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*Committee on Industry, Research and Energy*

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**2010/2088(INI)**

12.11.2010

## **OPINION**

of the Committee on Industry, Research and Energy

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: Marisa Matias

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## SUGGESTIONS

The Committee on Industry, Research and Energy 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 the OECD Istanbul Declaration of 30 June 2007 on ‘Measuring and Fostering the progress of societies’,
  - having regard to the EU 2020 integrated guidelines for European economic and employment policies, proposed by the European Commission on 27 April 2010,
  - having regard to the Commission proposal of 9 April 2010 for a regulation on European environmental economic accounts (COM(2010)0132),
  - having regard to the report of the Commission on the Measurement of Economic Performance and Social Progress (Stiglitz, Sen and Fitoussi report 2008), presented on 14 September 2009,
  - having regard to the global Economics of Ecosystems and Biodiversity (TEEB) initiative, endorsed by the G8+5 leaders in June 2007, and to its results, published in 2009 and 2010,
  - having regard to the Commission communication of 25 June 2008 on the Sustainable Consumption and Production and Sustainable Industrial Policy Action Plan (COM(2008)0397),
  - having regard to the draft public consultation of the Joint Research Centre of the Institute for Environment and Sustainability of 16 August 2010, entitled ‘Decoupling indicators, basket-of-products indicators. waste management indicators. Framework, methodology, data basis and updating procedures’,
- A. whereas there is a need to translate into guidelines the debate on the benefits and limitations of GDP as a yardstick for measuring and evaluating the social and economic performance and, by association, social progress,
- B. whereas GDP remains the key indicator for measuring macroeconomic activity, but does not, however, take sufficient account of non-market aspects, and therefore needs to be supplemented with a concise and actionable set of other indicators more suitable for measuring, for example, social inclusion or environmental objectives,
- C. whereas indicators based on statistical averages are not able to reflect increased social and economic disparities,
- D. whereas a distinction between current and future well-being should be made; whereas it should be underlined that sustainability also needs to be assessed in both its economic and environmental dimensions,
1. Notes the Commission's proposal to develop indicators which support, as a supplement to GDP, the assessment of societal progress in terms of the three pillars of economic, social

and environmental dimensions and have as their objective the provision of more exhaustive and up-to-date information to support political decisions at local, national and regional level;

2. Welcomes the Commission communication of 20 August 2009 on ‘GDP and beyond, measuring progress in a changing world’ (COM(2009)433final), which highlights the need to improve and complement GDP; supports in particular the work undertaken on the extension of national accounts to environmental and social factors;
3. Recognises the Union's objectives in terms of climate change and deems that those objectives require an increase in energy and resource efficiency beyond GDP development, which will lead to new economic models; believes, therefore, that whilst economic growth is fundamental to society's wellbeing, it is essential that complementary indicators which measure different aspects of quality of life are developed and given due weight;
4. Considers that achieving and sustaining quality of life involves important, consensual factors such as health, education, culture, employment, housing and environmental conditions; takes the view, therefore, that indicators which measure such factors are also important and should be given more relevance;
5. Recalls the Flagship Initiative ‘Resource Efficient Europe’ contained in the EU 2020 strategy and points to the need to develop and use appropriate indicators for measuring the attainment of its objectives;
6. Underlines the importance of evidence-based decision-making and points to the fact that additional social and environmental indicators provide an objective tool for sound business decision-making, leading to innovation, resource and energy efficiency, and reduction of costs;
7. Calls for the development of indicators that focus more closely on the household-level perspective, reflecting income, consumption and wealth, as a means to better reflect citizens’ concerns on material well-being;
8. Believes that using further indicators which could at most complement GDP should have been proved to result in a better picture of macroeconomic activity; stresses that GDP is the only indicator which makes it possible to take proper account of differing socio-economic characteristics at European level, but emphasises the need to take account of environmental and social factors at national and regional level and to determine suitable criteria for that purpose, and that, in this process, consideration could be given to the inclusion of non-market factors such as work in the home and voluntary work, as well as both positive and negative externalities relating to economic activity and the viability of activities over time;
9. Calls on the Commission to continue to retain GDP as the decisive indicator for eligibility in regional policy; fears that the use of any other indicators will jeopardise the main objectives of the cohesion policy to the detriment of the poorest and most geographically disadvantaged regions; believes, however, that national authorities can continue to apply other social, environmental and infrastructure-related indicators at the appropriate level of

decision-making, which take into account the specific attributes of regions and cities within the EU 2020 Strategy;

10. Stresses the need to develop additional indicators for measuring medium- and long-term economic and social progress which will take account of climate change, resource efficiency and social inclusion;
11. Calls for the development of selected indicators that complement average statistical measurements by reflecting distribution and inequality across social groups;
12. Calls on the Commission to reinforce efforts to develop a Sustainable Development Scoreboard that assesses, from an environmental and economic point of view, the preservation of, and investment in, resources required to ensure future well-being (comprising natural resources and physical and human capital);
13. Calls for the development of common, comparable methodology on complementary indicators, and for extended cooperation in this field between Eurostat and existing national offices and between the EU and its G20 counterparts; supports, therefore, the European Commission's efforts to develop methodologies to assess and communicate progress on the major strands of environmental protection policy, stressing the importance of adopting indicators which are accepted and comparable outside EU territory;
14. Supports the Council's recommendation to extend the National Accounts to environmental and social issues by establishing internationally accepted methods;
15. Notes that continuing research, and investment in the capabilities of statistical offices is needed in order to improve upon what has been achieved, to identify the gaps in available information and, where necessary, to construct new indices;
16. Notes that no additional statistical offices or bodies are needed; calls for extended cooperation between the national offices and Eurostat.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	9.11.2010
<b>Result of final vote</b>	+: 47 -: 4 0: 0
<b>Members present for the final vote</b>	Jean-Pierre Audy, Ivo Belet, Jan Březina, Giles Chichester, Pilar del Castillo Vera, Lena Ek, Ioan Enciu, Gaston Franco, Adam Gierek, Fiona Hall, Jacky Hénin, Romana Jordan Cizelj, Arturs Krišjānis Kariņš, Philippe Lamberts, Bogdan Kazimierz Marcinkiewicz, Marisa Matias, Judith A. Merkies, Angelika Niebler, Jaroslav Paška, Aldo Patriciello, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Michèle Rivasi, Paul Rübig, Amalia Sartori, Francisco Sosa Wagner, Konrad Szymański, Britta Thomsen, Patrizia Toia, Evžen Tošenovský, Ioannis A. Tsoukalas, Claude Turmes, Vladimir Urutchev, Adina-Ioana Vălean, Kathleen Van Brempt, Alejo Vidal-Quadras, Henri Weber
<b>Substitute(s) present for the final vote</b>	António Fernando Correia De Campos, Andrzej Grzyb, Jolanta Emilia Hibner, Yannick Jadot, Silvana Koch-Mehrin, Ivari Padar, Vladko Todorov Panayotov, Markus Pieper, Peter Skinner, Silvia-Adriana Țicău, Catherine Trautmann, Hermann Winkler
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Marek Henryk Migalski