

From economic growth to a wellbeing economy: notes for a feminist foreign policy

Sarah Cook, *University of New South Wales*
Naila Kabeer, *London School of Economics*

AFFPC ISSUE PAPER SERIES. ISSUE NUMBER 11. JUNE 2023

This Issues Paper differs from others produced to date in its conceptual scope and length. Rather than argue priority policy considerations, it provides a resource for feminist foreign policy thinking about the kind of economic, social and environmental outcomes that are consistent with feminist visions and required if people and planet are to survive and thrive. It argues that changing the foundational and flawed measure of Gross Domestic Product can shift understanding of the purpose of economic activity and what is valued in practice to something more feminist, inclusive and sustainable. In considering the history of GDP, critiques, and alternative measures, the authors draw out key features of a feminist approach to a wellbeing economy that offer opportunities to build links to other movements and create political and policy space for change.

Introduction

This issues paper explores the idea of a feminist economy of wellbeing and how progress towards such an economy might be measured. To understand why a new concept of the economy is being argued for, a good place to start is to ask what it is intended to replace. The answer is, the growth-driven economy. Currently, the dominant approach to measuring a country's growth is changes in its Gross Domestic Product, a single metric constructed to measure the size of economy and one that, to paraphrase Coyle (2015)ⁱ, has come to play a central role in the policies that structure people's lives and livelihoods, dominates political debates and can make and break governments. In this paper, we discuss the meanings ascribed to the GDP and what it does and does not measure. We track some of the ways in which critics have engaged with GDP as a measure of growth, and the growth paradigm that is both embodied and promoted. We bring a feminist perspective to these debates, examining moves towards wellbeing as an alternative to growth, both as a goal and a measure of progress, and different efforts to measure it. By way of conclusion, we join the calls being made at the international level to find 'beyond-GDP' measures of progress.

1. The GDP: the power of a statistic

The GDP refers to all the final goods and services in a country that have been exchanged in the marketplace, that can thus be valued at their market price, and their aggregate value expressed as a single number. Per capita GDP is the same statistic averaged across the population. GDP is used not only to measure the marketed value of goods and services produced in a country in a particular period of time but also the size and direction of change over time – whether GDP grew, shrank or remained constant.

The concept's origins date back to the inter-war period when governments in the United States (US) and the United Kingdom (UK) sought a unified measure of national output to assist in macro-economic policy making. It took on international significance in the post war period when the UN, drawing on the expertise of a Group of five (male) National Income Experts from the US and the UK, began setting up country-based Systems of National Accounts for the collection of internationally comparable dataⁱⁱ. This required determining the boundary between productive and unproductive activities. The early definition of the boundary reflected its origins in advanced industrial countries: it would include all marketed activities as well as 'household activities that are clearly akin to those that are usually undertaken in enterprises' while excluding 'those for which the analogy with enterprises becomes tenuous'. This excluded a great deal of the non-monetary production that was carried out, most often by women, for their households' own consumptionⁱⁱⁱ.

In response to subsequent critiques, the production boundary was gradually expanded to include more categories of non-market goods produced for household consumption, with value imputed to them on the basis of market prices. What continued to be excluded were the unpaid services that went into the daily and intergenerational care of family members – cooking, washing, cleaning and looking after children, the elderly, sick and disabled members, the basis of what is now

described as the 'care economy'. These were seen as governed by norms rather than market signals, difficult to assign a value to and considered to have very little impact on the market economy.

The reliance on apparently neutral market signals to assign value to production included in GDP led proponents to consider it an objective, value-free indicator. However, as Waring (1988)^{iv}, an early and pioneering feminist economist, pointed out, there was constant slippage between using prices to *measure* value and using prices to *confer* value. As a result, who and what was included in GDP served to define who and what was valued. Despite warnings by one of the original architects that 'the welfare of a nation can scarcely be inferred from a measurement of the national income as defined by the GDP'^v, GDP came to be treated as a measure of national welfare.

Principal critiques of GDP focus on its limitations as a measure of national production and its misplaced conflation with national welfare. First, GDP excludes various services that undoubtedly create value for families but are provided on an unpaid basis by family members, most often women, rather than purchased from the market. They include activities such as meal preparation and cleaning, care of family members, and voluntary or community services. Given that GDP uses market prices to impute value to material goods produced for family consumption rather than for sale, the continued exclusion of unpaid care services is highly arbitrary since there are markets in many of these services. It also places those who provide these services on a full-time basis outside the labour force, classifying them as 'economically inactive'.

Feminists have built on Margaret Reid's idea of the 'third party principle' to offer a more consistent definition of work, one that includes tasks that contribute to social reproduction and the maintenance of the labour force but might not be directly connected with market forces. This defines work as purposeful activity that is a) carried out with the objective of producing a valued good or service and b) that can, in principle, be delegated to someone else^{viii}. This distinguishes work from other purposeful activities that people have to perform for themselves (such as eating and sleeping) and leisure activities (such as watching a movie or gardening for pleasure).

Second, the natural environment is factored into the measurement of GDP on a very partial basis. Natural resources exchanged in market activity are counted, but not the destructive impact of activities such as logging and mining on the environment or the renewability of the resources in question. Likewise, no use value is attached to natural resources not exchanged in the market, such as common property resources that underpin subsistence livelihoods and on which women are often disproportionately dependent given their more limited access to markets, or the ecological services and aesthetic benefits provided by clean air, unpolluted rivers and flourishing forests.

Third, by focusing on what is marketed, GDP both excludes goods and services of recognizable value that are not marketed, and includes goods and services of dubious value, and indeed destructive in their impacts, because they are. As Waring put it, GDP valorised a system that

'counts oil spills and wars as contributors to economic growth while child-rearing and housekeeping are deemed valueless'^{viii}

And finally, while GDP can be regarded as a reasonably accurate measure of the marketed production of an economy, it provides no insight into the distribution of income generated by this production. It is perfectly possible, and frequently observed, that a rising GDP is accompanied by rising levels of inequality. To this, feminists have added some of the ways in which gender differentiates the income inequalities that are ignored by GDP. For instance, there are gender inequalities in the distribution of paid and unpaid work: women carry out at least two and a half times more unpaid household and care work than men.^{ix} This is part of the explanation for the persistence of gender inequalities in wages earned. While the global gender gap in monthly earnings was 21%^x, differences varied from a high of 47% in Sierra Leone to a low of -6.6 in the Philippines (one of only two of 73 countries to report a negative gap).

2. Debating growth: 'ubiquitous noun, aspirational adjectives'^{xi}

For all these limitations, the main statistical and pragmatic attraction of GDP is that it compresses a great deal of information into a single statistic and has been standardized across countries via the United Nations System of National Accounts. It is now the ubiquitous measure of economic growth, regularly reported by all countries with the exception of North Korea.

But this does not mean it has gone unchallenged. Critiques of GDP as a measure of the economy and of the idea of growth itself have featured in the development discourse almost from the outset. Here we provide a highly compressed account of these contestations and trace how they laid the grounds for the current concern with a wellbeing economy. The timeline is a rough approximation only, recognising that past debates continue to influence current debates.

From 'trickle down' to redistribution with growth (1950s-1970s)

The post war period saw many countries, particularly in Africa and Asia, emerging from colonial rule and eager to catch up with advanced economies through industrialisation. Early growth models assumed (private) capital would fill investment gaps in low-income countries, enabling them to industrialise, raise productivity and 'catch up'. Under assumptions of full employment, distribution would be addressed through growth as the poor would gain access to higher wage employment and other opportunities^{xixiii}.

It soon became clear that any assumed 'trickle down' was not occurring, with rapid GDP growth failing to create sufficient jobs or to benefit the poorest, leading Seers (1969)^{xiv} to question the relationship between growth and development: '*The questions to ask about a country's development are therefore: What has been happening to poverty? What has been happening to unemployment?*

What has been happening to inequality? If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result “development”, even if per capita income doubled^{xv}.

In response, the ILO called for complementing growth with targeting a share of public resources to those unable to meet ‘basic needs’, categories that prefigured material, multi-dimensional and intangible dimensions of wellbeing of later years^{xvi}. Others went further in countering the presumed trade-off between growth and equity. In their landmark publication, *Redistribution with Growth*, Chenery et al. (1974)^{xvii} argued that if some of the incremental income generated by growth were invested in the assets of the poor (education, health and physical assets), it would raise their productivity and their contribution to growth^{xviii}. Conversely, estimates showed that ‘if the absolute poor had to wait for the benefits of overall economic growth to trickle down to them, their incomes and welfare would inch forward at an intolerably slow pace^{xix}. Such arguments were reinforced by increasing empirical evidence that social investments in human capital, particularly in childhood health, nutrition, skills and education, could have life-long effects on productivity.

Women were largely absent from policy discourse in these years. In her attempt to construct a typology of different approaches to women in the development process, Moser (1993)^{xx} described this period as characterised by a very narrow ‘welfare approach’ largely consisting of training women in their reproductive roles through nutritional education and family planning. However, by the first International Women’s Conference in Mexico (1975) feminists were becoming more active in the development arena with the goal of demonstrating the relevance of gender to mainstream debates, and leveraging more resources for gender equality. The different approaches that emerged all attempted in different ways to speak to the dominant discourse. The ‘anti-poverty’ approach picked up on the new concern with poverty. One strand identified female-headed households as ‘the poorest of the poor’^{xxi} and hence deserving of special attention. Another strand pointed to women’s roles as the main providers of household basic needs and responsible for family and child welfare^{xxii}. We also saw the emergence of an early version of the efficiency approach^{xxiii}, which emphasised the active participation of women in the productive economy and argued that they be allocated a fairer share of development resources, such as those highlighted by the redistribution with growth agenda.

This period also saw the first UN Conference on the Human Environment (1972) and publication the same year of *Limits to Growth*, one of the first books to draw attention to the finite nature of earth’s natural resources. It examined population growth, agricultural production, non-renewable resource depletion, industrial output and pollution generation, warning that without substantial changes in resource consumption generated by these factors, there was likely to be a ‘rather sudden and uncontrollable decline in both population and industrial capacity’. The book met with an avalanche of criticism: ‘the very hint of any global limitation as suggested in the report [...] has generally been met with disbelief and rejection by businesses and most economists’^{xxiv}.

From neo-liberal to ‘pro-poor’ growth (1980s-90s)

The emerging redistributive agenda was swept away by an international debt crisis in the early 1980s, a period when neo-liberal ideas were ascendant within major donor countries. An ideology of the primacy of markets with a drastically reduced role for the state was reproduced through the structural adjustment programmes (SAPs) of Bretton Woods institutions; economic growth was again the central goal of development, competitive markets the key driver and the state increasingly portrayed as an obstacle to efficient allocation of resources. Public expenditures were cut to reduce fiscal deficits and social services shifted from state to market provision. Poverty reduction was again left to the growth process, while compensatory ‘emergency social funds’ would relieve immediate impacts on the poor and vulnerable^{xxv}.

As evidence of the devastating impacts of SAPs on populations accumulated, UNICEF published a landmark report^{xxvi} calling for ‘adjustment with a human face’. Arguing for a greater concern with income distribution, and a minimum level of nutrition, household income and basic services for all groups as a means towards protecting and maintaining productivity, it spearheaded a move to bring poverty back onto the development agenda. For the Bretton Woods institutions, a market-led approach was supplemented by a ‘pro-poor’ labour-intensive growth strategy, along with minimal social expenditures, to improve the labour productivity of the poor^{xxvii}. What quickly became apparent was that even where growth returned, the share of income accruing to the poor was generally insufficient to reduce inequalities, and even those benefiting from growth were vulnerable to shocks. In response to the 1997 East Asian crisis, the World Bank adopted a broader ‘risk management framework’, which extended safety nets to those who could not insure themselves against risk^{xxviii}.

In parallel, the UN Development Programme – taking seriously the human dimensions of SAPs – drew on Amartya Sen’s concept of capabilities, which sought to move away from both money-metrics and purely subjective measures of wellbeing, to ask about the possibilities open to people to lead the lives they had reason to value. Income, health and education, variables considered foundational to the ability to achieve other capabilities, were used to construct the Human Development Index (HDI), in 1990 with a gender-disaggregated version – the Gender Development Index – introduced in 1995. Published annually in its Human Development Report, the indices highlighted that a country’s GDP ranking did not necessarily correspond to its HDI or GDI rank, and that economic growth did not translate automatically into progress on human development or gender equality.

Gender entered the structural adjustment discourse through two different routes. One was an extension of the efficiency argument that pointed out how gender roles, including women’s disproportionate unpaid responsibilities in the home, constrained their ability to respond to market signals^{xxix}. A number of feminists were also asking about the impact of growth policies on women. They noted that women from poorer households were caught between the need to take up, or expand, paid work as men in the households lost their jobs, and the need to expand their

labour in unpaid care provision as public sector provision was cut back^{xxxixxxxii}. Women's 'time poverty' entered the discourse about gender injustices in the development process.

The renewed focus on poverty informed the commitment by UN member states to the eight Millennium Development Goals (MDGs), including halving world poverty by 2015. The MDGs also included a stand-alone goal on gender equality and women's empowerment but there were no commitments to address rising income inequality, nor the growing urgency of climate change. This was despite continued warnings about the environment and global warming, including the 1987 Brundtland Report 'Our Common Future', convening of the UN Conference on Environment and Development or 'Earth Summit' in Rio in 1992, and feminist attention to gender and environment in the preparatory World Women's Congress for a Healthy Planet in 1991.

While overall levels of global poverty reduced, largely due to rapid growth in India and China, attention was increasingly drawn to the growing problem of inequality. While some scholars argued that growth was distribution-neutral^{xxxiii} others suggested that high levels of inequality were slowing the rate at which growth translated into poverty reduction^{xxxiv}.

Criticisms of the MDGs for their failure to monitor inequalities, disparities and discrimination^{xxxv xxxvi} brought 'horizontal' inequalities, based on marginalized group identities, to the fore^{xxxvii}. The use of 'average' measures to monitor progress on the MDGs concealed evidence that those located at the intersection of income poverty and identity-based inequalities, such as gender, caste, race and ethnicity, were disproportionately represented among the population locked out and left behind in national progress^{xxxviii}. Women from these groups almost invariably fared worse than the rest of the population.

This was despite a growing body of evidence that gender equality operated as a 'win-win' variable, mediating the relationship between economic growth and human development. A large number of micro-level studies had shown that women's access to resources of their own – such as land or credit – was far more likely than similar resources in the hands of men to translate into investments in children's health, education and other aspects of human capital. Macro-level studies showed that greater gender equality in such dimensions as employment and education translated into a faster pace of economic growth, stimulating the interest of policy makers in promoting women's participation in the labour market^{xxxix xl}.

Feminist scholars problematized this apparent 'win-win' relationship between gender equality and economic growth. Reviewing cross-country and time-series data from these studies, Kabeer and Natali^{xli} confirmed the general findings that gender equality in employment and education did indeed contribute to economic growth. However, the converse relationship did not hold, particularly among low- and middle-income countries: economic growth did not necessarily translate into greater equality in literacy, education and various indicators of health. Indeed, some of the fastest growing economies reported the harshest gender discrimination as evidenced

by the imbalance in child sex ratios, indicating higher mortality among female than male children.

Current concerns: inclusive, sustained and green growth

From the mid-2000s, persistent concerns that 'inequality [had] become the ugly underbelly' of global prosperity^{xlii} saw the growing popularity of the idea of 'inclusive growth'. The Asian Development Bank (ADB) was the first major institution to adopt the term formally, interpreting it as a continuation of pro-poor growth strategies but with a sharper focus on ensuring that the economic opportunities created by growth were available to all—particularly the poor—to the maximum extent possible.^{xliii} The World Bank (2013) subsequently defined its focus to be the growth in consumption or income of the poorest 40% of the population which it labelled 'shared prosperity', while UNDP's International Policy Centre on Inclusive Growth defined inclusive growth in terms of both process (participation in decision-making) and outcome (sharing the benefits of growth).

The Organisation for Economic Cooperation and Development^{xliiv} was clearest in spelling out the implications of inequality for different dimensions of wellbeing: '...when we talk about inequality, we must talk about more than income. Employment prospects, job quality, health outcomes, education, and opportunities to build wealth over time matter for people's wellbeing and are heavily determined by their socio-economic status'. It noted that those shut out of opportunity found it difficult to break away from the vicious confluence of poor education, low skills and limited employment prospects, a difficulty made worse by their exposure to environmental hazards and violence. 'Moreover', it said, 'there is growing evidence that inequality is harmful to everyone in society and that greater social and economic inclusion is strongly associated with longer and stronger periods of sustained economic growth^{xliv}'.

Parallel to these commitments to inclusive, 'shared' and 'sustained' growth, this period also saw an upsurge in public consciousness about the environmental impacts of growth. Despite long-standing warnings of the destructive effects of human activity on the natural environment, a combination of factors served to focus attention on the irreversible changes being caused by climate change and the risks of crossing planetary boundaries with unpredictable consequences. The science of climate change, brought together particularly through the International Panel on Climate Change reports, experiences of adverse and increasingly unpredictable weather patterns, the threats to iconic species, from coral reefs to polar bears, and activism particularly of a younger generation concerned about their future, have all served to change the policy discourse in recent years.

Debates about climate change have, for the first time, placed a major question mark over the growth paradigm as the route to development. Climate change clearly constitutes a barrier to future growth while climate science makes it very clear that the pursuit of carbon-intensive economic growth has caused climate change and had been doing so since the Industrial Revolution. By the early

21st century, the notion of 'green' or 'sustainable' growth had become currency for the possibility of continued growth that valued natural assets, promoted renewable resource use and limited environmental harm, with the objective of making growth sustainable.

The 2012 Rio+20 Conference centred the need for economic development to be environmentally sustainable, helping to shape the post-2015 agenda, while creating a site for contestation around the ideas of 'green growth'. Core to debate was price as a mechanism for valuation of natural resources, determining incentives for exchange, use or preservation. To their critics, carbon credits, trading, and off-setting and monetisation of 'eco-system services' were instruments for commodifying or 'putting a price on nature'. Such processes additionally were seen to marginalise or exclude traditional users, with profound significance for populations such as indigenous groups or women who may be heavily dependent on such resources for livelihoods and wellbeing, and excluded from alternative market mechanisms.

Building on Rio+20, in 2015 UN member states adopted the Sustainable Development Goals (SDGs)^{xlvi} which retained earlier commitments to poverty reduction but incorporated a range of critiques of development approaches, including in relation to environmental sustainability and natural resource use, the value of work associated with care, and dimensions of inequality and inclusion. We will return to the SDGs and debates about what constituted sustainable development in later sections of the paper.

3. Measuring the wellbeing economy

Various critiques of the growth paradigm have generated heated debates about how to achieve growth and in the process raised questions about its purpose: Is it an end in itself, an adequate proxy for human welfare? Or is it a means to other ends, such as human welfare, dimensions of which elude monetization and often even measurement? Early critiques had surfaced aspects of what people might value as ends in themselves: employment, basic needs, capabilities of various kinds as well as non-material dimensions of wellbeing. Later critiques began to coalesce in efforts to develop measures that captured an alternative vision of development defined by what people value, a vision that we refer to as the 'wellbeing economy'. It is generally agreed that such an economy would value the full range of factors that make life worth living, including those that are not traded in markets, cannot be captured by monetary measures or that exist purely as use-values, valued for their intrinsic qualities.

Measures of wellbeing vary considerably in how they are formulated and what they include – or exclude. There are simple and composite indexes as well as dashboards of indicators. There are subjective and objective approaches. There are differences in the place assigned to GDP, and differences introduced by the availability of data. There are also differences in how implicitly or explicitly they address feminist concerns. And finally, there are conceptual differences reflecting diverse views about what constitutes wellbeing in different contexts and cultures.

The Sarkozy Commission was set up in 2008 with a group of progressive thinkers, including feminist economists, from different parts of the world to consider some of these difficulties. We draw here on its report^{xlvii} because it represents a useful attempt to pull together a number of conceptual approaches, principles and measures (some of which command a greater degree of consensus than others) which help to carve out the basic parameters of a wellbeing economy.

Subjective wellbeing

One approach noted by the Commission was subjective wellbeing, which was validated as a relevant dimension by a wealth of psychological research. Subjective wellbeing reflected the belief found in many streams of ancient and modern culture that enabling people to be 'happy' and 'satisfied' with their lives was a universal goal of human existence. Measures could encompass cognitive evaluations of one's life, or aspects of it, as well as various and negative emotions. Exploring what determines subjective wellbeing offers further information: determinants are likely to include income and wealth, but also factors that are excluded from the GDP.

Capabilities

A second approach was rooted in Sen's notion of capabilities, the idea that people's lives can be characterised as combinations of various ways of 'being and doing' (achieved functionings) and by their ability to choose between different kinds of functioning (capabilities). Certain capabilities are very basic, such as the capability for adequate nourishment and health, while others are more complex, such as the capacity to participate actively in civil and political life. There is complementarity between different capabilities – better education leads to better jobs – but basic capabilities can be regarded as preconditions, rather than mere complements, to more complex ones.

Justice

Justice enters the report's discussion of wellbeing through different routes. One is the idea of *fair allocations* which involves weighting various non-monetary dimensions of wellbeing in a way that respects people's preferences, and giving equal weight to the preferences of all members rather than to an "average" willingness-to-pay, which gives disproportionate weight to the preferences of the better-off. Justice also enters through a recognition of the consequences of *intersecting inequalities* among the population. Deficits in wellbeing tend to be clustered among groups at the intersection of poverty and other forms of social marginalization, such as gender, race, ethnicity and so on. Data collection needs to make visible the concentration of wellbeing deficits at these intersections.

Sustainability

Sustainability is emphasized as an essential dimension of wellbeing: in other words, could the present level of wellbeing be continued for future generations? Future trends were seen as dependent on passing present stocks of certain kinds of capital – natural, physical, human and

social – to future generations. Sustainability requires the preservation of or increase in the quantity and quality of these stocks.

Methodological observations

The report noted that while subjective wellbeing was sometimes claimed to encompass all capabilities in so far as these refer to attributes and freedoms that people *value*, enhancing capabilities would improve people's subjective states. Both the capability and fair allocation approaches gave prominence to people's *objective* conditions and opportunities. While these may be instrumental to subjective wellbeing, subjective states are not the only things that matter: expanding people's opportunities is important in itself.

The report also recognized demands from some policy makers for a single scalar measure of wellbeing but considered that a plurality of indicators was essential for comprehensiveness. It recommended a pragmatic approach: complementing existing indicators with additional ones that covered neglected dimensions without attempting to aggregate them into a single summary index. We would endorse this approach, but discuss examples of different types of measures below, to illustrate the kind of information they can provide.

3.1 Subjective measures

The *World Happiness Report*^{xlviii}, published annually since 2013, focuses mainly on a life evaluation measure based on how respondents evaluate their current life on a scale from zero (representing the worst possible life) to 10 (representing the best). The report also provides measures of six variables selected for their influence on life satisfaction: GDP per capita, healthy life expectancy at birth, social support, freedom to make life choices, generosity and perceptions of corruption. The 2023 World Happiness Report found that three-quarters of the variation in average happiness scores across countries is explained by these six variables. One valuable contribution that the index makes to our understanding of the link between GDP and wellbeing is that happiness rises with rising GDP up to a point but then plateaus. In other words, there is a threshold level of GDP beyond which money no longer appears to buy happiness.

While the idea of measuring happiness has an intuitive appeal, the measure in fact relates to people's satisfaction with their lives rather than with their happiness.

Additionally, subjective evaluations do not necessarily capture objective contributions to wellbeing. For example, individuals may be unaware of the critical contributions of unpaid care or healthy ecosystems to their wellbeing^{xlix}.

Critics have also pointed to problems with comparing such measures across different cultures or social groups with different norms and expectations. As Sen points out, oppressed groups are often characterised by 'adaptive preferences', the tendency to internalize the limitations imposed by their circumstances. The report measures inequality in happiness by examining the gap between the top and bottom halves of the population in a country.

However, if those at the bottom of society are reconciled to lives of deprivation, they may evaluate their lives as positively as, or more positively than, those with resources and the capacity to aspire to a better life. This was supported by a study exploring gender differentials in self-reported life satisfaction: while women's self-reported happiness index was higher than that of men, factoring in information that suggested they used the response scale differently from men reversed the gap (Montgomery, 2022).

Bhutan was the first country to adopt *Gross National Happiness* as an alternative to GDP, in 1972, with a goal to 'maximize the happiness of all Bhutanese and to enable them to achieve their full and innate potential as human beings'. While the early measure was based on a single question, Bhutan subsequently developed a Gross National Happiness Index (GNHI), which took a dashboard approach with 33 indicators, grouped in nine domains: (psychological wellbeing, time use, community vitality, cultural diversity, ecological resilience, living standard, health, education and good governance) with lighter weights given to the more subjective indicators. The dashboard approach has the practical value of identifying which aspects of wellbeing are insufficiently fulfilled.

3.2 The Genuine Progress Indicator: Adjusted GDP

The Genuine Progress Indicator (GPI) recognises that GDP has a number of advantages provided it is taken to represent what it claims to measure: the marketed resources in an economy^{li}, but needs to be adjusted to exclude elements that do not contribute to wellbeing and include elements that do. So it goes some way towards addressing our earlier critique of GDP.

The GPI takes personal consumption expenditure (a key component of both GDP and wellbeing) as its starting point. Elements that have a negative impact on welfare (crime; commuting; overwork; pollution; environmental damage and depletion of non-renewable resources) are subtracted. Components that have a positive impact but are not captured by income measures (volunteering; care; household work; leisure) are added. The index incorporates social sustainability in terms of erosion of the social fabric (e.g., costs of family breakdown and underemployment) and the costs of urbanization (e.g., commuting and car crashes). It tracks environmental sustainability through changes in the quantity of various types of natural capital (e.g., wetlands, farmland and forests) and the quality of others (e.g. water, air and noise pollution). Later supplements include a balance sheet of assets to determine whether a nation's stock of natural resources is in danger of declining to a degree that makes wellbeing ecologically unsustainable.

As Berik^{lii} points out, the strength of the GPI is that it corrects for many of the flaws of GDP that we outlined earlier. Particularly important from a feminist point of view is the inclusion of unpaid services of care, household work and volunteering that are largely provided by women. Furthermore, a meta-analysis of the GPI for 17 countries that generated 59% of the world GDP in 2005 reiterated the message communicated by studies of the Happiness Index: global GPI grew along with GDP between 1950 and

the mid-1970s after which it flattened out, and even declined, as the social and environmental costs of growth cancelled out growth-related gains^{liii}. The GPI has been estimated for around 20 mostly high and middle-income countries and for some sub-national entities, mainly by academic researchers or small non-governmental organizations using publicly available data. It has not yet passed into general use.

3.3 Composite indices

The best-known examples of composite indices of wellbeing have been developed by UNDP. The first of these, the HDI, drew on Sen's capabilities approach to offer an alternative measure of relative wellbeing. The three main indicators in the HDI – income, health and educational achievement – are generally regarded as the major ingredients of development and progress in any society. The HDI is reported regularly for a large number of countries^{liv}. The ability to compare and rank across countries is valuable in revealing differences with GDP rankings, especially for medium to high-income countries. The USA, for example, ranked second for GDP per capita in 2020 but 17th in terms of HDI.

While the HDI extended indicators of development beyond income, it was not considered to provide a comprehensive measure of wellbeing and was critiqued for failing to take account of factors such as inequality, poverty, gender disparity and the environment. In response additional composite indices were developed and are published annually: the Gender Development Index (GDI); the Gender Inequality Index (GII); the Multidimensional Poverty Index (MPI) and the Inequality-Adjusted Human Development Index (IHDI). The GDI uses the same indicators as HDI, but also considers inequality in achievement between men and women. The greater the disparity between men and women, the lower a country's GDI is compared with HDI. The GII is a measure of gender disparity which quantifies the loss of achievement due to gender inequality measured along three dimensions: reproductive health, empowerment and labour market participation. More recently, the 2021/2022 Human Development Report includes the Planetary pressures-adjusted HDI which attempts to adjust the level of human development by carbon emissions per capita production and material footprint per capita in order to take account of the excessive human pressure on the planet^{lv}.

3.4 Dashboard approaches

The How's Life index

The OECD's Better Life Initiative was launched in 2011, with five publications of the *How's Life* Index for the 37 OECD countries since 2013. The initiative draws heavily on the principles outlined in the Sarkozy report, taking a dashboard approach that includes both subjective and objective measures of wellbeing. Current wellbeing is measured in terms of outcomes achieved in two broad domains, each with several indicators: material conditions, measured by indicators such as income, wealth, jobs and housing conditions; and quality of life dimensions including indicators of health status, work-life balance, education and skills, social connections, civic engagement, environmental

quality, personal security and life satisfaction. Future wellbeing is assessed by monitoring change in four key resources that are considered to drive wellbeing over time, conceptualized as economic, natural, human, and social capital. The initiative considers average achievements in wellbeing outcomes as well as their distribution across the population by age, gender and socio-economic background, and distinguishes between indicators of current wellbeing and its sustainability over time. Indicators to measure inequality were added in the 2020 edition of the report.

The Sustainable Development Goals

The SDGs^{lvi} are associated with their own extensive dashboard of indicators and were the subject of an extended and broad-based process of consultation, including with civil society. Key for feminists was the High-Level Panel set up by the Secretary General to look into gender issues as well as the Open Working Group of 30 UN member states that had been mandated by Rio +20 to consider the goals and targets for the post-2015 agenda. Feminist civil society organizations worked with these to press for their priorities^{lvii}. As a result, the SDGs are the most democratically produced of the various measures of wellbeing and reflect priorities of a wide range of interest groups. Most importantly, they seek to address some of the most persistent barriers to sustainable development highlighted in our discussion of GDP measures. Attention is paid to care, inequality, the environment and to the destructive nature of certain activities, for example, those that contribute to desertification, land degradation, loss of biodiversity, overfishing, ocean warming and to unsustainable patterns of production and consumption.

The SDGs reiterated commitment to some of the older concerns: poverty, hunger, health, education, sanitation and jobs. They include a stand-alone goal on gender equality (SDG 5) with targets including ending discrimination and harmful practices, promoting women in leadership positions, promoting sexual and reproductive rights, eliminating violence against women, and improving women's access to economic resources. As the result of years of feminist activism, SDG 5 also called for unpaid care and domestic work to be recognized and valued. Gender equality was also integrated in a number of other goals, and while women's rights were not referenced in the framing of SDG5, a rights-based approach underpins the SDG agenda.

Inequality was also given prominence in the SDGs. The MDG focus on 'average' indicators of progress on poverty was critiqued for side-lining inequalities generally, but particularly the intersection of class and various marginalized identities which led to the systematic exclusion of certain sections of the poor. SDG 10 acknowledges this omission through a stand-alone commitment to reduce inequality in all its forms, 'to leave no one behind'.

The SDGs also made clear commitments to environmental sustainability, with goals on clean energy, sustainable cities, responsible consumption and production, climate action and conservation of ecosystems (land, forests, oceans, animal and marine life). Finally, Goal 16 included commitments around peace, justice and strong institutions,

and Goal 17 addressed partnerships, which recognised differentiated responsibilities among countries in delivering global public goods and addressing and financing global threats such as climate change.

4. A feminist approach to the wellbeing economy

[N]ow is the time to correct a glaring blind spot in how we measure economic prosperity and progress. When profits come at the expense of people and our planet, we are left with an incomplete picture of the true cost of economic growth.

Our Common Agenda: Report of the UN Secretary-General, 2021

It will be evident from this overview that for most governments and mainstream international institutions, growth remains front and centre of the policy agenda, even if prefaced by various aspirational adjectives that seek to incorporate concerns and critiques. The SDGs incorporated many concerns and critiques of earlier development approaches, but ‘sustained’ growth – albeit qualified by adjectives of ‘inclusive and sustainable’ – has remained prominent as a goal and key driver of development (Goal 8). The commitment to markets as the main driver of growth is evident in the continued commitment to working with the private sector to generate the resources that will translate these goals into concrete achievements.

Nonetheless, in so far as challenges to the existing growth model are acknowledged in other goals, they have created space for wider debate, including about whether any level of growth as currently conceived and measured can be ‘sustainable’. Clustered at one end of the debate are proponents of the ‘green growth’ agenda. One version of this agenda envisages a reduction in resource, energy and material inputs through technological improvements and increasing production efficiency, while correcting market failures and using market instruments to hold other forms of degradation in check. Others argue that technology and markets cannot be the mechanisms to drive transformation to sustainability, which will require stronger action from government and society to build clean energy infrastructure. Both groups see continued growth as compatible with preserving the natural resources and ecological services on which future growth depends.

The radical critique of growth takes issue with this assumption: it argues that the absolute decline in the use of energy and material inputs that is needed to reverse the climate crisis is unlikely to be achieved with the expansion of the economy as it is currently measured. This critique underpins the argument for ‘degrowth’, the move away from the growth imperative altogether in the interests of a good life for all within planetary boundaries.

However, the concept has not been widely embraced by social movement activists, including those in the environmental justice movement, in the Global South. Many of these activists live in countries that continue to suffer from poverty and deprivation in the most basic of needs, and countries that have gone through ‘forced

degrowth’ as a result of austerity policies. They consider some ‘growth’ to be necessary to achieve security of basic needs and some minimum level of wellbeing in these countries^{lviii}.

Many also point to the ecological debt between the Global North and Global South. They argue that in any transition to a low-carbon or a degrowth economy, the main burden must fall on those that have historically contributed most to the ecological crisis we face today and that continue to have the largest ‘material footprint’. This will allow the redistribution of resources to meet social needs and build the beneficial infrastructure of modernization, such as electricity, water systems and the internet, for those that have contributed least to the crisis and have the smallest material footprint^{lix}.

We are now past the mid-point of the SDG timeline (2015-2030) and consideration is being given to how metrics of progress can continue to improve and evolve. As the opening quote in this section indicates, the UN Secretary General has declared his determination to address the blind spots in current metrics. In order to address the drivers of multiple, complex and ongoing global crises, whatever measures are adopted must look ‘Beyond GDP’.

It is imperative that those who would like to see a feminist vision of the wellbeing economy inform and be incorporated into any new measures mobilize to make this a reality. Building links and common ground with other movements and constituencies that are pushing for a ‘beyond GDP’ agenda is also vital. Feminist foreign policy makers around the world have a critical role to play in shaping and sharing ideas, discourses and debates that question growth and provide alternatives, in the development of measures and data collection efforts that would feed into this process and in supporting these broader movements for change.

We conclude by noting key features of a feminist approach to the wellbeing economy that resonate with the call to go beyond the GDP and the growth-led agenda. Feminist approaches vary in some respects but share certain core principles, which are shared by other movements for social justice. Central to a feminist vision is the answer to the question posed earlier regarding the purpose of growth.

Growth is not an end in itself, with market forces determining what has value, what is produced for exchange and who consumes it; rather growth is a means to achieve ends that have intrinsic value. This would generally include care of family members, thriving communities, an absence of extreme inequalities, and a healthy environment. A radically different approach requires abandoning the overall pursuit of market-led growth as the primary objective of development. It recognizes the need for growth in key sectors that are fundamental to human and planetary sustainability, with the transition to an economy ‘that is organized around human flourishing and ecological sustainability rather than the constant accumulation of capital’^{lx}.

It recognizes also that continued growth is needed in poorer parts of the world and that their transition to a human-centred, low-carbon economy can be made possible through acknowledgement of the ecological debt.

These ideas resonate with feminist principles as nicely spelt out in the following quote from UN Women:

The alternative vision would not prioritize economic growth as an end in and of itself. Instead, it starts with basic questions about what the economy is for. If the main purpose of the economy is to support “the flourishing and survival of life”—as feminist economists have long argued—economic

policies need to align with these goals. It would ensure sustainable livelihoods for all and would stop treating unpaid care work and the environment as limitless resources that can be used for free and depleted without cost or consequence. Instead, it would put economic policies at the service of sustainability, gender equality and social justice^{lx}.

THE AUSTRALIAN FEMINIST FOREIGN POLICY COALITION

The Australian Feminist Foreign Policy Coalition is diverse network advancing feminist foreign policy in Australia. Convened by IWDA, its members work across a range of sectors including foreign policy, defence, security, women’s rights, climate change and migration.

Feminist foreign policy is an approach which places gender equality as the central goal of foreign policy, in recognition that gender equality is a predictor of peaceful and flourishing societies. This Issues Paper Series aims to explore the opportunities and challenges for Australia in applying a feminist lens to a range of foreign policy issues, and provide practical ways forward.

Endnotes

ⁱ Coyle, Diane. 2015. *GDP: A Brief but Affectionate History* Princeton: Princeton University Press

ⁱⁱ United Nations. 1953. *System of National Accounts and Supporting Tables: Report Prepared by a Group of National Income Experts Appointed by the Secretary-General*. New York: United Nations

ⁱⁱⁱ Phyllis Deane, a young researcher who was tasked with applying the metrics developed in the UK to the measurement of incomes in ‘the colonies’ (present day Zambia and Malawi were chosen for the study) quickly recognized the irony of using ‘a method designed for the metropolitan United Kingdom in territories where the great majority of production was never exchanged for money’ (Deane, 1948 cited in Messac, 2018: p. 560). Her study led her to recommend a far more expansive definition of the production boundary, one that would capture a much greater proportion of women’s productive activities. It was not, however, adopted by the Group of Experts. Ref: Deane, Phyllis. 1948 *The Measurement of Colonial Incomes: An Experiment*. Cambridge: Cambridge University Press.

^{iv} Waring, Marilyn. 1988. *If Women Counted: A New Feminist Economics*. Harper and Row.

^v Kuznets. 1934. ‘National Income, 1929-1932. Senate Document No. 124, 73rd Congress, 2nd Session.’

^{vi} Reid, Margaret. 1934. *Economics of Household Production*. New York: John Wiley

^{vii} Beneria, Lourdes. 1999. ‘The enduring debate over unpaid labour’. *International Labour Review* 138 (3): 287-309.

^{viii} <https://www.marilynwarings.com/> (Retrieved 26-06-2023)

^{ix} <https://www.unwomen.org/en/news/in-focus/csw61/redistribute-unpaid-work>

^x ILO. 2018. *Global Wage Report. What lies behind gender pay*

gaps? Geneva: ILO

^{xi} The phrase comes from Raworth (2017) Raworth, Kate. 2017. *Doughnut Economics: Seven Ways to Think Like a 21st-Century Economist*. Chelsea Green Publishing, p. 41

^{xii} Todaro, M.P. 1977. *Economic Development in the Third World*. London and New York: Longman

^{xiii} Singer, Hans W. 1979. ‘Poverty, Income Distribution and Levels of Living: Thirty Years of Changing Thought on Development Problems’. In *Reflections on Economic Development and Social Change: Essays in Honour of Professor V.K.R.V.Rao* C.H. Hanumantha Rao and P.C. Joshi (eds) New Delhi: Allied Publishers Private Ltd.

^{xiv} Seers, Dudley. 1969. ‘The Meaning of Development’ *International Development Review* 11:

^{xv} Seers, Dudley. 1969. P, 2

^{xvi} ILO. 1976. ‘Employment, Growth and Basic Needs: Development Strategies in Three Worlds - International Labour Organization’. Retrieved 15 June 2023 (https://labordoc.ilo.org/discovery/fulldisplay/alma991607443402676/41ILO_INST:41ILO_V2).

^{xviii} Chenery, H. et al. (1974) *Redistribution with Growth: Policies to improve income distribution in developing countries in the context of economic growth*. Oxford: Oxford University Press.

^{xix} McNamara 1980 – cited in Maddux, John. L. 1981. *The Development Philosophy of Robert S. McNamara* Washington: World Bank

^{xx} Moser, Caroline O.N. 1993. *Gender Planning and Development. Theory, Practice and Training*. London and New York: Routledge

- ^{xxi} Crawford, Joanne. 2023. 'Gender and poverty as a feminist foreign policy priority: Opportunities to accelerate action.' Australian Feminist Foreign Policy Coalition *Issue Paper Series*. no.10. February https://iwda.org.au/assets/files/AFFPC_Issues_Paper_February_2023_Gender-and-Poverty-as-a-Feminist-Foreign-Policy-priority.pdf
- ^{xxii} Palmer, Ingrid. 1977. 'Rural Women and the Basic-Needs Approach to Development' *International Labour Review* 115(1): 97-104
- ^{xxiii} Ester Boserup's 1970 book on the role of women in trade and farming in many parts of the Third World was an important influence within this strand.
- ^{xxiv} Meyer, Niels I. 2010. 'New Systems Thinking and Policy Means for Sustainable Energy Development' in Artie Ng (ed) *Paths to Sustainable Energy* InTech Open Access Publishers: 302-314 . ISBN 978-953-307-401-6
- ^{xxv} Whitehead, Christine. 1995. 'Emergency Social Funds. The experience of Bolivia and Peru'. *Development in Practice* 5(1): 53-57.
- ^{xxvi} Cornia, G. A., Jolly, R., and Stewart, F. (1987) (Eds.). *Adjustment with a Human Face. Volume 1, Protecting the Vulnerable and Promoting Growth.* Oxford: Clarendon Press.
- ^{xxvii} World Bank. 1990. 'World Development Report 1990: Poverty'. New York: Oxford University Press.
- ^{xxviii} Holzmann and Jorgensen
- ^{xxix} Collier, Paul. 1988. Women in Development: defining the issues. WPS 129. Population and Human Resources Department. Washington: World Bank
- ^{xxx} Haddad, Lawrence, Lynn R. Brown, Andrea Richter and Lisa Smith. 1995. 'The gender dimensions of economic adjustment policies: Potential interactions and evidence to date'. *World Development* 23 (6): 881-896
- ^{xxxi} Elson, D. 1989. 'The impact of structural adjustment on women: concepts and issues' in B. Onimode (ed.) *The IMF, the World Bank and the African Debt Vol. 2: The Social and Political Impact* London: Zed: 55-74
- ^{xxxii} Moser, Caroline O.N. 1992. 'Adjustment from below: low-income women, time and the triple role in Guayaquil, Ecuador' in H.Afshar and C. Dennis (eds) *Women and adjustment policies in the Third World* Basingstoke: Macmillan
- ^{xxxiii} (Dollar, D. and Kraay, A. (2002) "Growth is good for the poor." *Journal of Economic Growth* 7(3): 195-225. doi:10.1023/A:1020139631000
- ^{xxxiv} (UNRISD. 2010. *Combating Poverty and Inequality: Structural Change, Social Policy and Politics* Geneva: Geneva: UNRISD.
- ^{xxxv} Vandemoortele, Jan (2009) 'The MDG Conundrum: Meeting the Targets without Missing the Point'. *Development Policy Review*. 27(4): 355-371
- ^{xxxvi} Fukuda-Parr, Alicia Ely Yamin and Joshua Greenstein. 2014. 'The Power of Numbers: A Critical Review of Millennium Development Goal Targets for Human Development and Human Rights'. *Journal of Human Development and Capabilities* 15 (2-3): 105-117. doi: 10.1080/19452829.2013.864622
- ^{xxxvii} Stewart, F. (2002) *Horizontal Inequalities: A Neglected Dimension of Development* Working Paper 81, University of Oxford, Queen Elizabeth House
- ^{xxxviii} Kabeer, N. 2010. *Can the MDGs Provide a Pathway to Social Justice? The Challenge of Intersecting Inequalities* Brighton: IDS/UN MDG Achievement Fund. (http://www.mdgfund.org/sites/default/files/MDGs_and_Inequalities_Final_Report.pdf)
- ^{xxxix} Dollar and Gatti 1999
- ^{xl} Klasen, Stephan. 1999. *Does Gender Inequality Reduce Growth and Development? Evidence from Cross-country Regressions*, Policy Research Report on Gender and Development, Washington
- ^{xli} Kabeer, Naila, and Luisa Natali. 2013. 'Gender Equality and Economic Growth: Is There a Win-Win?' *IDS Working Papers* 2013. doi: [10.1111/j.2040-0209.2013.00417.x](https://doi.org/10.1111/j.2040-0209.2013.00417.x).
- ^{xlii} Vandemoortele, 2009: p.364
- ^{xliii} (ADB, 2007: 13-14).
- ^{xliiv} OECD. 2014. *All on Board. Making Inclusive Growth Happen*. Paris: OECD. P.1
- ^{xlii} OECD, 2014, p.1
- ^{xlii} <https://sdgs.un.org/goals>
- ^{xlii} Stiglitz, Joseph E., Sen, Amartya, Fitoussi, Jean-Paul (2009) *Report by the Commission on the Measurement of Economic Performance and Social Progress*. (<https://ec.europa.eu/eurostat/documents/8131721/8131772/Stiglitz-Sen-Fitoussi-Commission-report.pdf>)
- ^{xlii} <https://worldhappiness.report/>
- ^{xlii} Berik, Günseli. 2018. 'To Measure and to Narrate: Paths Toward a Sustainable Future'. *Feminist Economics* 24(3):136-59. doi:.
- ⁱ (Brooks, Jeremy, S. 2013. 'Avoiding the *Limits to Growth*: Gross National Happiness in Bhutan as a Model for Sustainable Development' *Sustainability*. 5: 3640-3664. doi:10.3390/su5093640
- ⁱⁱ Berick, 2018
- ⁱⁱⁱ Berik, Günseli. 2020. 'Measuring what matters and guiding policy: An evaluation of the Genuine Progress Indicator' *International Labour Review*. 159 (1): 71-94
- ⁱⁱⁱⁱ (Kubiszewski, Ida; Costanza, Roberta; Franco, Carol; Lawn, Phillip; Talberth, John; Jackson, Tim and Aylmer, Camille. 2013. 'Beyond GDP: Measuring and achieving global genuine progress' . *Ecological Economics*. 93 (Sep.): pp. 57-68.
- ^{lv} UNDP (United Nations Development Programme). 2022. *Human Development Report 2021-22: Uncertain Times, Unsettled Lives: Shaping our Future in a Transforming World*. New York. ([HDR <https://hdr.undp.org/content/human-development-report-2021-22> \)](https://hdr.undp.org/content/human-development-report-2021-22)
- ^{lv} See https://hdr.undp.org/sites/default/files/2021-22_HDR/hdr2021-22_technical_notes.pdf p.13 The 'material footprint' measures the total amount of resource extraction embodied in the domestic material consumption of a country together with the total material resources embodied in its exports (Hickel, p. 150).
- ^{lvi} United Nations. 2015. *The Global Sustainable Development Report*. New York: United Nations
- ^{lvii} Sen, Gita. 2018. *The SDGs and Feminist Movement Building* UN Women Discussion Paper No. 27. New York: UN Women.
- ^{lviii} Rodríguez-Labajos, Beatriz, Ivonne Yáñez, Patrick Bond, Lucie Greyl, Serah Munguti, Godwin Uyi Ojo, and Winfridus Overbeek. 2019. 'Not So Natural an Alliance? Degrowth and Environmental Justice Movements in the Global South'. *Ecological Economics* 157:175-84. doi: [10.1016/j.ecolecon.2018.11.007](https://doi.org/10.1016/j.ecolecon.2018.11.007).
- ^{lix} Rodríguez-Labajos et al. 2019
- ^{lx} Hickel, Jason. 2021. *Less is More*. London: Random House
- Holzmann, Robert and Steen Jorgensen. 1999. *Social Protection as Social Risk Management: Conceptual Underpinnings for the Social Protection Sector Strategy Paper* No. 9904. Social Protection Discussion Paper Series. Washington: World Bank
- ^{lxi} (UN Women UN Women. 2021. *Beyond COVID-19. A Feminist Plan for Sustainability and Social Justice* New York: UN Women: pp. 11-12)