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# The concept of green GDP and its successors

*Presentation for the Webinar “The quest for Green GDP”*

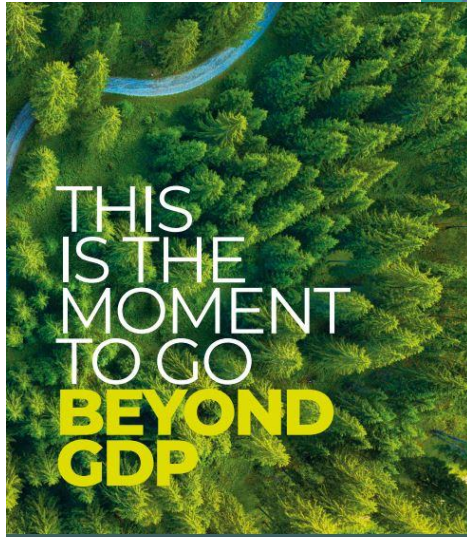
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# The “Beyond GDP” Debate



**Beyond GDP**  
MEASURING WHAT COUNTS  
FOR ECONOMIC  
AND SOCIAL PERFORMANCE

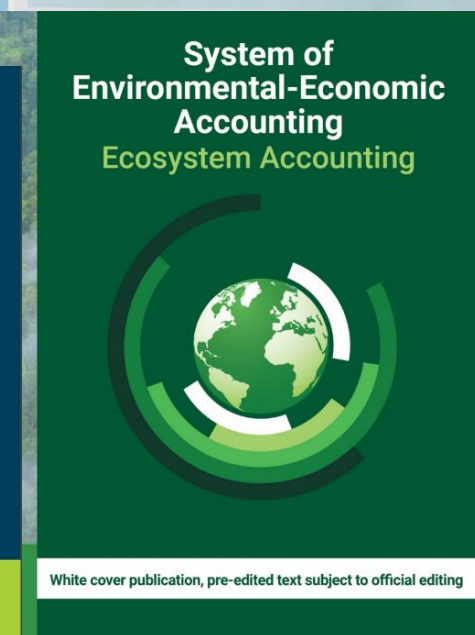
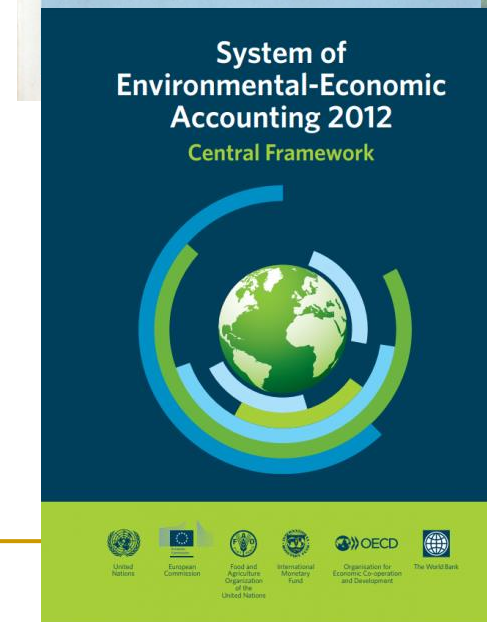
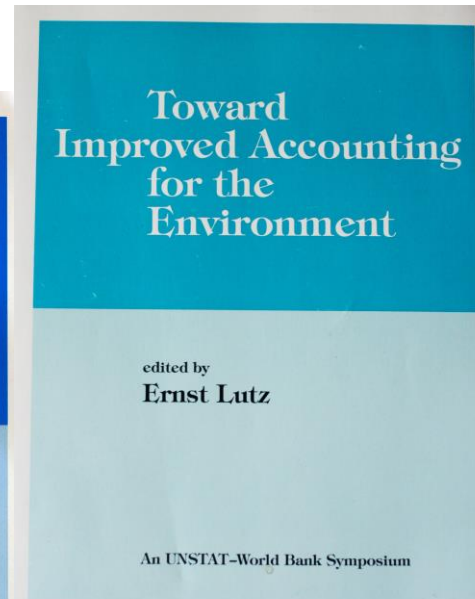
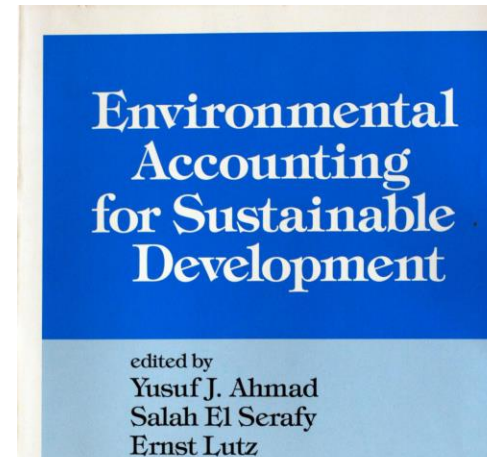
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and Martine **DURAND**



- How should (sustainable) **economic and social development** be measured?
- “**Beyond GDP**” debate offers many answers
  - Some “**outside**” and some “**inside**” of **national accounting** frameworks
- “**Green GDP**”: what is it, where did it come from?

# Greening GDP: Concept and History

- 1980s/ 1990s onwards
  - “**Out with GDP**” (and “*in with green GDP*”) versus “**satellite accounting**”?
  - **Valuing depletion** of natural resources
- Evolving issues: from late 1990 & 2000s
  - **Natural capital** accounting esp. ecosystem assets
  - **Wealth accounting** and (extended) national balance sheets



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## Some (early) “green GDP” studies ...

- UNSTAT studies: **Mexico** (van Tongeren et al. 1993) and **Papua New Guinea** (Bartelmus et al. 1993)
  - **“Green GDP”**: National income, **net of depreciation**
    - 23% lower than GDP in Mexico in 1991
    - 16% lower than GDP in PNG in 1989
  - **BUT: is economic development sustainable?**
    - Using these same data, can show that **(adjusted) net saving** was marginally positive in Mexico and negative in PNG
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# Summary: Connecting the Past to Present (1)

- **“Green GDP” as literal concept:**
  - GDP + value of ecosystem services (ES)
  - Usefulness? Perhaps better to understand how ES (and ecosystem assets) support “GDP”
- Or does it refer to **net income** (e.g. green NDP)
  - ... in which case, better understood within more **holistic accounting framework**



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## Summary: Connecting the Past to Present (2)

- **Broad sketch** of this accounting framework
    - (Comprehensive) **national wealth** as guide to economic development prospects
    - (Net) **saving/ investment** as indicator of how those prospects are changing (i.e. is development sustainable?)
    - (Net) **income** as guide to what can be sustainably consumed given above
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