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Progressing Beyond GDP: Towards a Multidimensional Living Standards Index (MLSI) and Integrated Headline Measure of Gross National Sustainable Development (GNSD)

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Context

Momentum is growing among policymakers, statisticians and the general public in the long-running effort to move “beyond GDP” in the measurement of countries’ economic progress. Dozens of countries have established explicit well-being or other broader national performance frameworks in the past two decades.¹

These developments reflect the widespread aspiration, often expressed in consensus intergovernmental declarations, for a more inclusive, sustainable, and resilient pattern of economic growth and development. They also manifest a belief, shared across many other fields of human endeavor, that what is measured as a priority gets managed as a priority.

Polities in countries across all regions, levels of development, cultures, and political systems have been signaling loudly for many years that they want their political leaders and policymakers to place greater priority on the bottom-line measure of national economic performance as seen from their perspective on the ground: their standard of living, that is, material lived experience.

GDP growth is a rough proxy for this. As a national tally of the market value of goods and services produced, GDP does not claim to measure progress in people’s actual living standards—e.g., employment status and prospects; compensation and other household income; the cost of necessities; and material sufficiency and security, which underpin their dignity and agency.

These are the practical ways in which people experience their countries’ economic progress in everyday life. These parameters, rather than the GDP statistics that are primarily reported

and analyzed in the financial media, ultimately determine how societies evaluate their economies’ performance and assess the role played therein by their governments and business communities.

Despite many years of productive debate and innovation in measurement since the 2009 publication of the landmark Stiglitz-Sen-Fitoussi report,² the disconnect between this bottom-up, lived-experience perspective of people and the top-down, GDP-centric preoccupation of economists and policymakers persists. GDP remains by far the preeminent measure to assess and manage economic progress.

This disconnect is likely to widen further in the years ahead without major reform. On the one hand, the scaling effects of artificial intelligence (AI) and digital transformation, and on the other, rising environmental and economic disruption related to climate change, threaten to widen the gap between progress measured by mean productive output and that expressed in median living standards. At a time when social and political cohesion and trust in institutions are already under severe strain in many countries, the stakes of addressing this disjuncture through better economic measurement and management are very high indeed.

The growing urgency of the Beyond GDP debate is reflected in growing interest in the concept of the “Human Rights Economy.”³ This notion holds that satisfying universal economic and social human rights—including by meeting the minimum core obligations of States to ensure the essential material dignity and sufficiency of all of their people—should take top priority in economic policy, and that fulfilling these rights should be seen as a contributing engine, not just an ex-post outcome, of increased productive output.

¹ See for example United Nations Economic Commission for Europe (UNECE), *Guidelines on measurement of well-being*, 2025, pp. 8 – 11. https://unece.org/sites/default/files/2025-10/2512819_E_PDF_WEB_0.pdf.

² Stiglitz, Joseph E., Amartya Sen and J.P. Fitoussi, *Report by the Commission on the Measurement of Economic Performance and Social Progress*, 2009. <https://ec.europa.eu/eurostat/documents/8131721/8131772/Stiglitz-Sen-Fitoussi-Commission-report.pdf>.

³ See Office of the High Commissioner for Human Rights, “Human rights economy – Seeding change for an economy that enhances human rights: OHCHR and the 2030 Agenda for Sustainable Development,” <https://www.ohchr.org/en/sdgs/human-rights-economy-seeding-change-economy-enhances-human-rights> and, UN Human Rights Council, *Eradicating poverty beyond growth: Report of the Special Rapporteur on extreme poverty and human rights*, Oliver De Schutter, <https://docs.un.org/en/A/HRC/56/61>.

Such a reordering of thinking about economic development is gaining traction not only in poor countries but also in affluent countries, especially among younger generations concerned about the rising relative costs of housing, education, healthcare, childcare, and other necessities. Those for whom this “affordability crisis” is top of mind find little comfort in the comparatively abstract productivity and GDP growth statistics released by their governments and dissected by economists and financial journalists. Moreover, the still-nascent debate about post-growth or steady-state economics⁴ is increasingly difficult to ignore, as working-age populations contract in relative and sometimes absolute terms in many high- and middle-income countries, and as these and other nations grapple with the implications for production and consumption of their Nationally Determined Contributions (NDCs) under the UNFCCC Paris Agreement.

The UN System’s History of Beyond GDP Leadership

The UN system has led the way on the Beyond GDP agenda for many years, and continues to do so. In the 1990s, the United Nations Development Programme (UNDP) developed the Human Development Index (HDI), the original official international metric of economic progress measured by material living standards.⁵ The HDI was inspired by Nobel Laureate Amartya Sen’s bottom-up, human-capability-and-agency

reconceptualization of economic development.⁶ It remains the human-outcome indicator most readily available to complement GDP. But despite widespread recognition of its groundbreaking importance—and the fact that it includes GDP per capita as one of its three components—it has never supplanted GDP as the preeminent measure of annual national economic progress and international levels of development.

Nevertheless, UNDP and other parts of the UN system have persisted and continued to innovate in this direction. In cooperation with the Oxford Poverty and Human Development Initiative, UNDP published the Multidimensional Poverty Index (MPI) in its 2010 Human Development Report,⁷ marking a new approach to measuring poverty beyond income- and consumption-based metrics such as GDP per capita. The MPI assesses the extent of human deprivation in health, education, water, energy, housing, sanitation, and certain assets. This more specific, household-centred measure of acute poverty has been published alongside the HDI since its inception. Around the same time, the International Labour Organization (ILO) developed a complementary set of Decent Work Indicators measuring key aspects of the world-of-work dimensions of people’s living standards.⁸ These are also reported regularly, albeit individually, on the ILOSTAT data platform.⁹ More recently, UNDP has experimented with several refinements to the HDI, adjusting for distributional, environmental, and other considerations.¹⁰ Indeed, in the forthcoming

⁴ See for example Georgescu-Roegen, Nicholas. 1971. *The Entropy Law and the Economic Process*. Cambridge, MA: Harvard University Press. Daly, H. E. (1991). *Steady-state economics* (2nd ed.). Washington, DC: Island Press; Daly, H. E. (1996). *Beyond growth: The economics of sustainable development*. Boston, MA: Beacon Press; Kallis, Giorgos, Christian Kerschner, and Joan Martinez-Alier. 2012. “The Economics of Degrowth.” *Ecological Economics* 84: 172–180. <https://doi.org/10.1016/j.ecolecon.2012.08.017>; Fleurbaey, Marc, and Didier Blanchet. 2013. *Beyond GDP: Measuring Welfare and Assessing Sustainability*. Oxford: Oxford University Press; Jackson, Tim. 2017. *Prosperity Without Growth: Foundations for the Economy of Tomorrow*. 2nd ed. London: Routledge; Hickel, Jason. 2020. *Less Is More: How Degrowth Will Save the World*. London: William Heinemann.

⁵ United Nations Development Programme (UNDP). 1990. *Human Development Report 1990: Concept and Measurement of Human Development*. New York: Oxford University Press.

⁶ Sen, Amartya. 1999. *Development as Freedom*. New York: Alfred A. Knopf.

⁷ United Nations Development Programme (UNDP). 2010. *Human Development Report 2010: The Real Wealth of Nations—Pathways to Human Development*. New York: Palgrave Macmillan. For the most recent edition of the MPI, see: <https://hdr.undp.org/content/2025-global-multidimensional-poverty-index-mpi#/indicies/MPI>.

⁸ International Labour Organization (ILO). 2008. *Decent Work Indicators: Concepts and Definitions*. Geneva: International Labour Office. See also International Labour Organization, 2013. *Decent work indicators : guidelines for producers and users of statistical and legal framework indicators*: ILO manual: second version / International Labour Office. - Geneva: ILO https://www.ilo.org/sites/default/files/wcmsp5/groups/public/%40dgreports/%40integration/documents/publication/wcms_229374.pdf.

⁹ See ILOSTAT: <https://ilostat.ilo.org/>.

¹⁰ See for example, UN Development Programme, Planetary-Pressures-Adjusted Human Development Index, <https://hdr.undp.org/planetary-pressures-adjusted-human-development-index#/indicies/PHDI> and Inequality-Adjusted Human Development Index, <https://hdr.undp.org/inequality-adjusted-human-development-index#/indicies/IHDI>.

2026 edition of the *Human Development Report*, UNDP plans to introduce a new index called the Nature Relationships Index.¹¹

In 2015, the UN system established an overarching set of 169 statistical indicators to monitor the Sustainable Development Goals outlined in the 2030 Agenda.¹² Together, these 17 goals and their corresponding targets and indicators present a far more comprehensive and human-centred conception of economic progress than GDP alone captures. But while these indicators serve a vital purpose in rallying action and improving accountability within a more balanced, socially-embedded development agenda, their sheer number and diversity have prevented them from serving as a practical alternative to GDP as the leading metric of national economic progress.

In parallel, important work is ongoing within the UN Statistical Commission to improve GDP's capacities to capture the full measure of a country's net addition to productive output.¹³ The inter-agency Commission's latest approved workplan has set a goal of reaching agreement over the next few years on such topics as adjusting national accounts for the depletion and degradation of non-renewable natural resources (like fossil fuels, forests, and fish stocks) as a cost of production, so-called Net Domestic Product (NDP).¹⁴ It has also agreed to develop guidance on extended or "satellite" accounts and supplementary data—rather than directly modifying GDP itself—on such topics as the distribution of income, consumption, and wealth; unpaid household service work (such as childcare and domestic work); and health and education including aspects of human capital.

Box 1

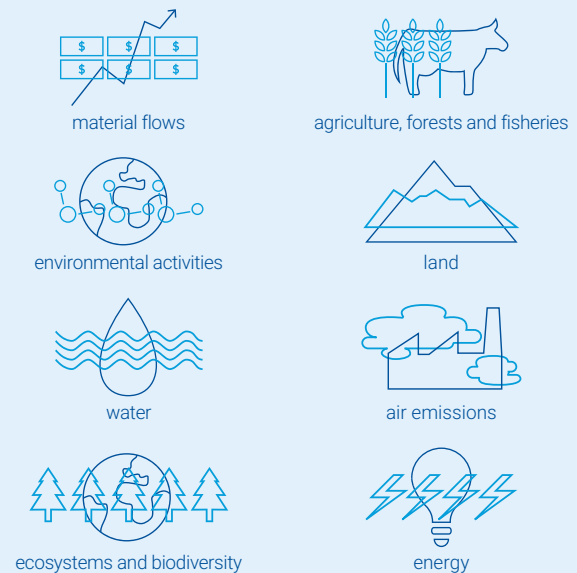
System of Environmental Economic Accounting (SEEA)

Recently, global statistical initiatives have made progress on linking economic activity, environmental pressures, and sustainability and well-being dimensions within a coherent accounting framework, with methodological consistency (United Nations et al., 2021; Eurostat et al., 2023).

In 2012, United Nations Member States adopted the System of Environmental Economic Accounting (SEEA) as the first international standard for environmental and economic accounting with definitions, classifications, accounting rules and methods for data generation similar to a System of National Accounts (SNA).

In 2021, the United Nations Statistical Commission adopted the expanded SEEA Ecosystem Accounting (SEEA-EA) framework to better measure ecosystem services, alongside economic activity and human well-being, with a stocks and flows perspective. Over nearly a decade the number of countries compiling SEEA accounts has increased by 81 per cent to 98 countries today. SEEA provides a data framework for eight types of accounts that can be linked to economic activity:

The SEEA provides frameworks for producing accounts in eight thematic areas:



Source: United Nations Department of Economic and Social Affairs, Statistics Division (n.d.). *Ecosystem accounting. System of Environmental-Economic Accounting.*

¹¹ See Pedro Conceicao, "The Reinvention of Progress," Geneva Policy Outlook, January 26, 2026, <https://www.genevapolicyoutlook.ch/the-reinvention-of-progress/>.

¹² United Nations. 2015. *Transforming Our World: The 2030 Agenda for Sustainable Development*. UN General Assembly Resolution A/RES/70/1. https://www.un.org/en/development/desa/population/migration/generalassembly/docs/globalcompact/A_RES_70_1_E.pdf.

¹³ The adoption of System of National Accounts 2025 by UNStat is playing a central role in both improving the computation of GDP and advancement of the broader Beyond GDP measurement agenda. For further information on the economic, social and environmental dimensions of development of such official accounting frameworks, see the SNA (economic), SPSS (social) and SEEA (environmental). Historically, the social one (SPSS) is the most underdeveloped, and social dimensions have been captured in enhancements to the SNA (the additional modules).

¹⁴ United Nations Statistical Commission. 2025. *Report of the Statistical Commission on its Fifty-Sixth Session, 4–7 March 2025*. Report E/2025/24 & E/CN.3/2025/37. New York: United Nations. <https://docs.un.org/en/E/2025/24>.

This important work of the UN Statistical Commission builds upon “The Measure of Economic Welfare” (MEW) introduced by William Nordhaus and James Tobin in 1972, which was a pioneering attempt to shift the focus from traditional GDP to a more meaningful assessment of progress. By adjusting national output to include the value of leisure time, the value of unpaid work, and the value of environmental damage stemming from industrial production and consumption, the MEW sought to capture actual human well-being.¹⁵ In 1989, Herman Daly and John Cobb developed the Index of Sustainable Economic Welfare (ISEW) to more accurately track the growing gap between economic growth (GDP) and sustainable well-being (economic welfare). The ISEW goes beyond its predecessor by integrating factors such as income distribution and social costs, in addition to unpaid household labour and environmental damage emphasizing that high consumption does not equate to welfare if it is inequitably distributed or environmentally destructive.¹⁶ And more recently, the System of Environmental Economic Accounting Plus/SEEA+ is translating Beyond GDP principles into policy-usable indicators, such as adjusted measures of income and wealth accounting for environmental depletion and degradation, data on physical and monetary accounts of ecosystem services and better links between economic activity and distribution or inequality dimensions. The SEEA links to System of National Accounts data to ensure economic and environmental dimensions, while enabling natural capital accounting as a method to bolster GDP as it relates to ecosystem dynamics (see Box 1).

However, there are limits to these measures, for example their coverage of informal economic

activity and Indigenous Peoples. From a human rights perspective, measures and methods should seek to engage and document progress in terms of development through multiple perspectives. However, measures to date have not aligned or integrated Indigenous perspectives of development. Nor do current measures effectively report on the economic contributions of Indigenous Peoples, with limitations on the integration of informal economic activity and household activities under the care economy for example. These limitations are especially significant in developing countries, including rural areas and vulnerable communities, where measuring progress on development is essential.

In an effort to build on all of this (and other) progress, the UN General Assembly in the 2024 Pact for the Future authorized the Secretary-General to establish a High-Level Expert Group (HLEG) to “develop recommendations for a limited number of country-owned and universally applicable indicators of sustainable development that complement and go beyond gross domestic product, in close consultation with Member States and relevant stakeholders, taking into account the work of the Statistical Commission, building on the global indicator framework for the Sustainable Development Goals and targets of the 2030 Agenda for Sustainable Development and to present the outcome of its work during the eightieth session of the General Assembly.”¹⁷

Appointed in May 2025, the HLEG issued an interim report in November 2025, indicating that it is developing a framework to complement GDP, built on “three central and interlinked pillars: well-being, equity and inclusion, and sustainability.”¹⁸ It plans to present its final recommendations to the UN General Assembly

¹⁵ Nordhaus and Tobin acknowledged the metric’s limitations, describing it as a “primitive and experimental” tool because of the inherent difficulty in accurately quantifying how consumption translates into collective happiness. Despite these challenges, the MEW established a vital framework for future economic indicators by highlighting that raw production figures are often disconnected from quality of life.

¹⁶ Research using this index revealed a significant trend: while GDP in many developed nations continued to rise after the mid-1980s, actual welfare either stagnated or declined. Ultimately, the ISEW serves as a crucial bridge toward modern sustainability metrics, proving that truly “meaningful” growth must account for social equity and the long-term preservation of natural resources.

¹⁷ United Nations General Assembly. 2024. *The Pact for the Future*. Resolution A/RES/79/1, adopted 22 September 2024. New York: United Nations, Action 53(a): <https://www.un.org/pact-for-the-future/en/action-53a>.

¹⁸ High-Level Expert Group on Beyond GDP. 2025. *Interim Progress Report*. November 2025. United Nations. https://www.un.org/sites/un2.un.org/files/interim_report_high-level_expert_group_on_beyond_gdp_251105.pdf.

in 2026, after which an intergovernmental negotiation on Beyond GDP is expected.

Primary Objectives and Scope of the Next Stage of Reform

This Working Paper offers an informal reflection on the broader Beyond GDP journey by a group of UN-affiliated economists. It is intended as a background resource for anyone interested in advancing a broader conception and measurement of economic progress than that captured by conventional measures of an economy's productive output. This includes, but is not limited to, the process underway in the HLEG, which itself is intended to serve as a resource for decision-making by governments and intergovernmental bodies. This Working Paper is not intended as a specific proposal or alternative to the current process but rather as a fundamental reflection on how the overall endeavor might ultimately be structured to achieve maximum behavioral impact in the highest economic policymaking councils of government, including by emphasizing more clearly the foundational importance of universal economic and social rights. The views expressed here are those of the authors alone and not of the agencies and institutions with which they are affiliated.

A key question for everyone involved in or interested in this important debate is what the fundamental aim and corresponding scope of the next stage of reform should be. After the important analyses and innovations undertaken in the UN system and elsewhere over the past fifteen years, what should be the priority now? Should the principal aim and approach of the next stage of Beyond GDP efforts be to:

a) improve GDP, transcending or “going beyond” its widely recognized limitations

even as a measure of an economy's productive output;

- b) create a complementary well-being and sustainable development metric** (or dashboard of metrics) incorporating material (economic) and non-material as well as objective and subjective indicators; and/or
- c) create a new standardized measure of national economic progress** that, in being limited to objective and material/economic indicators, might have greater potential to supplant GDP (potentially by subsuming it) as the preeminent metric of national economic performance and international development standing?

In addition, to what extent and how should the improved measurement framework(s) produced in pursuit of these objectives visibly manifest the legal obligation of States to afford all of their citizens basic sufficiency and hence dignity and agency, per the requirement under the 1966 International Covenant on Economic, Social and Cultural Rights to “take steps, individually and through international assistance and cooperation ... to the maximum of its available resources, with a view to achieving progressively the full realization of economic, social and cultural rights, by all appropriate means.”¹⁹

These are not mutually exclusive objectives and considerations. However, they are distinct, and their benefits should not be assumed to obtain naturally or inevitably together. Moreover, there may be tradeoffs among them.

For example, with respect to approach (a), productive output, even if better measured, will always be an indirect proxy for progress in the material lived experience of a nation's people. GDP growth is strongly correlated with rising living standards, but this relationship is not lockstep. It also tends to weaken as countries become more affluent, and it can vary widely

¹⁹ See Article 2 (1) of United Nations General Assembly, 1966. *International Covenant on Economic, Social and Cultural Rights*. G.A. Res. 2200A (XXI), 993 U.N.T.S. 3 (adopted Dec. 16, 1966; entered into force Jan. 3, 1976). United Nations. <https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>.

depending on the strength of a wide range of policies and institutional features.²⁰ Thus, improving the measurement of productive output, such as by adding unpaid but productive services (e.g. care economy) and subtracting other activity that ultimately retards progress by borrowing it from the future, is destined to be only a limited solution to the broader ambition of creating a more complete and thus accurate apex measure of national economic progress, i.e., recontextualizing GDP growth as an important means rather than the principal end of economic policy.

Focusing Beyond GDP reform solely on improvement in the measurement of productive output is like trying to fit a square peg into a round hole of similar size. A better approach to this proverbial challenge is generally to adjust the dimensions of the peg and the hole and then fill in the remaining space with other suitable material. In this case, that would mean incorporating alongside GDP a number of more direct and human-centred measures of material social welfare, which is to say the country's general standard of living.

This is the stated purpose of approach (b). But because it tends to incorporate certain non-material and sometimes quite subjective markers of well-being (e.g., of social cohesion, safety, trust), this approach is likely to have a hard time supplanting GDP as the paramount metric of the national economic performance and international level of economic development. To be certain, an internationally-standardized well-being and sustainable development framework would represent an important step forward, but it would likely face the same practical obstacles

to being mainstreamed in economics pedagogy and practice that earlier well-being frameworks and the SDG indicators have encountered over the years. These include such important contributions as the SAGE²¹ and OECD Well-Being²² frameworks, the Sufficiency Economy²³, the Gross Happiness²⁴ and Gross Progress²⁵ Indexes, and others. Beyond GDP reform based on this approach thus risks remaining stuck at the level of best rather than customary practice as far as mainstream economic policymaking and headline statistical reporting are concerned.

By contrast, approach (c)—creating a broader standardized metric composed solely of quantifiable socioeconomic indicators, including those that track the material lived experience of people more directly than GDP per capita—stands a much better chance of being widely accepted and applied by economists and statisticians, whether in tandem with or subsuming GDP. Recontextualizing GDP in this way would represent a major leap for today's economics establishment. But by remaining focused on *material/economic* phenomena measured through the collection of relatively *objective quantitative* data, such a new integrated apex indicator or dashboard would be far more likely to be accepted technically and assimilated culturally within the mainstream economics community.

In sum, although these three approaches are not necessarily mutually exclusive, their respective benefits cannot be expected to obtain automatically or inevitably together. Governments and stakeholders should be clear about such differences and trade-offs at the outset of the next stage of reform. In this spirit, the next sections of this paper delve more deeply

²⁰ Samans, Richard. 2024. *Human-Centred Economics: The Living Standards of Nations*. Cham, Switzerland: Palgrave Macmillan. <https://doi.org/10.1007/9783031374357>

²¹ Lima de Miranda, Katharina, and Dennis J. Snower. 2020. *Recoupling Economic and Social Prosperity*. CESifo Working Paper Series No. 8133. CESifo. https://www.ifo.de/DocDL/cesifo1_wp8133.pdf.

²² Organisation for Economic Cooperation and Development. 2024. *How's Life? 2024: Wellbeing and Resilience in Times of Crisis*. Paris: OECD Publishing. <https://doi.org/10.1787/90ba854aen>.

²³ Pusaksrikit, T., and N. Assarut. 2025. "Sufficiency Economy Across Cultures: Insights From Thai and Western Approaches." *Sustainable Development* 1–15. <https://doi.org/10.1002/sd.70314>.

²⁴ Ura, Karma, Sabina Alkire, and Tshoki Zangmo. 2012. *GNH and GNH Index: A Short Guide to Gross National Happiness Index*. Thimphu, Bhutan: Centre for Bhutan Studies & GNH Research. <https://ophi.org.uk/publications/GNH-and-GNH-Index-Short-2012>.

²⁵ Talberth, John, Clifford Cobb, and Noah Slattery. 2007. *The Genuine Progress Indicator 2006: A Tool for Sustainable Development*. Oakland, CA: Redefining Progress. https://www.researchgate.net/publication/252265237_The_Genuine_Progress_Indicator_2006.

into the distinctions between and possibilities for approaches (b) and (c). We conclude by suggesting an alternative approach that would stack, or combine, approaches (b) and (c) in a coherent but separate manner, potentially better capturing the primary advantages of both.

A Segmented Approach

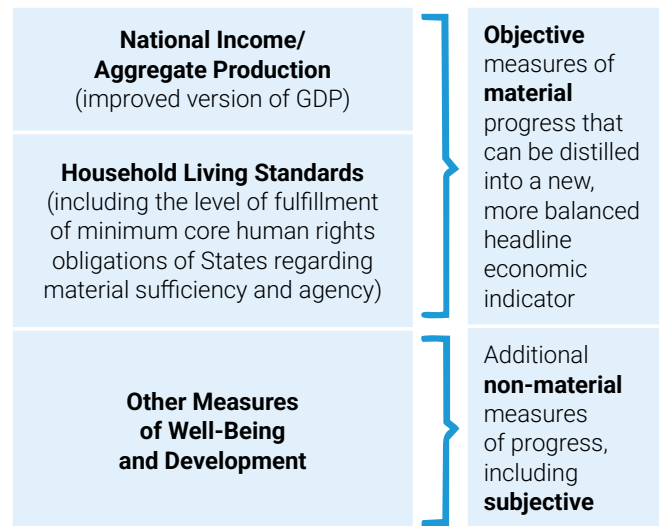
Judging from its Interim Report, the HLEG appears to be primarily pursuing approach (b), creation of a standardized hybrid set of economic and non-economic indicators to track well-being and sustainable development. This is a worthy approach; creating international alignment on a finite set of well-being and sustainable development indicators would make a significant contribution. However, as suggested above, there is a risk that it will fall short of the truly transformational objective of supplanting GDP alone as the preeminent standardized measure of national economic performance and international development.

If economic policymakers and statisticians were to experience difficulty reconciling the non-material and subjective elements of this approach with the hard-data tradition of GDP measurement, this could reinforce their reluctance to move beyond the longstanding narrower focus on measuring and managing productive output.

For this reason, and for others elaborated below, it may be advisable to treat the material and non-material dimensions of the Beyond GDP measurement agenda separately, segmenting them within the framework recommended for international adoption. This would permit these elements—productive output, material living standards, and other non-economic dimensions of well-being and development—to be stacked modularly, providing a clearer and more coherent picture (see Figure 1). Crucially, since the first two modules would consist of standard economic statistics (an improved version of GDP plus a set of quantitative metrics measuring key parameters

of the on-the-ground material lived experience of people), these could be combined into a single new headline measure of national *economic* progress that supplants or is routinely reported alongside GDP. Countries that also wished to measure a certain number of non-material and sometimes less objectively quantifiable measures, including those pertaining to well-being, could do so on a similarly consistent and comparable but supplemental and separate basis.

Figure 1
Beyond GDP Segmentation



Towards a Multidimensional Living Standards Index

Thus, to satisfy all three Beyond GDP objectives (a), (b), and (c) while increasing States’ accountability for their international legal commitment to the “progressive full realization” of universal economic and social human rights using “maximum available resources,” a clear concept is needed for the standardized measurement of improvement in *human outcomes* in material or economic terms—i.e., in the general standard of living of countries. Segmenting this set of quantitative economic metrics from other measures concerned with broader and/or less objectively quantifiable dimensions of well-being and sustainable development is likely the key to capturing the ultimate objective of the Beyond

GDP endeavor: a fundamental change in the framework of analysis and, hence, the decision-making priorities of economic policymakers. This has always been the aim of the Beyond GDP project: to rebalance policymakers' attention to and accountability for the social *quality* of economic growth, i.e., the extent to which it is inclusive, sustainable, and contributes to human and systemic resilience.

GDP is a relatively abstract, top-down statistical construct that measures the aggregate amount of goods and services produced in a country, at least those for which a market value can be ascertained. To be supplanted as the preeminent headline indicator of national economic performance, it will need to be integrated with or paired with a second module of similarly quantifiable measures that observe economic progress from the other end of the telescope, from the bottom-up perspective of the material lived experience of people.

This is not to say that non-material measures of well-being are unimportant. Rather, it is to emphasize that well-being is a broad and at times diffuse concept that encompasses both material and non-material, objectively quantitative and subjectively qualitative, dimensions. If a core aim is to transform *economic* policy, this distinction should be borne in mind, as it is a non-trivial one for economists and economic policymakers, the principal audiences whose behavior the Beyond GDP movement seeks to modify.

How to construct this second module tracing progress in human economic outcomes, in the general standard of living of countries? The HDI, MPI, and Decent Work Indicators are appropriate places to start. These time-tested building blocks draw on widely collected and standardized data that fill in important parts of the picture of median household living standards. This includes healthy life expectancy and mean years of schooling in the case of HDI, and the prevalence of acute deprivation and poverty across several critical dimensions in the case of MPI.

The MPI provides a particularly crucial building block in two respects. First, its focus is on the on-the-ground lived experience of households. This is indeed the other end of the telescope from GDP, for which the unit of analysis is the aggregate productive output of nations. Second, it provides a critically important window to the extent of acute deprivation across multiple dimensions of material well-being.

The MPI's household-level measurement of deprivations in health, education and living standards partially overlaps with minimum core obligations articulated in the UN CESCR General Comments (see Box 2). However, the two frameworks differ in purpose and threshold: the MPI identifies those experiencing *statistically severe deprivation* based on a composite counting approach, while minimum core obligations establish *legally binding minimum* essential levels of specific rights that States must ensure immediately for all individuals without discrimination. The MPI may capture some minimum core deficits—particularly regarding basic shelter, sanitation, and school attendance—but it does not measure compliance with legally defined thresholds (such as essential medicines, minimum essential foodstuffs, or compulsory primary education free of charge), nor does it assess whether States have deployed maximum available resources to satisfy these obligations as a matter of priority. Where MPI data are available, they can inform—but cannot substitute for—assessment of minimum core obligation fulfillment.

Moreover, while the MPI shines an invaluable spotlight on the key parameters of absolute deprivation—acute poverty—there are multiple other important dimensions of household living standards that are of keen importance to the great majority of the world's population living beyond this poverty line. In middle- and high-income countries, the minimum levels of sufficiency captured by the MPI have largely (but often not entirely) been achieved. In these countries as well in the better-off households

Box 2

Minimum core obligations articulated by UN CESCR General Comments

The minimum core obligations (MCOs) of States parties to the International Covenant on Economic, Social and Cultural Rights (ICESCR) constitute the *immediate, non-derogable floor* of legal entitlement beneath which no individual should fall, regardless of a State's resource constraints or stage of development. As articulated in the *Committee's General Comments*, these obligations require States to ensure the *minimum essential levels* of each substantive right for all persons within their jurisdiction.

HUMAN RIGHTS	MINIMUM ESSENTIAL LEVELS	LEGAL SOURCE
Food	Minimum essential food which is sufficient, nutritionally adequate and safe, to ensure freedom from hunger	General Comment No. 12 (1999)
Health	Access to health facilities, goods and services on a non-discriminatory basis, with particular emphasis on essential primary health care and immunization	General Comment No. 14 (2000)
Housing	Protection against homelessness, forced eviction, and housing conditions incompatible with human dignity	General Comment No. 4 (1991)
Water and sanitation	Access to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses; access to sanitation that ensures dignity and health	General Comment No. 14 (2000) and General Comment No. 15 (2002)
Education	Free compulsory primary education available immediately to all without discrimination; freedom from financial barriers to primary education	General Comment No. 13 (1999)
Work and just and favourable conditions of work	Protection against forced labour, extreme exclusion from work opportunities, and remuneration incompatible with survival	General Comment No. 18 (2005) and General Comment No. 23 (2016)
Social security	Access to a basic level of social protection ensuring income security and access to essential services in situations of need	General Comment No. 19 (2007)
Cultural	Protection against systematic exclusion from cultural life and denial of cultural identity, particularly for individuals and groups	General Comment No. 21 (2009)

The minimum core obligations outlined above provide the legal foundation for the "availability and affordability of material necessities" pillar of the Multidimensional Living Standards Index. They establish threshold levels of material sufficiency that are immediate and non-derogable, not subject to progressive realization. Assessment of compliance requires monitoring whether minimum essential levels are achieved for all individuals without discrimination, whether resource allocation prioritizes these minima, and whether any retrogression is justified through rigorous demonstration of maximum available resource constraints.

of low-income countries, improvement in living standards is perceived across a much wider range of parameters. Recent research has captured these dimensions in a simple five-part model of household living standards, which explicitly includes but extends well beyond the dimensions of material sufficiency addressed by the MPI:²⁶

- Employment and entrepreneurial opportunity
- Disposable income
- Availability and affordability of material necessities

- Economic and social security
- Environmental and natural resource security

As described in Box 3, these are the principal practical dimensions in which people perceive progress or retrogression in their standard of living, spanning economic opportunity, income, the necessities of life, and material security. A wide range of internationally-standardized indicators shedding light on the extent of progress in these dimensions already exist. Most are UN Sustainable Development Goal and ILO Decent Work indicators. However, there has never

²⁶ Samans, Richard. 2024. "From the Wealth to the Living Standards of Nations: Internalizing the Social Contract in Macroeconomic Theory and Policy." In R. Samans, *Human-Centred Economics: The Living Standards of Nations*, 107–130. Cham, Switzerland: Palgrave Macmillan. https://link.springer.com/chapter/10.1007/978-3-031-37435-7_4.

Box 3

Primary Dimensions of Household Living Standards

There is no single, generally accepted definition of “standard of living” or “material well-being” within any social science let alone across all of the relevant ones. However, five key dimensions are particularly important:

- *Employment and entrepreneurial opportunity*—the availability of decent work and livelihoods—certainly lies at the heart of the concept inasmuch as the great majority of the income of median households in rich and poor countries alike is derived from labour compensation of some form. In addition, work confers skills that can help to improve the resilience of workers and their households to economic and social change. Finally, decent work also confers a certain purpose and dignity upon one’s everyday existence. This may be more of an intangible than material aspect of well-being, but for many people it is just as important as the money they earn.
- *Disposable income*—financial resources available to spend after taxes and debt service—is obviously fundamental to one’s standard of living. It is the principal enabler of consumption, that is, purchases ranging from life’s immediate necessities to its more ephemeral pleasures. Whether one is well or poorly paid for productive services rendered and whether equal work is equally remunerated are key determinants in the material well-being of workers and their households. A household’s disposable income also determines its ability to invest in future well-being, for example in the acquisition of skills and competencies that lead to greater employment opportunity or in self-insurance against risks or unforeseen developments.
- The *availability and affordability of material necessities*, such as housing, food, shelter, and energy, also have a major influence on a household’s standard of living. Indeed, in all but the wealthiest households, such expenses account for a large proportion of the use of disposable income. They therefore tend to represent a major variable in the typical household’s perception of its standard of living.
- Basic *economic and social security*—a reasonable degree of protection against major risks to a household’s ability to provide for itself—is another vital element of its standard of living. Such risks include loss of employment, serious illness, disability, and old age. In the absence of basic social protection in these areas, households remain in constant, if underlying, anxiety about the prospect of downward mobility, i.e., a sudden, sharp drop in their standard of living.
- Finally, *environmental and natural resource security*—a reasonable degree of protection against risks of disruption to the household’s natural environment—is a rising preoccupation and important element of material well-being for many families. This applies not only to disruptions related to the climate and global warming, such as droughts, floods, and heat stress, all of which can seriously and rapidly impair livelihoods, property, and labour productivity, but also to threats to the same from air, water, and soil pollution and collapsing natural habitats and species populations. The viability and quality of the natural environment is an integral part of material well-being for a wide spectrum of households, from those depending on it directly for their livelihoods, to those whose health is threatened directly or indirectly by its degradation, to those relying on it for a significant share of their leisure and recreation.

Source: Samans, Richard (2024). *Human-Centred Economics: The Living Standards of Nations*. Palgrave Macmillan, in association with the International Labour Organization, pp. 113–114.

been a structured, let alone official, effort to distill a finite set of them and relevant elements of the HDI and MPI into an internationally comparable and widely reported framework measuring the level and rate of progress in the general standard of living of countries—a Multidimensional Living Standards Index (MLSI). Such an index could serve the purpose of the second module in the three-part (GDP–Living Standards–Well-Being) framework described in Figure 1 and ultimately combined or paired with GDP to present a more complete headline representation of *economic* progress.

Before exploring what such a Multidimensional Living Standards Index could look like, an important caveat is in order. The size of the

index—the number of indicators it contains—is an important and less than straightforward consideration. If it is too large, then its prospects of supplanting or being reported alongside GDP each year will be greatly diminished. After all, part of the currency of GDP is its attraction as a single number that is reported frequently and consistently. On the other hand, if the number of indicators is very small, then its power as a device to instill in economics pedagogy and practice a more specific and systematic sense of accountability for delivering improvement in the practical aspects of people’s lived experience—in the bottom-line social quality of economic growth and not just its top-line quantity as measured by GDP—will be diluted and similarly diminished.

One way to square this circle is to construct the index in layers, in a series of nested diagnostic views similar to the way the medical profession conducts regular health examinations of people. The most basic diagnostic level of such routine examinations is a person's vital signs (blood pressure, pulse, pupil dilation, etc.). The second is a more detailed set of data derived by ordering a panel of bloodwork and perhaps administering an electrocardiogram, typically every few years depending upon age. The roughly 40 or so data points produced by these two levels of "check-up" analysis provide a reasonably thorough picture of the evolving state of a person's health. The routine taking of vital signs provides a simple, abbreviated perspective, while the bloodwork and EKG afford a wider and deeper one. Both are fundamentally for the purpose of surfacing warning signs that may warrant further and more localized inquiry.

This is analogous to what is required for a more thorough and holistic assessment of annual changes in and the longer evolution of an economy's developmental "health": i.e., a core index of vital-sign or headline indicators "administered" at least annually, which form part of a broader but still limited set of data providing a more disaggregated scan of progress undertaken every few years, initially as a dashboard but perhaps ultimately also as a wider index. Together, the headline-indicator index and broader dashboard from which it is derived would better surface specific weaknesses or anomalies in the on-the-ground, lived experience performance of economies warranting deeper attention by policymakers. The limited set of indicators in the index could be combined in some fashion with GDP to yield a more balanced and human-centred *apex annual metric* of national economic progress and international level of development. The full dashboard providing the more disaggregated and detailed diagnostic guidance for policymakers could be reported every few years depending on the availability of data.

Importantly, indicators of material sufficiency corresponding to universal economic and social rights, including those covered by MPI and HDI, would be explicitly covered in both levels of analysis and for all countries. Additional weight could be given to them in the composition and calculation of the index for low- and lower-middle-income countries, where the challenge of attaining material sufficiency for all remains a substantial one. In this sense, the MLSI would embed and wrap around (i.e., explicitly build on) these two foundational approaches to the standardized international measurement of economies' human outcomes.

From a human rights perspective, such aggregation requires careful handling. Economic, social and cultural rights are indivisible and not substitutable—failure to ensure minimum essential levels of housing, for example, cannot be compensated by achievements in education or health. That is a key reason for the proposed hybrid or flexible format: a composite headline-indicator index for broad tracking purposes, accompanied by disaggregated dashboard views that permits independent visibility of each living-standards or indeed rights-relevant dimension. This broader dashboard view is critical for enabling policymakers and accountability mechanisms to identify specific deficits requiring targeted intervention, avoiding the masking of underperformance in particular areas through cross-dimensional averaging.

Figures 2 and 3 provide a specific illustration of what both of these elements—the full MLSI dashboard and its index of vital sign or headline indicators, respectively—might look like based on the current reporting frequency of country data around the world. Following this presentation is another showing how the MLSI index could be combined with GDP in a new apex measure of national economic progress: Gross National Sustainable Development (GNSD).

Figure 2

Multidimensional Living Standards Index - Full Dashboard (8 or 9 indicators per pillar compiled every two or three years)

Pillar 1: Employment and entrepreneurial opportunity (O)

- Labour underutilization rate, LU4 (ILO, annual)
- Proportion of people aged 15 to 24 not in employment, education or training (NEET) (ILO, annual)
- Gender labour force participation gap (ILO, annual)
- Informality rate (ILO, every few years)
- Forced and child labour rate (ILO, every few years)
- Proportion of 15-year-olds with minimum reading and math proficiency (OECD for 81 countries, every 3 years) and lower/upper secondary completion rate for LICs/all others (UNESCO, annual) OR HDI mean years of schooling completed and expected years of schooling upon entering the education system (UNDP annual)
- Adult participation in training in past 12 months (ILO, annual in principle)
- Access to credit (World Bank Getting Credit indicator, every few years)
- Proportion of businesses that had at least one contact with a public official and that paid a bribe to a public official, or were asked for a bribe by those public officials during the previous 12 months (UNODC every 2 to 4 years)

Pillar 2: Disposable Income (I)

- Real average annual wage (ILO annual)
- Median household income, inclusive of transfer payments, capital income (1/OECD to 3/World Bank years)
- Income poverty rate based on \$3/day for LICs; \$4.20/day for LMICs; \$8.30/day for UMICs; national poverty line for HICs (World Bank, OECD every 1 to 2 years)
- Labour productivity (ILO annual)
- Collective bargaining coverage rate (ILO every 1 to 2 years)
- Low pay rate (ILO every 1 to 2 years) OR working poverty rate (World Bank and ILO every 1 to 3 years) OR ratio of minimum to living wage (derived from ILO, other sources, irregular)
- Gender pay gap (ILO annual)
- Proportion of time spent on unpaid domestic and care work, by sex, age and location (UN Women, variable)
- 90/10 income inequality ratio (ILO every 1 to 3 years)

Pillar 3: Availability and affordability of necessities (N)

- Multidimensional Poverty Index, for LICs and LMICs – double weighting for them (UNDP every 1 to 3 years)
- Share of household income spent on housing costs (rent/mortgage + utilities) (World Bank every 1 to 2 years)
- Share of household income or consumption spent on food (World Bank, FAO annual)
- Share of household income spent on health care or catastrophic health expenditure, i.e., share of households with out-of-pocket health care costs over threshold of household income (WHO every 1 to 3 years)

- Share of household income or consumption spent on utilities/electricity/energy/water (World Bank every 2 to 3 years)
- Private household spending on education as % of total household expenditure (UNESCO every 1 to 3 years)
- Proportion of urban population living in slums, informal settlements or inadequate housing (UN-Habitat every 3 to 5 years or more)
- Share of household disposable income spent on mobile and broadband services, i.e., subscription cost ÷ average household income (ITU every 1 to 2 years)
- Average monthly childcare fees for formal childcare as a % of household disposable income of two-earner couple with two children, adjusted for public subsidies (OECD annual for OECD countries)

Pillar 4: Economic and social security (EcS)

- Healthy life expectancy (WHO every 1 to 2 years) OR HDI life expectancy at birth (UNDP annually)
- Percentage of population covered by health insurance (WHO every 1 to 3 years)
- Proportion of older persons receiving a pension, i.e., old-age effective public pension coverage rate (ILO, World Bank every 1 to 3 years)
- Average pension benefit received by beneficiaries as a percentage of average wage (ILO every 2 to 3 years)
- Incidence rate of fatal and non-fatal occupational injuries per 100,000 workers, (ILO annual)
- Homeownership rate (World Bank, UN-Habitat annually for some, 2 to 3 years others)
- Proportion of total agricultural population with ownership or secure rights over agricultural land (UN, FAO, UN-Habitat every 3 to 5 years)
- 90/10 wealth inequality ratio (ILO every 1 to 3 years) OR median wealth per adult (UBS Global Wealth Databook annual)
- Old-age dependency ratio (UN, World Bank, OECD) OR Total fertility rate (UN, World Bank, OECD) annual
- Proportion of the population covered by social protection floors or systems (at least one social protection) for LICs and LMICs (ILO annually) and Benefits in unemployment, share of previous income for UMICs and HICs (OECD annually)

Pillar 5: Environmental and natural resource security (EnS)

- EPI, 3 weights, one for each pillar (Yale and Columbia Universities every 2 years)
- HDI planetary pressure value, 2 weights, one each for material footprint and CO2 per capita (UNDP annual)
- Water stress level (FAO every 2 or 3 years)
- Cereal import dependency ratio (FAO annually)
- Processed food trade matrix – food imports and exports processing levels (UNCTAD, WHO, annual UN COMTRADE)
- Number of deaths attributable to heat exposure (WHO every 1 to 2 years)
- Total estimated economic damage from disasters as a proportion of GDP (Louvain/World Bank/Munich)

Figure 3 presents a subset of the full dashboard, including some of the most important and frequently and widely reported indicators. Two or three of these in each pillar could be reported annually in an index or an abbreviated dashboard alongside GDP, or integrated with it in some fashion, as elaborated upon in the next section.

Figure 3

Multidimensional Living Standards Index (2 or 3 annually-reported indicators per dashboard pillar)

Employment and entrepreneurial opportunity

- Labour underutilization rate, LU4 (ILO, annual)
- Proportion of people aged 15 to 24 not in employment, education or training (NEET) (ILO, annual)
- HDI mean years of schooling (UNDP)

Disposable income

- Real average annual wage (ILO annual)
- Income poverty rate (World Bank, OECD every 1 to 2 years)
- Labour productivity (ILO annual)

Availability and affordability of material necessities

- For LICs, MPI 3x weight (UNDP every 1 to 3 years)
- For LMICs, MPI 1.5x weight and Cost of necessities subindex of other individual indicators 1.5x weight
- For UMICs and HICs, Cost of necessities subindex 3x weight

Economic and social security

- Healthy life expectancy (WHO every 1 to 2 years) *OR* HDI life expectancy at birth (UNDP annually)
- Percentage of population covered by health insurance (WHO every 1 to 3 years)
- 90/10 wealth inequality ratio (ILO every 1 to 3 years) *OR* Median wealth per adult (UBS Global Wealth Databook annual)

Environmental and natural resource security

- EPI (Yale and Columbia Universities every 2 years)
- HDI planetary pressure (UNDP annual)
- Total estimated economic damage from disasters as a proportion of GDP (Louvain/World Bank/Munich Re every 1 to 3 years)

Replacing GDP as the Principal Headline Indicator of National Economic Progress

This presentation of a Multidimensional Living Standards Index to track progress in the general standard of living of countries is

an illustrative one. The question of which and how many individual indicators to include in the full dashboard as well as index itself is open to debate and merits deeper consideration. However, the more fundamental question raised by such a standardized approach to measuring societal economic progress is whether it could help to lift the Beyond GDP project to a higher level of ambition and impact, and sooner rather than later.

Beyond GDP reform is not an academic exercise. Its ultimate objective is to rebalance the attention and accountability of economic policymakers so that they focus at least as much, and as directly, on broad-based improvement in human outcomes—including the attainment of material sufficiency for all implied by universal economic and social human rights—as on national income.

The granularity of the full dashboard, with its 40 to 50 indicators, is therefore important. It should not be designed principally to serve as an interesting and elegant cross-country research tool. Rather, like the bloodwork analysis typically ordered by general practice physicians during routine checkups of their patients, it must first and foremost be a device for bringing to light specific problems and warning signs *within* countries for their policymakers. Thus, while there is likely to be a strong correlation among many of the full dashboard’s indicators, eliminating them for that reason would compromise the tool’s crucial in-country diagnostic value. Each indicator tends to be influenced by specific policies and/or institutional capacities, and each represents an important facet of a country’s general standard of living as experienced by households.

Nonetheless, a subset of the full dashboard’s indicators could be selected for integration with, or presentation alongside, GDP per capita on an annual basis to produce a more comprehensive and balanced standardized headline measure of economic performance and international development. For example:

Annual change and overall level of

“Gross National Sustainable Development (GNSD)” =

$0.5 \times \text{mean productive output (GDP/capita)} + 0.5 \times \text{median standard of living (MLSI score)}$

or indeed

$0.4 \times \text{GDP/capita} + 0.6 \times \text{MLSI (0.12/pillar)}$

This more holistic measure blends top- and bottom-line metrics of economic progress, providing a more balanced and human-centred expression of a country’s economic development or “aggregate social welfare” than GDP, i.e., “aggregate production,” alone. From a technical standpoint, GNSD could be reported as a single number, either as a “median living standard adjusted GDP” value in US dollars (or a basket of currencies), similar to how HDI’s inequality-adjusted variant is currently presented, or as the score of a composite index. Alternatively, it could be presented in a simple dashboard alongside GDP, e.g., ten indicators spanning the MLSI’s five dimensions, as well as GDP (which itself consists of four main components: consumption, government spending, investment, and net exports). Regardless, because the MLSI focuses solely on the material (economic) aspect of development, it has a better chance than broader frameworks (such as those relating to non-economic or subjective dimensions of well-being) of convincing economic policymakers and statisticians that the time has come to reposition GDP as one important component of national economic performance rather than the sole or preeminent one.

Indeed, this formula, especially the $0.4 \text{ GDP/capita} + 0.6 \text{ MLSI}$ variant, would rebalance emphasis toward the inclusiveness, sustainability, and resilience of growth, a much-discussed but never operationalized goal since the Great Financial Crisis and the Stiglitz–Sen–Fitoussi report. Growth would not be discarded from consideration; it would remain the single most heavily weighted factor

(each of the five living standards dimensions would be weighted 0.12x). However, it would be recontextualized as a means rather than an end in itself.

Annual national economic performance would be reported as the percentage change in GNSD. The two main components, GDP and MLSI, could also be disaggregated and reported separately, providing comparative measures of economies’ performance with respect to size (aggregate production, measured by GDP) and standard of living (aggregate social welfare, measured by MLSI). Because the combination of the two yields a fuller and more accurate expression of economic *development*, GNSD would also replace GDP per capita in standard international league tables ranking countries by level of development.

Thus far, this proposal has focused on *annual* reporting of national economic performance. However, GDP is also reported quarterly, which is part of its usefulness and appeal to policymakers, stakeholders, and analysts. With this in mind, a small number of relevant MLSI and other indicators that are available more frequently than annually in many countries could be reported quarterly alongside GDP, perhaps labeled as “GNSD Leading Indicators.” For example, these could include the latest official statistics on labour underutilization (unemployment), wages, productivity, new anti-poverty program claims, consumer prices, and/or GHG emissions. Whether presented as a dashboard or an index, this additional step would further embed a broader, Beyond GDP concept of national economic performance in the mindsets and decision-making priorities of governments and market actors.

Potential Beneficial Effects on Policymaking

Recontextualizing Economic Growth (in a way that could ultimately improve it)

International adoption of a more comprehensive headline metric of national economic performance, such as GNSD, and of an underlying standardized approach to measuring multidimensional living standards, such as MLSI, would be likely to have a profound impact on economic policymaking and analysis at precisely the time when governments of all political philosophies and levels of economic development are seeking more effective ways to address several critical challenges.

First, in many countries, population ageing has already begun to weigh on economic growth, a key driver of which is the change in the size of the active workforce. Countries whose populations are projected to age or shrink, or both, in the coming decades are likely to have growing interest in developing new strategies to maintain rising living standards amid slower or even stagnant overall GDP growth. The MLSI's indicators span many domains in which policy and institutional improvements can increase the payoff to median living standards from a given level of productive output (i.e., the social quality of growth in an economy). Indeed, countries at the same level of development, as measured by GDP per capita, often have widely divergent scores on certain of these indicators; variations of three to five times are not unusual between low- and median-performing

countries within the same World Bank income classification group.²⁷

Second, concerns that the economic benefits of AI may be concentrated among a limited number of firms and countries are likely to push politicians and policymakers in the same direction. Advanced countries, in particular, may face a major new policy imperative in a few years: finding more effective pre- and post-distribution ways to diffuse the benefits of AI's potentially sizable contributions to productivity, corporate profits, and national income to their populations.²⁸ This is another scenario in which policymakers may be increasingly compelled to look beyond headline GDP and the traditional instruments used to influence it—macroeconomic stimulus, product and labour market flexibility, and trade promotion—to avert increases in inequality, precarity, and underemployment, and the dangers these pose to aggregate demand and growth itself.

Third, the positive correlation between resource use, GHG emissions intensity and economic growth, which has largely persisted, may eventually compel governments to reconsider how they organize and deliver economic progress.²⁹ Stronger efforts to implement NDCs, many of which include net-zero targets, may prompt many countries to adopt more decisive measures to dematerialize consumption and reduce environmental degradation. Like population aging, rising pressure on planetary boundaries may constitute a structural constraint on the traditional approach of advancing living standards by increasing productive output.

²⁷ See Samans, Richard, op. cit. at pp. 246 – 251.

²⁸ See for example Korinek, A., & Stiglitz, J. E. (2017). *Artificial intelligence and its implications for income distribution and unemployment* (NBER Working Paper No. 24174). National Bureau of Economic Research. https://www.nber.org/system/files/working_papers/w24174/w24174.pdf?utm_source=chatgpt.com; Organisation for Economic Cooperation and Development. (2024). *The impact of artificial intelligence on productivity, distribution and growth*. OECD Publishing. https://www.oecd.org/content/dam/oecd/en/publications/reports/2024/04/the-impact-of-artificial-intelligence-on-productivity-distribution-and-growth_d54e2842/8d900037-en.pdf?utm_source=chatgpt.com; Rockall, E. J., Tavares, M. M., & Pizzinelli, C. (2025). *AI adoption and inequality* (IMF Working Paper No. 2025/068). International Monetary Fund. https://www.elibrary.imf.org/view/journals/001/2025/068/article-A001-en.pdf?utm_source=chatgpt.com; and Samans, Richard (2024) "Human Capital, Productivity and Inclusiveness: Towards a Whole-of-Economic-Policy Approach to Better Sharing the Benefits of Productivity Growth," Remarks at OECD Global Forum on Productivity, October 2024, <https://richardsamans.net/publication/presentation-infographic/human-capital-productivity-inclusiveness/>.

²⁹ See for example Ward, Jackson D. 2016. "Is Decoupling GDP Growth from Environmental Impact Possible? Evidence from Historical Data." *PLOS ONE* 11 (12): e0164733. <https://doi.org/10.1371/journal.pone.0164733>; Parrique, Timothée. 2019. *Decoupling Debunked: Evidence and Arguments against Green Growth as a Sole Strategy for Sustainability*. Brussels: European Environmental Bureau. <https://eeb.org/wp-content/uploads/2019/07/Decoupling-Debunked.pdf>; and Kallis, G. (2025). "Postgrowth: the science of well-being within planetary boundaries." *The Lancet Planetary Health*, https://www.thelancet.com/journals/lanplh/article/PIIS2542-5196%2824%2900310-3/fulltext?utm_source=chatgpt.com.

In these circumstances and others, adopting GNSD as the apex metric of national economic performance could help expand policymakers' appreciation of the range and combination of policies governments can employ to respond to the socioeconomic expectations of their people, including when economic growth faces significant and secular headwinds. The full MLSI index highlights numerous opportunities to do so through improved policy. For example, if a government were to move forthrightly to address weaknesses in its policy and institutional enabling environment that are adversely affecting its labour force participation rate, the cost of necessities, or the level of social protection and asset building, it could conceivably perform strongly on GNSD even if its GDP growth were stagnating or falling because of the effect of population ageing on its labour supply or the climate transition on its material consumption. Conversely, a country could find itself experiencing stagnation or even retrogression in its GNSD score at the same time that the AI revolution was significantly boosting its GDP. Such an "immiserating" pattern of growth could happen if AI significantly reduced job opportunities and exacerbated inequality, as some fear. In both scenarios, GNSD and the underlying MLSI would provide a more textured and sophisticated headline picture than GDP alone, improving the thoroughness of both policy and public accountability.

Finally, replacing GDP with an integrated top- and bottom-line measure of economic progress, such as GNSD, could boost the growth potential and performance of many economies. Many governments continue to miss win-win opportunities to strengthen growth and median living standards simultaneously because they pay insufficient attention to policy domains related to the MLSI's human-outcome indicators. The primacy of GDP reinforces the longstanding tendency among economists to underappreciate

the roles of inclusion, sustainability, and resilience in broadening and deepening the growth base. For example, weak support for training and active labour market policies retards both labour productivity and utilization (growth) and household economic opportunity (living standards). Weak enforcement of anti-discrimination laws—whether on grounds of sex, race, disability, or other prohibited distinctions under international human rights law—suppresses labour force participation (growth) and compounds horizontal inequalities in income and employment opportunity (living standards) by violating the immediate obligation of non-discrimination in the enjoyment of human rights (ICESCR, Art. 2.2). Poor levels of social protection, land tenure, and/or anti-corruption enforcement weaken consumer purchasing power, entrepreneurship, and business investment (growth) while reducing household disposable income and opportunity (living standards).

In other words, replacing or supplementing GDP with an integrated metric such as GNSD would broaden the perspective of top economic policymakers, who tend to be macroeconomists and financial market professionals. By focusing them more explicitly and equivalently on the top-line (GDP growth) *and* bottom-line (general improvement in household living standards) performance of their economies, it is likely to increase their interest in finding strategies to exploit untapped positive synergies between the two, i.e., to increase the quantity of growth *through* improvements in the institutional underpinnings of its social quality.

Shining a sharper spotlight on such untapped domestic sources of growth and development is precisely what the current economic and geopolitical context demands.³⁰ Countries, both large and small, that have long relied on export-led development strategies are facing new

³⁰ See for example Pettis, Michael. 2013. *The Great Rebalancing: Trade, Conflict, and the Perilous Road Ahead for the World Economy*. Updated edition. Princeton: Princeton University Press; Samans, Richard. 2025. "Rebalancing the World Economy: Right Idea but Wrong Approach." *Brookings Institution*, April 11, 2025. <https://www.brookings.edu/articles/rebalancing-the-world-economy-right-idea-but-wrong-approach/>; and Pettis, Michael. 2025. "The Global Trading System Was Already Broken." *Foreign Affairs*, April 21, 2025. <https://www.foreignaffairs.com/world/global-trading-system-was-already-broken>.

challenges from the ongoing fragmentation of the international trading system. This fragmentation provides a strong incentive to look closer to home for new sources of growth, and a more balanced headline measurement framework could help identify additional such opportunities.

In short, given the circumstances, the time is as ripe as it has ever been for the promulgation of a more comprehensive and balanced headline measure of national *economic* performance. The Beyond GDP project must keep its eye on that prize.

Connecting Human Rights and Economics

Finally, there is also a compelling moral and legal reason why reform should retain a clear segmentation between economic and non-economic dimensions of progress. This pertains to the longstanding, unresolved tension between rights-based and more instrumental approaches to economic development. The human rights community and others take the universal economic and social rights framed by the Universal Declaration on Human Rights and International Covenant on Economic, Social and Cultural Rights very seriously. By contrast, most economists are hardly aware of them and, to the extent they are, tend to consider them as extraneous, “political” considerations outside their purview. As a result, the human rights and economics academic disciplines and policymaking communities have been like two ships passing in the night for a long time.

Establishing a discrete focus on material living standards—as embodied in the MLSI and, by extension, GNSD—would have the additional advantage of explicitly embedding such rights in the headline metric used by policymakers and the media to track their country’s progress. Each of the five principal dimensions of household living standards tracked by the MLSI corresponds to at least one such right, as summarized in Box 4.

Because many of the proposed indicators within these five categories correspond to these rights, the MLSI has the additional potential of providing a more quantitatively rigorous basis for assessing the state of “progressive full realization” within countries. This includes those rights that transcend minimum thresholds of material sufficiency, such as the right to work or the right to social security. As such, the MLSI and GNSD would enhance public accountability on an important if underappreciated international legal obligation of States to prioritize policy efforts to afford for all of their citizens the universally recognized minimum threshold of sufficiency, dignity, and agency.

Indeed, it would be possible to pair the MLSI, which tracks five dimensions of human economic *outcomes*, with a companion “*input*” dashboard or index that comparatively measured the strength of a country’s policies and institutions (norms, policy incentives, institutional capacity, fiscal effort) in the same domains. This could aid in the assessment of the degree of effort being applied by the ICESCR’s 173 signatory States to take steps to apply *maximum available resources* (including with the support of the international community) to the progressive full realization of such rights. This input measurement framework could also be compiled every two or three years and be a useful resource for the ICESCR country review process, which the UN Committee on Economic, Social and Cultural Rights conducts of each signatory country roughly every five years on a rotating basis.

Such a framework of policy and institutional effort on fulfilling universal economic and social rights could be structured in two tiers of diagnostic views, the first focused on minimum core obligations articulated in the Covenant’s General Comments—which generally have to do with satisfying threshold levels of material sufficiency—and the second on progressive realization of other, broader rights.

Box 4

Universal Human Rights Underpin Household Living Standards

Employment and entrepreneurial opportunity (O):

- **UNHRD Article 23.1 and 26:** right to work, to free choice of employment, to just and favourable conditions of work and to protection against unemployment; and right to education; education shall be free, at least in the elementary and fundamental stages; elementary education shall be compulsory; technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit
- **ICESCR Articles 6 and 13:** the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts; and right of everyone to education

Disposable income (I):

- **UNHRD Article 23:** right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection; right to equal pay for equal work; right to form and to join trade unions for the protection of his interests
- **ICESCR Articles 7 and 8:** right of everyone to the enjoyment of just and favourable conditions of work which ensure, in particular (a) remuneration which provides all workers, as a minimum, with: (i) Fair wages and equal remuneration for work of equal value without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work; (ii) A decent living for themselves and their families in accordance with the provisions of the present Covenant, etc.; and right of everyone to form trade unions and join the trade union of his choice, subject only to the rules of the organization concerned, for the promotion and protection of his economic and social interests

Availability and affordability of material necessities (N):

- **UNHRD Article 25:** right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control
- **ICESCR Article 11:** right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent

Economic and social security (EcS):

- **UNHRD Article 22:** right to social security and is entitled to realization, through national effort and international co-operation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality
- **ICESCR Articles 9 and 12:** the right of everyone to social security, including social insurance; and right of everyone to the enjoyment of the highest attainable standard of physical and mental health

Environmental security (EnS):

- **UN General Assembly resolution A/RES/76/300 (2022):** right to a clean, healthy and sustainable environment

Conclusion

Many factors are contributing to rising interest in finding broader and more human-centred ways of assessing (and advancing) economic progress than those focused solely or principally upon GDP growth. The lingering effects of pandemic-related spikes in inflation, spreading Gen Z street protests, lagging progress on SDGs, stubbornly high levels of inequality and growing disruption from climate change

are all contributing to the mounting pressure on economists and economic policymakers to look “beyond GDP” in the measurement and management of economies.

Particularly in light of the UN’s plans for developing recommendations in a High-Level Expert Group and then negotiating an intergovernmental agreement, this is an opportune moment for the Beyond GDP agenda to seek and attain a higher level of impact.

This paper has suggested that what could be most helpful in this regard is the development of a framework that clearly segments the three key dimensions of this measurement challenge (productive output, material living standards, and other, non-material and/or subjective markers of well-being), while combining the first two in an alternative headline measure of *economic* progress that simultaneously shines a sharper spotlight on the pace of countries' progressive realization of universal economic and social rights.

The paper is intended as a resource for not only the HLEG and subsequent intergovernmental process but also the wider community that will continue working on various aspects of this topic for years to come. It is not meant as a specific proposal or alternative to the current process but rather as a fundamental reflection on how the overall endeavor might ultimately be organized (segmented) so as to achieve maximum behavioral impact in the highest economic policymaking councils of government, including by emphasizing more clearly the foundational importance of universal economic and social rights.

Potentially useful follow-on work aimed at testing and sharpening the concepts and tools presented in the paper could include preparing MLSI dashboards for a group of pilot countries,

testing an illustrative index of headline indicators, experimenting with different ways of combining the index with GDP to yield estimates of GNSD, and arriving at a number of preliminary observations regarding policy implications. In addition, exploring how the dashboard could be most usefully applied in the context of the UN Human Rights Council's periodic country reviews of progress on economic and social rights could be fruitful. Finally, it could be useful to take a closer, comparative look at economies in different contexts. Among the possibilities could be early AI-adopting or ageing economies, fossil-fuel-based or other resource-based economies, economies rapidly scaling their use of renewable energy, small island developing States (SIDS), least developed countries (LDCs) with high poverty rates, middle-income countries (MICs) with high poverty rates or large informal sectors, etc.

Building on years of constructive but not transformational progress, the stage is now set for governments to construct a more complete and thus rebalanced framework for the measurement and management of country economic performance, one that better corresponds to the concerns of people in the 21st century and the unexploited opportunities many countries have to increase growth and equity simultaneously.

