

Beyond GDP: Toward a Green Economy Index for Measuring Human and Environmental Well-Being

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ABSTRACT

Progress towards a green economy needs to be measured and monitored over time. However, current measurement frameworks are not geared towards assessing the multiple (economic, social and environmental) objectives of a green economy in an integrated way. We identify 25 indicators for the various drivers and objectives of a green economy, grouped into six categories. These indicators are then combined in a composite index for assessing overall progress toward a green economy. The aim of the index is to enable quick and easy comparison of a country's performance both over time and relative to other countries, on the basis of a single number. The index can therefore be seen as a green 'alternative' to gross domestic product (GDP). In addition, the index is constructed in such a way as to allow for disaggregation, i.e. for scores on individual indicators (and broader categories of indicators) to be seen at a glance, such that areas of specific concern can be easily identified. Such an index provides a far more balanced and integrated picture of overall development and well-being in a particular country as compared to GDP, and encourages more balanced policy-making. It provides clear guidelines for policy-makers as to which areas should be targeted for improvement, and which should be maintained at current levels. This will result in policy-making that gives equal weight to all aspects of human and environmental well-being, rather than the current focus on producing and consuming goods and services.