assess their performances in meeting the needs of their citizens. GPI has been used as a foundational principle for some NGOs, including GPI Atlantic, and is being experimented with by local governments in the US, Canada and Finland.

4.4. Transition Performance Index

TPI has been tested as an alternative index in the EU since 2011 and aims to be 'simple and transparent' while also 'sufficiently robust on the conceptual and statistical level' to



serve as a measure of well-being.¹⁵ TPI ranks 72 countries, accounting for 76 % of the world's population — including the EU, United Kingdom (UK), China, Brazil, USA and India. Countries are scored on their Economic (currently, including GDP), Social, Environmental and Governance Transitions, and these are then composited.

Although the TPI scores for Europe seem to be quite encouraging, the overview document for environmental transition notes that the 'upper goalposts have been set at a moderate level'.¹⁶ This is a fundamental limitation in the index's ability to reflect the work that countries still need to do in order to ensure a liveable planet for future generations. More critical goalposts would be better for emphasising the magnitude of this work.

Despite these limitations, TPI is still very promising, at least as a foundational framework. Its various dimensions capture a nuanced picture of human prosperity, and does so in a way which, if not simple, can be broken back down into its constituent parts for more specific analysis. That TPI is already in use in the EU is a significant strength since the infrastructure for its collection is already in place. Furthermore, less political capital would have to be expended for its broader adoption than would be the case for an entirely new index.

4.5. Common themes and conclusions

There are dozens of alternative indices to GDP which have been proposed, of which those listed here are only a small handful. For an index to be sufficient in laying the groundwork for a welfare economy, it should consider, at a minimum, the following:

- Human well-being (happiness, education, life-expectancy, safety, housing, etc.)
- Environmental health (absolute emissions, material footprint and biodiversity)
- Human rights and political freedoms

¹⁵ European Commission, Directorate-General for Research and Innovation, Prevost, S., Benavente, D., Stevenson, A. (2022). Transitions performance index 2021: Towards fair and prosperous sustainability, Publications Office of the European Union. <https://data.europa.eu/doi/10.2777/09602>

¹⁶ *ibid*, p. 81



- Distribution and inequality

4.6. Challenges

It is essential that any index seeking to prioritise a well-being economy conveys information that we feel represents a nation's social, political, environmental and economic health. But many of these, especially when compared to GDP, can only be measured subjectively.

On the other side of that, it is important that what is being conveyed by a general index is clearly understood. One benefit of GDP is its relative simplicity; even those who lack a formal education in economics can easily understand what it means and that its increase is at least nominally good. Indices composed of dozens of different variables measured and emphasised in different ways will be significantly more difficult for the average citizen to understand.

There is a tension present between these two goals. We should convey accurate and objective information, but a composite index which is too complicated in its methods will be difficult for most people to understand and will consequently lose its impact.

Furthermore, politicians in countries with high GDPs are likely to resist the adoption of new metrics which would see their performance more harshly criticised. This is problematic since these same countries also generally have a greater influence over the language used in international discussions of finance, such as those involving the World Bank and IMF. Additionally, high GDP countries are disproportionately responsible for ecological degradation. If a liveable future is to be secured, their cooperation is essential.



5. Best Practices

As previously mentioned, the RRF's minimum funding requirements for green and digital transitions are steps in the right direction which should not be discredited. But this recovery is still placed within an ideological framework which sees net economic growth as essential to improve well-being. There are numerous examples of programmes and organisations across Europe which have sought to decentralise GDP and to prioritise human and ecological well-being. The implementation of more progressive policies will of course need to consider the cultural and economic context of the region in which they are being implemented, but these initiatives should serve as a proof of concept.

- 'Wellbeing in Germany – what matters to us'. An initiative organised by the federal government to survey and track the metric by which citizens of Germany defined their own well-being. This involved over 203 national dialogue events hosted in 2015, the findings of which were consolidated into a report and tracking system.¹⁷ The German government acknowledges that "*It has been clear for some time now that it is no longer enough to simply work to ensure economic growth and greater prosperity.*"¹⁸ Seeing this philosophy more formally adopted and prioritised would be encouraging.
- Austria – Circular Economy strategy. Launched in 2022, the Austrian Circular Economy Strategy is an attempt by the Austrian government to establish a "radically different approach to our resources" and "fundamentally change" the "current linear economic structures, behaviour patterns and material flows."¹⁹ The initiative represents an encouraging transition towards an ecologically stable economy. However, it is limited in not directly acknowledging the

¹⁷ Die Bundesregierung (2015-2018). *Government Report on Wellbeing in Germany*.

¹⁸ Die Bundesregierung (2015-2018). *Wellbeing as a benchmark for policy*. Gut Leben in Deutschland, <https://www.gut-leben-in-deutschland.de/report/benchmark-for-policy>

¹⁹ Federal Ministry of the Republic of Austria (2022) *The Austrian Circular Economy Strategy*, pg.13-14



relationship between ecological stability and human welfare in policymaking. Other policies adopted by the Austrian government may focus on human well-being separately, but I believe that including the two goals together in a single initiative would allow for a clearer sense of direction in policymaking.

- EU Wellbeing Economy Coalition. A collaboration of researchers, NGOs and local initiatives focused on promoting a radical reconsideration of both the possibilities and purpose of economic organisation in Europe. On their website, they describe dozens of successful international case studies where local organisations have redesigned their economies to prioritise human and ecological well-being.²⁰

²⁰ <https://weall.org/case-studies>



6. Conclusion

As Europe recovers from COVID-19, there is an unprecedented opportunity to reframe our targets to be fit for purpose in the modern day. Climate change, rising inequality, Artificial Intelligence (AI) and social unrest are all issues which we have the capacity to address, but discussion of these subjects is complicated by the constant need to appeal to GDP. On its own, the rhetorical prioritisation of well-being over economic growth will not solve the issues which Europe faces in its recovery. However, decentralising GDP in our discussions of national 'success' would ease political support for targeted policies which could help to secure a liveable, equitable and sustainable future.

