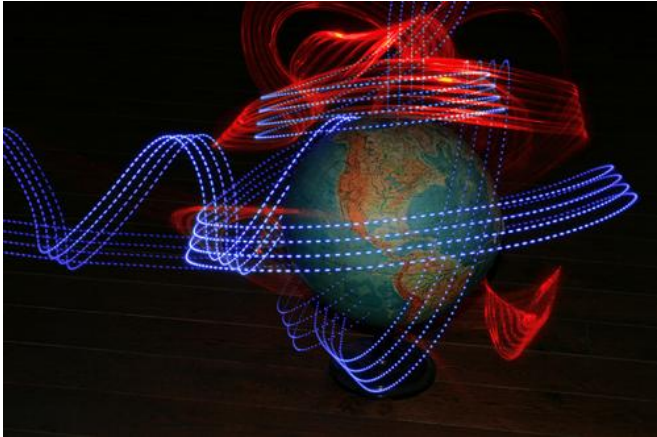


# Time to dethrone GDP as a measure of national success, researcher says

16 January 2014, by Amelia Bidgood



(Phys.org) —Gross Domestic Product is a misleading measure of national success, say ANU experts.

In a commentary piece for the latest edition of *Nature*, Crawford School of Public Policy's Professor Robert Costanza and Dr Ida Kubiszewski have urged all countries to establish new metrics to assess social well-being.

Costanza says that Gross Domestic Product (GDP) is no longer an effective way of measuring the success of a country.

"When it was instituted seven decades ago, GDP was a relevant signpost of progress," said Costanza.

"Increased economic activity was credited with providing employment, income and amenities to reduce social conflict and prevent another world war. But the world today is very different compared to how it was then.

"GDP measures mainly market transactions. It

ignores social costs, environmental impacts, and [income inequality](#)," he said.

Costanza says that the time has come for change and that GDP should be replaced by the new metrics connected with the United Nations' Sustainable Development Goals (SDGs).

"The chance to dethrone GDP is now in sight," he said.

"By 2015, the United Nations is scheduled to announce the SDGs, a set of international objectives to improve global well-being.

"Developing integrated measures of progress attached to these goals offers the global community the opportunity to discuss what sustainable well-being means, how to measure it, and how to achieve it."

Costanza added that if a successor to GDP isn't created and changes aren't made, the effects will be detrimental for the future of the world.

"Failing to make changes will condone growing inequality and the continued destruction of the natural capital on which all life on the planet depends."

**More information:** Read the full *Nature* article at [www.nature.com/news/development-...-e-gdp-behind-1.14499](http://www.nature.com/news/development-...-e-gdp-behind-1.14499)

Provided by Australian National University

APA citation: Time to dethrone GDP as a measure of national success, researcher says (2014, January 16) retrieved 5 December 2021 from <https://phys.org/news/2014-01-dethrone-gdp-national-success.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.*