

Our Position Paper on:



IN A NUTSHELL

We all want a better future for ourselves and our children. But too often this is taken simply to mean ensuring economic growth (increasing gross domestic product – GDP).

True wellbeing is about much besides economic growth: freedom to be heard and have influence, good relationships, purpose in life, green space, health, freedom from discrimination are all important.

As well as a decent income, these are the things our policy makers should be focusing on.

THE FACTS

1 As global GDP has soared, genuine progress has declined. (Costanza, 2014)

2 We're consuming key finite resources at ever increasing rates. (FOE, 2009)

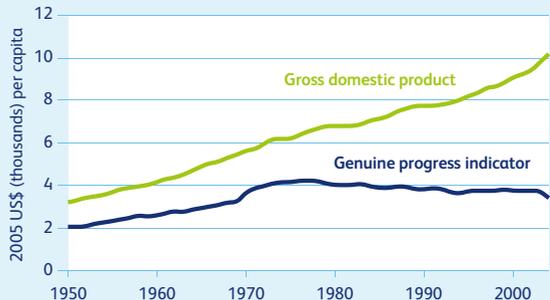
3 People in Panama, Costa Rica and Mexico are generally happier than in the United States and UK – which both have much higher GDP per capita. (OECD happiness index, 2013)

4 Once individual income reaches a certain level its ability to generate more wellbeing is greatly diminished. (Easterlin, 2010)

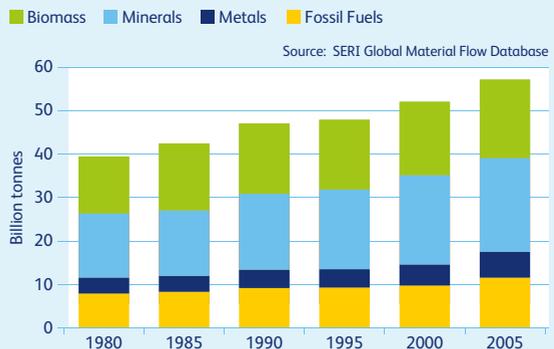
5 People who work part time by choice have higher levels of wellbeing; those who work more than 55 hours a week experience lower wellbeing and higher anxiety. (NEF, 2012)

Genuine progress flattens

World GDP has soared since 1950, but a metric for life satisfaction called GPI has not.



Global extraction of natural resources, 1980 to 2005



THE PROBLEM

Although measuring GDP has uses, it's not a gauge of general wellbeing. Global GDP has increased three-fold since 1950. But the Genuine Progress Indicator (GPI), which is a better measure of wellbeing, is largely flat. Beyond a certain point people do not get happier as they get richer. Once income reaches a certain level, further increases have little impact on wellbeing. Neither does measuring GDP tell us anything about the environmental damage that can result from economic growth when it's fuelled by consumer spending. Research suggests that focusing on material possessions provides lower levels of wellbeing than non-material things such as spending time on relationships. Yet what we buy dominates our identities.

Prioritising GDP growth above all else won't create wellbeing. Yet policy makers and institutions focus on boosting consumerism to generate economic growth. The approach that successive UK Governments have followed – economic growth driven by consumer spending – is failing to increase wellbeing and is having devastating effects on our planet.

This will get worse unless we change direction. We urgently need to enable people everywhere to improve their wellbeing on a planet that can sustain us in the long term.



WHAT WE THINK

Friends of the Earth believes society should aim to increase wellbeing, not just GDP. Incomes are important to wellbeing up to a certain level, but so are many other factors.

So, in addition to ensuring people have enough income, government policies – at local, national and EU level – should focus on things that genuinely improve wellbeing, such as personal health, a sense of community, better democracy, a healthy environment and access to green space, reducing discrimination and greater freedoms.

Governments should work with a wide range of people in order to establish what key outcomes will improve wellbeing. Policy should then be aimed at achieving these outcomes within environmental limits and considering global equity.

Friends of the Earth is working to make these ideas a reality:

- At European level we're working with a wide range of groups to identify a set of wellbeing-related outcomes that can be incorporated into Europe's economic policy as part of the review of Europe 2020 targets.
- At UK level we're calling for all Government departments to do a wellbeing assessment of new policies and spending plans.
- At local level we're encouraging our local groups to run workshops with a wide range of local people and groups to agree priorities for local wellbeing, and then to work with councils and others to achieve these priorities.

We are also identifying ideas for how to kick the consumer habit and instead increase wellbeing for all.



KEY REFERENCES

Costanza, 2014: www.nature.com/news/development-time-to-leave-gdp-behind-1.14499

Friends of the Earth, 2009: www.foeeurope.org/publications/2009/Overconsumption_Sep09.pdf

OECD, 2013: www.unsdsn.org/resources/publications/world-happiness-report-2013/

Easterlin, 2010: www.pnas.org/content/107/52/22463

NEF, 2012: www.neweconomics.org/publications/entry/well-being-patterns-uncovered

USEFUL LINKS

www.foe.co.uk/page/wellbeing-it-s-about-people-planet

www.foe.co.uk/what_we_do/about_us/big_ideas_change_the_world_40167

www.foe.co.uk/blog/four-ideas-help-kick-consumption-habit

www.neweconomics.org/blog/entry/five-steps-for-a-high-well-being-society

www.oxfam.org.uk/uk-poverty-blog/blog/2013/10/lining-up-life-and-economy

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