High-Level Expert Group on Beyond GDP

Interim Progress Report

November 2025

Our Mandate

- 1. Our independent High-Level Expert Group (HLEG) on Beyond GDP was appointed in May 2025 following a series of extensive deliberations between all countries at the United Nations, where they agreed by consensus, in a document known as the Pact for the Future, that it is time to address over-reliance on and some of the limitations of GDP. Many similar, important initiatives have been undertaken previously, which our Group will learn from and build on, including the efforts of the international statistical community to measure Sustainable Development Goal (SDG) indicators, and national well-being frameworks from which we draw inspiration.
- 2. Yet, this effort represents a change: by bringing the Beyond GDP agenda to the UN, countries are signaling their desire to establish global norms in how we complement GDP, not limited to specific countries or regions.
- 3. We aim to consolidate existing knowledge, introduce novel thinking through our recommendations and foster their implementation at national and international levels. Our approach will emphasize how better well-being and its drivers, such as health, social capital and the quality of the environment, are not only good for societal welfare but also contribute in an integral way to economic prosperity. In a similar way, shared prosperity contributes to social cohesion and well-being.
- 4. This is a challenging and ambitious task, entailing major changes in measurement, policy, decision-making and behavior. We aim to rise to this challenge. This interim report describes the progress of the group so far and is a basis for obtaining feedback and engaging with diverse stakeholders on what matters most to them.

The Urgent Need for a New Compass

- 5. Almost a century ago, Nobel laureate Simon Kuznets generally considered the father of National Accounts and the measurement of GDP observed: "The welfare of a nation can scarcely be inferred from a measurement of national income." Twenty-five years ago, Nobel laureate Amartya Sen took this insight further: "Human lives are battered and diminished in all kinds of different ways, and the first task... is to acknowledge that deprivations of very different kinds have to be accommodated within a general overarching framework."
- 6. The urgency to address the limitations of GDP as a measure of well-being has intensified over the last two decades. The world has been confronted with interlinked crises: the Great Recession; the COVID-19 pandemic; the triple planetary crisis of climate change,

- biodiversity loss, and pollution; vast inequalities; and rapid technological change that will upend labor markets in the short and long term.
- 7. Meanwhile, we are experiencing growing public dissatisfaction across countries in many, accompanied by a crisis of youth mental health with social and youth protests taking place across the globe, rising populism, and decreasing trust in government and public institutions, all of which point to a disconnect between what governments pursue and what citizens perceive as meaningful progress. We face an increasing gap between what politicians and citizens believe is happening, and the latter's life experiences are not matched by the story told by GDP alone. That in turn makes effective policy-making more difficult. Broader geopolitical changes, including growing militarization and the erosion of democracy in an increasing number of countries, are adding to a sense of uncertainty.
- 8. While GDP remains a key measure of economic activity, it is increasingly facing challenges in capturing the transformations our economies have seen since GDP was invented. While there have been multiple revisions to GDP, including the System of National Accounts 2025, there are some changes that GDP has not been able to fully adjust to, such as the rise of digital services and data-driven innovation. Some important non-market activities (such as unpaid household care services) cannot be captured by GDP. More broadly, GDP is unable to comprehensively capture well-being, equity and inclusiveness, as well as sustainability.

Beyond GDP and Measuring What Matters

- 9. We are not recommending the replacement of GDP as a measure of economic activity. Our task is to complement and go beyond GDP. The concept of "Beyond GDP" encompasses five key principles. First, we must move beyond GDP to measure current material well-being more accurately. Second, we need to go beyond income to capture all aspects of well-being. Third, we must look beyond averages to address inequality and exclusion. Fourth, we need to think beyond today to ensure economic, environmental, social and institutional sustainability for future generations. Finally, we also need to account for well-being interconnectedness across countries.
- 10. Our HLEG strives to make the invisible visible (e.g., the destruction of the environment) and give voice to the voiceless (e.g., assessing the well-being of those left behind and future generations). We aim to emphasize the duality of people and planet in our framework. And we aim to go beyond perspectives that focus solely on the individual. We believe that we need to look at the relationships of individuals within their communities and social contexts if we are to understand well-being holistically.
- 11. There are two ways in which our HLEG can contribute to the improvement of our measurement of progress: (i) by addressing the overreliance on GDP where it may not be the most appropriate measure; and ii) by addressing some limitations of GDP itself. We plan to address the overreliance on GDP through our proposed conceptual framework, which will be operationalized through a dashboard of inclusive/equitable and sustainable

well-being indicators. We plan to address limitations of GDP by making concrete suggestions to adjust GDP for inequality and sustainability. While both are important contributions, our primary goal is to address the overreliance on GDP and introduce a set of key complementary indicators that should be regarded with the same importance as GDP. Both will be described in the two subsequent sections.

An Integrated, Universal Framework for Progress: Well-being, Equity and Inclusion, and Sustainability

- 12. We are building an integrated, universal framework to address the overreliance on GDP in cases where it is not the most appropriate measure. The framework of our initiative is based on three central and interlinked pillars: well-being, equity and inclusion, and sustainability. The three pillars have a human rights rationale a fundamental tenet of the work of the UN. Meeting basic needs is central to well-being, as is the ability to live in peace rather than violent conflict. The right to be an equal, respected, and participating member in one's community is an integral part of equity and inclusion. The rights of future generations, meanwhile, are at the heart of sustainability in all its dimensions.
- 13. Well-being is an overarching concept that includes material prosperity but extends well beyond it to areas that also relate to individuals' abilities to live in a healthy environment, exercise rights, enjoy freedom, have a purpose, hope, and agency both individual and collective and quality of life. Both objective and subjective indicators are needed for the operationalization of these concepts, as there is increasing evidence on the role of aspirations, emotions, and attitudes, such as trust, being critical factors in people's behaviors and outcomes.
- 14. Inclusiveness and equity refer to disparities in income, wealth, health, education, environmental quality and other dimensions, such as the concentration of both wealth and political power. This encompasses horizontal inequalities by gender, ethnicity and race and migratory status, as well as inequalities across and within nations. It also considers well-being over the life cycle, addressing the needs of children, working-age populations, and the elderly. These concepts also reflect the extent to which members of society fail to achieve minimum thresholds and the degree to which deprivations are correlated within certain socioeconomic groups.
- 15. Sustainability refers to how much well-being, inclusiveness, and equity will be enjoyed by individuals and societies in the future, both in the short term and long term. This encompasses sustainability in broad terms: economic, environmental, social (including resilience and vulnerability) and institutional. It also considers international cooperation and global public goods.
- 16. We are now working on translating the three pillars into an overarching conceptual framework, including by exploring how the three pillars interconnect; and how they connect to individuals, societies, countries, and the planet.

The Core Domains of an Integrated, Universal Framework: Concepts and Indicators

- 17. We focus here on the domains that will be at the core of our conceptual framework and, subsequently, the indicator selection. Starting from Sen's capabilities approach, we sought domains that encompass critical elements of well-being, in large part by enhancing capabilities. We have tentative consensus among our group on seven domains of current well-being, although we are still seeking feedback. These are: *material well-being* being materially secure and having livelihood opportunities; *health* being healthy, and having a long, fulfilling life; *education* being knowledgeable, educated, and having skills to participate in many aspects of life; *environmental sustainability* living in an ecologically safe and sustainable environment; *subjective well-being* having more positive emotional states than negative ones, and having purpose and agency to pursue life goals; *social capital* being connected and participating in one's community; and *governance* being safe, respected and empowered.
- 18. Below each of the listed domains are examples of outcome indicators that are under discussion.

Example indicators:

- a. Material Well-being household income/consumption, opportunity and job quality, time use and access to leisure, and economic security (access to housing, the internet, and safety nets).
- b. Health maternal and childhood health, healthy life expectancy, chronic disease
- c. Education access to pre-school, high school, and higher education, having knowledge and skills to participate in the labor market and social life.
- d. *Environmental Quality* clean air and water, absence of pollutants, loss of biodiversity.
- e. Subjective Well-being life satisfaction, meaning/purpose, hope, agency, emotional states, satisfaction with mental/physical health, perceptions of safety, trust, and governance.
- f. Social Capital sense of belonging, ability to participate, friends or family to rely on when in need.
- g. *Governance* safety and security, ability to participate in societal decisions and activities, absence of discrimination.
- 19. The design of the indicators should be guided by several key criteria. First, indicators must be built on a strong analytical framework, grounded in a clear, coherent conceptual foundation that defines what "progress" truly means. At the same time, we strive to balance context-sensitivity and universality across indicators to reflect national contexts, cultural values, and priorities.

- 20. The indicators must also be scientifically robust and statistically sound, and based on reliable data and transparent methodologies, to ensure credibility and trust. They should be aligned and consistent with global frameworks and commitments, particularly international frameworks such as the SDGs, to ensure comparability and global relevance.
- 21. Furthermore, the indicators need to be policy-relevant and decision-oriented, designed specifically to guide policy decisions toward well-being, sustainability, equity, and inclusiveness. They also need to be simple enough to both monitor progress in a publicly understandable way and to inform society and public debate.
- 22. Other considerations in line with our ambition and framework include a focus on outcomes rather than efforts or inputs, such as life expectancy rather than the share of health spending to GDP; disaggregating indicators by dimensions such as gender to account for horizontal inequalities; and accounting for cumulative deprivations via multidimensional poverty measures.
- 23. We are currently exploring ways of operationalizing our framework. This could include a dashboard, aggregation of specific domains, or an overall score across the indicators that will ultimately be proposed as part of the dashboard. With well-being as the overarching frame, our group is exploring several indicators that can account for equity and inclusion, and sustainability.
- 24. In the next phase of our work, we will finalize our conceptual framework and the link between our overarching pillars, the domains, and their operationalization via indicators. We are also using inputs from our consultations to identify domains that are underrepresented or missing and yet growing in importance, induced by societal and economic changes, such as digitalization, the care economy, and climate change.

Beyond GDP and GDP

- 25. In addition to our framework to address our overreliance on GDP, the objective of this parallel component of our work is to address some key limitations of GDP in its current form by suggesting some adjustments to standard GDP to better capture important dimensions of society's economic well-being. These recommendations are intended to incentivize countries to compile and use these adjusted GDP indices for their decision-making. These indices are organized around amending GDP to capture (1) valued products/services, (2) inequality, and (3) sustainability.
- 26. The first defines a modified measure of GDP to incorporate the notion of valued GDP ("v-GDP") which recognizes the existence of goods such as locks, barbed wire, and weapons, which have no inherent value but in contexts of high crime or inequality enable us to consume the goods that we do value. The second, "e-GDP", adjusts average GDP downward for the degree of inequality, reflecting that the same average GDP can translate into different levels of welfare depending on its distribution. The third one sets prices for goods and services that have negative or positive externalities on current and future

generations in a country, using the standard market prices for goods and services which are sustainability-neutral to compute "sustainable" – or "s-GDP".

A Pathway to Global Adoption: from Metrics to Impact

- 27. Earlier "Beyond GDP" initiatives have struggled to achieve sustained political traction and mainstream policy application despite broad recognition of GDP's conceptual limitations. This can be attributed to several factors: the intuitive appeal of a single, simple, wellestablished indicator; the entrenched institutional use of GDP in legislation, policymaking and development finance; the fragmented landscape of alternative measures; and insufficient political incentives to shift from a GDP-centric mindset to a new multidimensional well-being concept. Key to the success of the HLEG proposal is providing a compelling narrative about the need for a well-being paradigm shift, balancing analytical sophistication with simplicity in communication. The framework aims to link "drivers" and "outcomes" of well-being articulated in ways that resonate across cultures and political contexts. As such, it needs to be intuitive, to enable countries to tailor indicators to national priorities while ensuring comparability, and to demonstrate value added compared with existing frameworks. In this regard, we are currently exploring a dual approach, with globally applicable thresholds and measurements, on the one hand, while providing countries with the flexibility to indicate a complementary measurement that is tailored to specific national circumstances.
- 28. A second lesson concerns political buy-in. Initiatives such as the Netherlands' Brede Welvaart reporting to Parliament, New Zealand's and Ireland's well-being budgets, Italy's well-being indicators embedded in the public budget planning process, Ecuador's Buen Vivir and Bhutan's Gross National Happiness framework demonstrate that durable traction occurs when well-being metrics are institutionalized within budgetary, constitutional, legislative, or accountability processes.
- 29. Sustained uptake depends on operational tools that convert metrics into action. Lessons from the UK Treasury Green Book on Appraisal and Evaluation, Scotland's National Performance Framework, Canada's Quality of Life Framework, Sweden's Environmental Quality Objectives and Ecuador's National Development Plans show the importance of cross-agency coordination, monitoring, and clear lines of accountability.
- 30. Our initiative will aim to promote guidance, templates, and capacity-building that help governments integrate well-being data into policy design, implementation, and evaluation. GDP has succeeded in part because consistent investments and technical cooperation support were provided to develop related statistical capacity, including for its various updates, over decades. A similar investment is necessary to steer statistical priorities towards the new Beyond GDP metrics and provide new tools, such as innovative methods, AI, and non-traditional data sources.

31. Effective uptake also requires communicating with both supporters and skeptics of the Beyond GDP agenda. There are key constituencies who have historically prioritized GDP due to its simplicity, timeliness, and institutional authority. Yet, they have a fundamental role to play in moving beyond GDP and adopting a new compass. There may also be setbacks from researchers, international organizations and national statistics offices that have already invested efforts into developing well-being frameworks and indicators (including the SDGs) and may not be convinced of the value-added of yet another initiative. Recognizing these incentives is the first step towards crafting persuasive counter-narratives and demonstrating coherence and complementarity rather than substitution.

Next steps

- 32. While we have made significant progress since our appointment in May, key questions, many of which are outlined in this document, require our attention for the next phase of our work.
- 33. This interim report is being launched as part of a broader online consultation process that we have launched on our website (<u>un.org/beyondgdp</u>). While we have already engaged with numerous stakeholders from governments, civil society, academia, and the UN system, it is crucial that everyone is able to participate in this process. Your views are an important input to our final recommendations, which we will present to the UN General Assembly in 2026.
- 34. As agreed upon by all UN Member States, an intergovernmental negotiation on Beyond GDP will be launched at the UN after our final recommendations are published.