



EUROPEAN PARLIAMENT

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Committee on Employment and Social Affairs

2010/2088(INI)

11.11.2010

OPINION

of the Committee on Employment and Social Affairs

for the Committee on the Environment, Public Health and Food Safety

on GDP and beyond – measuring progress in a changing world
(2010/2088(INI))

Rapporteur: Marian Harkin

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on the Environment, Public Health and Food Safety, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- having regard to existing statistical instruments covering some dimensions of social progress, well-being and sustainable development in Europe such as the EU-SILC, the Labour Force Survey (LFS), Eurobarometers, the European Values Survey and the European Social Survey (ESS),
 - having regard to the European Quality of Life Survey (EQLS), coordinated by Eurofound, which provides a comprehensive portrait of quality of life and living conditions in European Countries (covering all EU Member States and candidate countries) with over 120 indicators providing comparative data across countries¹,
 - having regard to the Stiglitz Report (Report by the Commission on the Measurement of Economic Performance and Social Progress²), which provides an overview of the seven dimensions to be taken into account when developing new indicators,
- A. whereas GDP, while an important indicator of economic growth, is inadequate as a single instrument for guiding policy to meet the challenges of the 21st century, and requires additional indices including those that measure economic and social cohesion and environmental indicators,
- B. whereas the financial, economic and social crisis demonstrates that an economic strategy based purely on GDP does not make it possible to develop a sustainable model, therefore making it very necessary to have access to relevant and comprehensive information concerning the development of real household incomes,
- C. whereas, given that poverty and social exclusion are affronts to human dignity, progress at the present stage of social development in the European Union primarily means facilitating individual and collective political, social and democratic participation for all by eliminating social divisions and poverty,
- D. whereas economic wealth is not always related to social development, and therefore coherent policy-making needs a data framework that includes more inclusive indicators that incorporate social and environmental gains and losses alongside indices to measure sustainable development and quality of life,
1. Notes that as vertical wealth distribution is sometimes not realised, there is an increasing gap between what official statistics say about economic performance and how people

¹ EQLS covers the following core domains of the quality of life concept: economic resources, deprivation; health and access to health care; employment and job quality; work-life balance; family relations and support; social inclusion/exclusion (community life and social participation); education and training; quality of housing and local environment; social capital and quality of society; quality of public services; subjective well-being (including happiness, life satisfaction, optimism about the future).

² http://www.stiglitz-sen-fitoussi.fr/documents/rapport_anglais.pdf

perceive their own living conditions and quality of life, and also that this can lead to a lack of trust in government and the democratic process; notes that subjective well-being in Europe is not only influenced by income, but also by the perceived quality of society³ and therefore calls for indices that accurately reflect the quality of life of citizens;

2. Stresses the need to engage society, including the social partners and representative organisations, in the selection of indicators and, through the combined use of alternative indicators concerning the condition and sustainability of the natural environment, the levels of social inclusion, social well-being, social integration and fairness, to help build the consensus which is necessary in order to develop a shared view of societal goals;
3. Is concerned that there is a substantial delay in collecting and providing data regarding the social consequences of the recent financial, economic, and employment crisis; calls, therefore, for both qualitative and quantitative metrics to be issued in a timely manner and, where appropriate, based on different types of households in order to enhance policy-making and enable better-targeted responses and monitoring of trends over time with a view to achieving the best possible balance between financial consolidation, development and social cohesion;
4. Stresses the need to base the indicators on statistical information which is relevant, timely, accurate, accessible, comparable and coherent in all Member States;
5. Calls on the Commission as a matter of priority and urgency to introduce indicators for social and environmental issues in addition to GDP, as GDP only relates to economic aspects of development, with a view to establishing a more comprehensive picture of well-being and cohesion;
6. Calls for a new partnership between all relevant actors (Eurostat, national statistical offices, research organisations, national governments, EU agencies etc.) to develop indicators of well-being and sustainable development that provide policy-makers with an additional set of measures for the multidimensional phenomena of well-being and quality of life;
7. Considers that the Commission should add alternative indicators to the conventional instruments for assessing progress towards the attainment of the objectives formulated in the EU 2020 Strategy;
8. Considers that the objective of innovation cannot be attained unless it is accompanied by the establishment of indicators by means of which to define and assess an environment conducive to innovation;
9. Underlines the need to measure quality of life in societies, with particular attention to the

³ According to Eurofound's findings, between the last quarter of 2007 and September 2009 the average level of satisfaction with life in general across the EU fell by about 4%. The pattern of change in life satisfaction reflects changes in GDP in countries such as the Baltic States but does not correspond to the relatively small declines in GDP of countries such as Malta or France. (Source: Trends in quality of life in the EU: 2003-2009, Eurofound, 2010).

Within countries, income differences and perceived corruption have a considerable impact on trust in political institutions. (Source: Eurofound 2nd European Quality of Life Survey).

groups at risk of exclusion, and notes that such measurement will require systematic social studies, impact assessments and metrics from categories such as: health and life-expectancy, poverty, education, employment, transport, family, crime, housing, leisure, political and cultural participation, levels of public trust, connectedness, material, societal and mental well-being, environment, social protection and social capital;

10. Suggests that the EQLS indicators, which cover the core domains of quality of life are built upon in the further development of both qualitative and quantitative metrics;
11. Notes that, among measuring economic development and productivity, there are other indicators that influence and explain the well-being of a country and that have not been measured (quantified) until now;
12. Stresses the need to measure ‘coping with income’ and the degree to which people are living well in terms of financial and material assets, including minimum income and the extent to which it safeguards recipients against poverty, as well as the adequacy of social security systems; furthermore, stresses the need to have indicators in different categories such as indebtedness, quality and accessibility of housing, the affordability of energy supply and access to public services, training, culture, information and communication technologies, child care and health care;
13. Points out that the relevant indicators exist, and calls on the Commission and Member States to take account of measurements and results on the basis of these indicators in conjunction with GDP data for the introduction, planning and evaluation of social policies;
14. Notes that social and economic cohesion are overarching objectives of the EU and that these objectives require indices that reflect both the horizontal and vertical distribution of wealth in society, among various social categories and in various regions, and that such indices facilitate the analysis of distributional fairness and the monitoring of social inclusion and social participation in the EU;
15. Stresses the need to have indicators of both paid and unpaid domestic or voluntary work and also to use the unemployment rate as an indicator;
16. Calls for the adoption of the ILO Manual on the Measurement of Volunteer Work and its promotion by all Member States, for mapping of action by civil society using measurable indicators and for stronger encouragement of such action;
17. Takes note of the Council’s decision of 17 June 2010 to leave it up to Member States to set their national targets for reducing the number of people at risk of poverty and exclusion on the basis of one or more of the three indicators agreed upon by the Council; considers that Member States using only the ‘jobless household’ indicator may systematically neglect problems such as in-work poverty, energy poverty, child poverty and social exclusion.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	9.11.2010
Result of final vote	+: 26 -: 5 0: 15
Members present for the final vote	Regina Bastos, Edit Bauer, Jean-Luc Bennahmias, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Sergio Gaetano Cofferati, Marije Cornelissen, Frédéric Daerden, Karima Delli, Proinsias De Rossa, Frank Engel, Sari Essayah, Richard Falbr, Ilda Figueiredo, Pascale Gruny, Marian Harkin, Roger Helmer, Stephen Hughes, Martin Kastler, Ádám Kósa, Jean Lambert, Patrick Le Hyaric, Veronica Lope Fontagné, Olle Ludvigsson, Elizabeth Lynne, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Siiri Oviir, Rovana Plumb, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu
Substitute(s) present for the final vote	Georges Bach, Raffaele Baldassarre, Jürgen Creutzmann, Tamás Deutsch, Julie Girling, Jelko Kacin, Jan Kozłowski, Antigoni Papadopoulou, Evelyn Regner