Economic growth does not produce well-being

July 4 2013

Over the last three decades global society has grown richer, but not better off.

"Although the global economy has tripled since 1950, global human well-being, as estimated by the Genuine Progress Indicator (GPI), has been flat or decreasing since around 1978," said Dr Ida Kubiszewski.

A study from The Australian National University (ANU) led by Dr

Kubiszewski compared the GPI to Gross Domestic Product (GDP) in 17 countries representing the majority of the world's population.

GPI is calculated through the measure of 25 different variables including consumption, income distribution, volunteer and household work, and importantly, environmental and social costs.

"Interestingly, 1978 is also around the time that the human ecological footprint exceeded the Earth's capacity to support life on it. Other global indicators, such as life satisfaction, also began to level off around this time."

Dr Kubiszewski said that both natural and social capital have decreased over the past decades.

"The depletion of natural capital can be seen through the decreased quality of air and water in many countries, climate disruption, deforestation, acidification of our oceans, and many other impacts humans are having on the environment.

"On national levels, the deterioration of social capital can be seen through the significant increase of inequality."

Dr Kubiszewski said that the research highlights the need for taking a more considered approach to measuring success in societies.

"The original creators of GDP never meant it to be an indicator of societal well-being and it's a mistake to continue using it for this purpose," she said.

More information: The paper 'Beyond GDP: Measuring and achieving global genuine progress' was published in *Ecological Economics*.

PHYS.ORG

Provided by Australian National University

Citation: Economic growth does not produce well-being (2013, July 4) retrieved 24 April 2024 from https://phys.org/news/2013-07-economic-growth-well-being.html

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.