

FAIR release

Statement on the presentation of the final report by the Commission on the Measurement of Economic Performance and Social Progress at the Sorbonne on 14 September 2009.

The FAIR collective (Forum pour d'Autres Indicateurs de Richesse, Forum for Other Indicators of Wealth) welcomes the publication of the report from the "Stiglitz-Sen-Fitoussi Commission", formed on the initiative of the President of the French Republic, Nicolas Sarkozy.

Overall, this report sends out a useful signal in as much as it calls into question the excessive dominance of GDP as an indicator to guide public policy. We believe that whatever the potential statistical usefulness of this indicator, it should not serve as a benchmark for policy-making, since it does not make a distinction between useful and harmful production and, moreover, has contributed to conceal a number of major threats, including the environmental degradation that has spawned the ecological crisis and climate change to which the whole of humanity is now exposed. We welcome the fact that a number of renowned economists have underlined several of this indicator's drawbacks and expressed their criticisms of the GDP growth objective, which has made a major contribution over the last few decades to pushing our societies against the wall which now stands in our way.

Two aspects of the report remain highly problematic, however.

Firstly, the report's conception of sustainable development is focused on the specific needs of future generations while ignoring two essential elements: on the one hand, the current unbearable social impact of the economic policies in place and, on the other hand, the demands of governance and democracy that should be taken into account in global wealth indicators. It is also silent on the processes that should underpin the development of new indicators. Although the report contains a section called "political voice and governance", it is mentioned only as a dimension of current quality of life and well-being, which is restrictive.

The second problem concerns the role played by monetized indicators, which is excessive in our view. This is particularly the case of a proposed indicator derived from Adjusted Net Savings (ANS, developed by the World Bank), which is poorly suited, lacking in transparency and impossible for non-specialists to understand. It would necessarily lead us to fall into the same misguided ways as those we should be seeking to correct. The report has been compiled as if the make-up of the Commission had rendered it incapable of putting into perspective what monetary accounts can tell us about human progress and "sustainability".

What's more, the method used to compile the report revealed, in our view, a striking lack of openness. As such, we regret that a question of such vital importance as the definition of "social progress" was addressed by a closed circle, more than 90% of whose members were economists and, what's more, male.

At the same time, the way in which the report was discussed before it was presented to the French authorities would seem to imply a certain suspicion of democratic debate. This complex and technical report was subject to only the most cursory of consultations, having been published quietly on-line in June and only in one language. However, apart from being the role of all citizens to define the values which will form the foundation for 21st century society, at every level, recent history has shown the usefulness of a genuinely open debate on these issues. Pioneering works produced in France, themselves based on a number of preliminary international initiatives (including those by the UNDP), opened the way and have gradually raised people's awareness over the last ten years. Without them, and without the involvement of collectives at the Grenelle de l'Environnement forum, the Commission would certainly never have been set up in 2008. We therefore think that this report would undoubtedly have been better and have had greater legitimacy if the consultation in June had been launched with the desired amount of publicity and

preceded by several months of discussion between the Commission and the main stakeholders. We recognise this same nervousness about democratic debate in the highly unilateral public release of the report by the French authorities on 14 September. The report ends with a resounding call for a public debate involving the wider community. Why didn't the Commission lead the way?

It is time for the reports and speeches to give way to action. We need to democratically define new indicators, based on this report, but also the report issued by the *Conseil économique, social et environnemental* ("Economic, social and environmental council"), and others; bring them together in an "annual report on the nation's sustainable human development", of which the nation's economic accounts would only form part, and would certainly not be the centre; foster similar initiatives in the regions; and organise "community conferences" on these issues. The real work has only just begun.