



Centre for Economic Development,
Transport and the Environment
North Karelia

GPI and Other (Alternative) Welfare Indexes

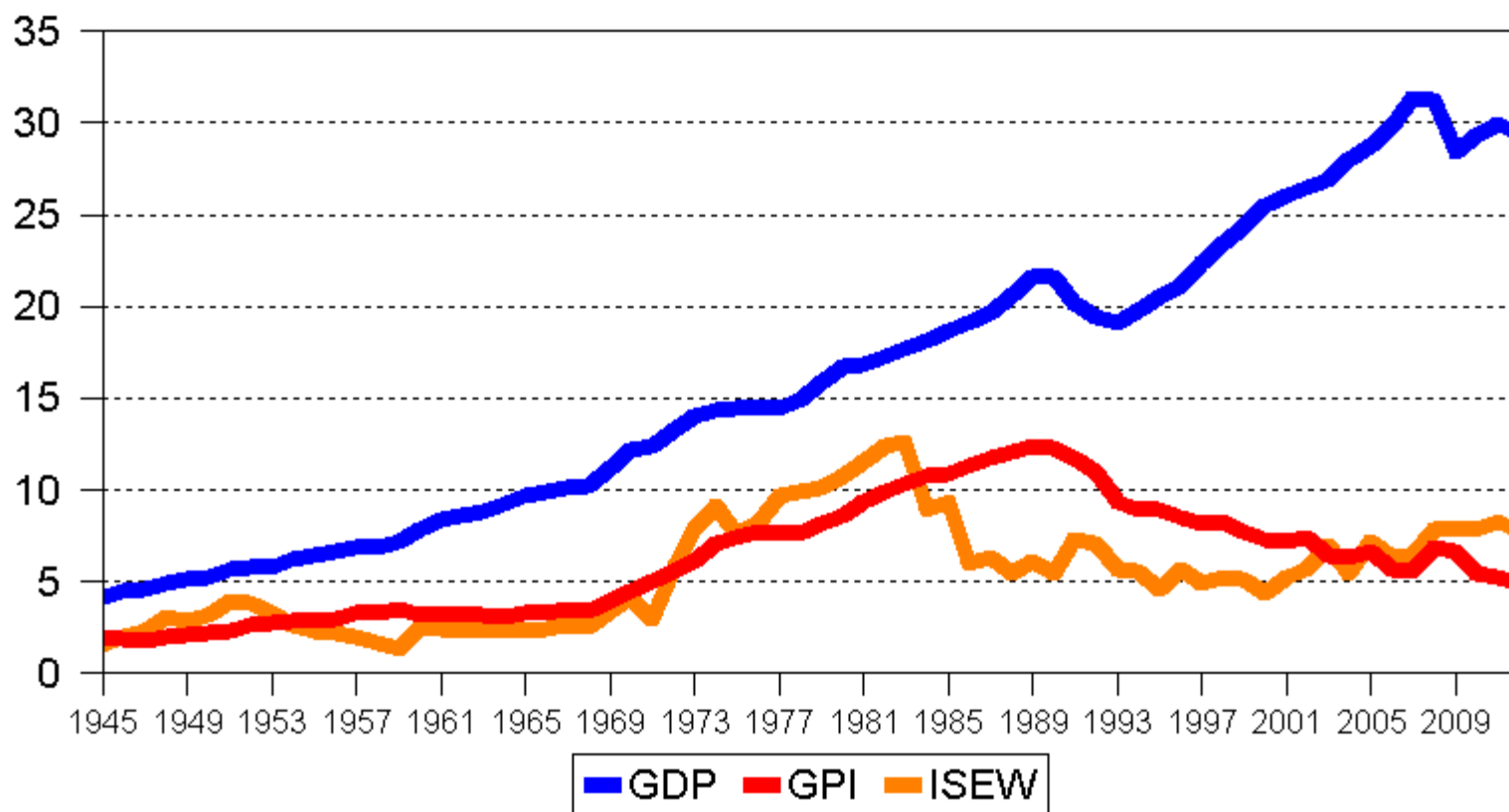
Timo J. Hokkanen; Jukka Hoffren,
Eero Vatanen, Heikki Eskelinen, Hannele Ilvessalo-Lax

ENCORE Steering Group
Bilbao 30.-31.10.2014

Indexes

- Gross Domestic Product
- Genuine Progress Indicator
- Human Development Index
- Ecological Footprint etc
- Index of Sustainable Economic Welfare
- Happiness?

GDP, ISEW ja GPI in 1945-2012 in Finland (* 1000 € per capita, real prices)



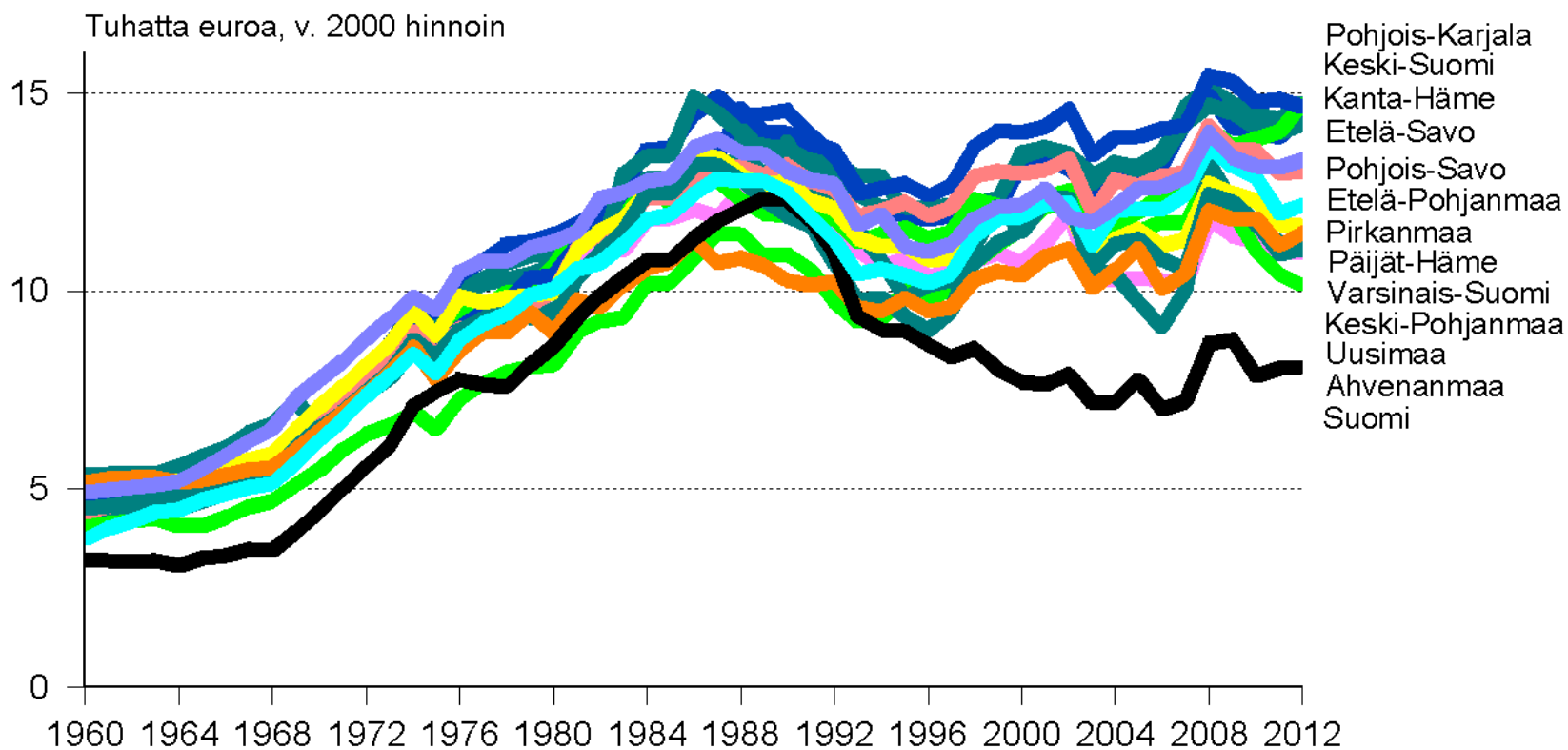
Calculation of GPI

- + Personal consumption weighted by income distribution index
- + Value of household work and parenting
- + Value of higher education
- + Value of volunteer work
- + Services of consumer durables
- + Services of highways and streets
- - Cost of crime
- - Loss of leisure time
- - Cost of unemployment
- - Cost of consumer durables
- - Cost of commuting
- - Cost of household pollution abatement
- - Cost of automobile accidents
- - Cost of water pollution
- - Cost of air pollution
- - Cost of noise pollution
- - Loss of wetlands - Loss of farmland
- -/+ Loss of forest area and damage from logging roads
- - Depletion of nonrenewable energy resources
- - Carbon dioxide emissions damage
- - Cost of ozone depletion
- +/- Net capital investment
- +/- Net foreign borrowing = GPI

Finland

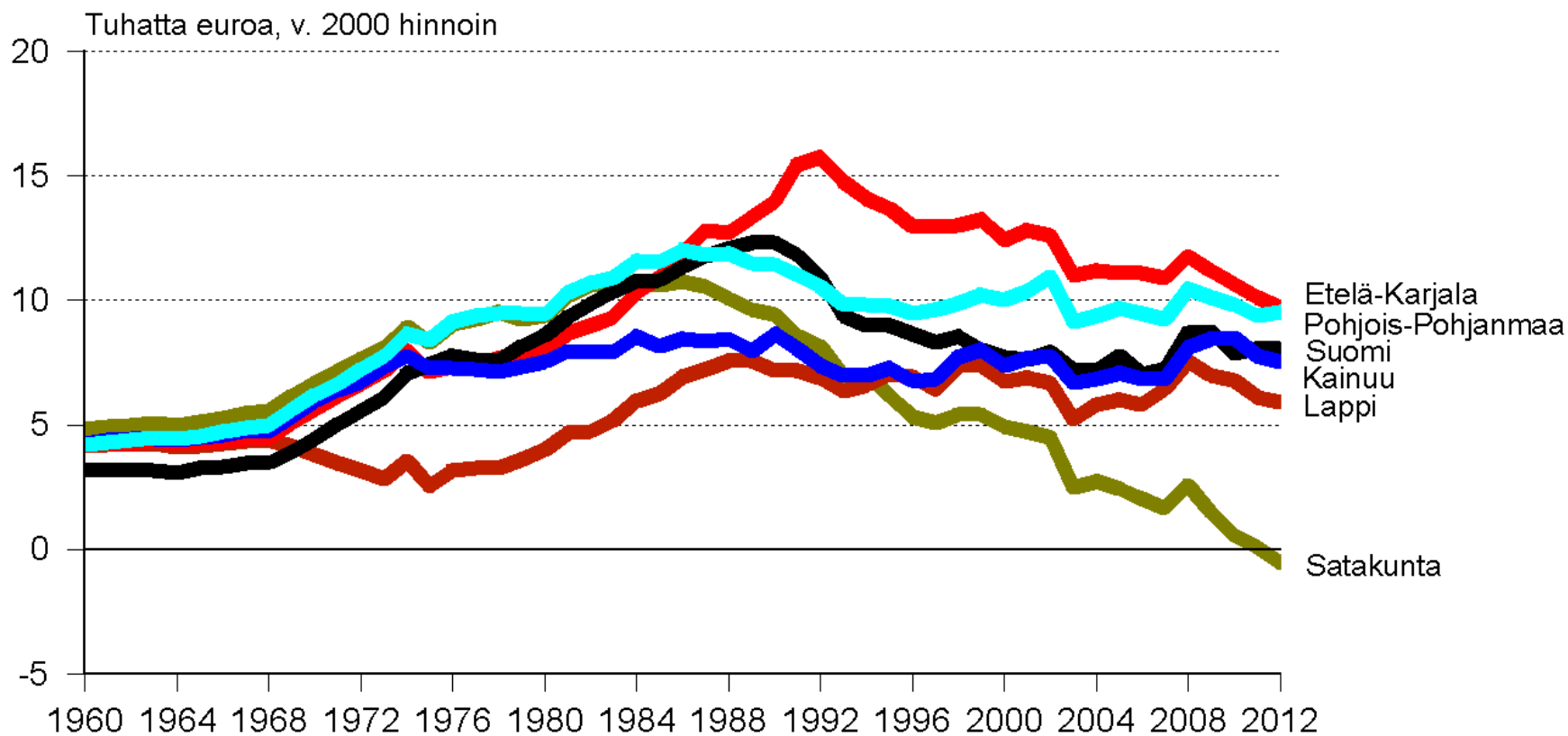
- GPI for all Finnish regions calculated
- EU meeting in the autumn
- Discussions
- ENCORE platform

Best provinces - GPI 1960-2012 (per capita * 1000 €)

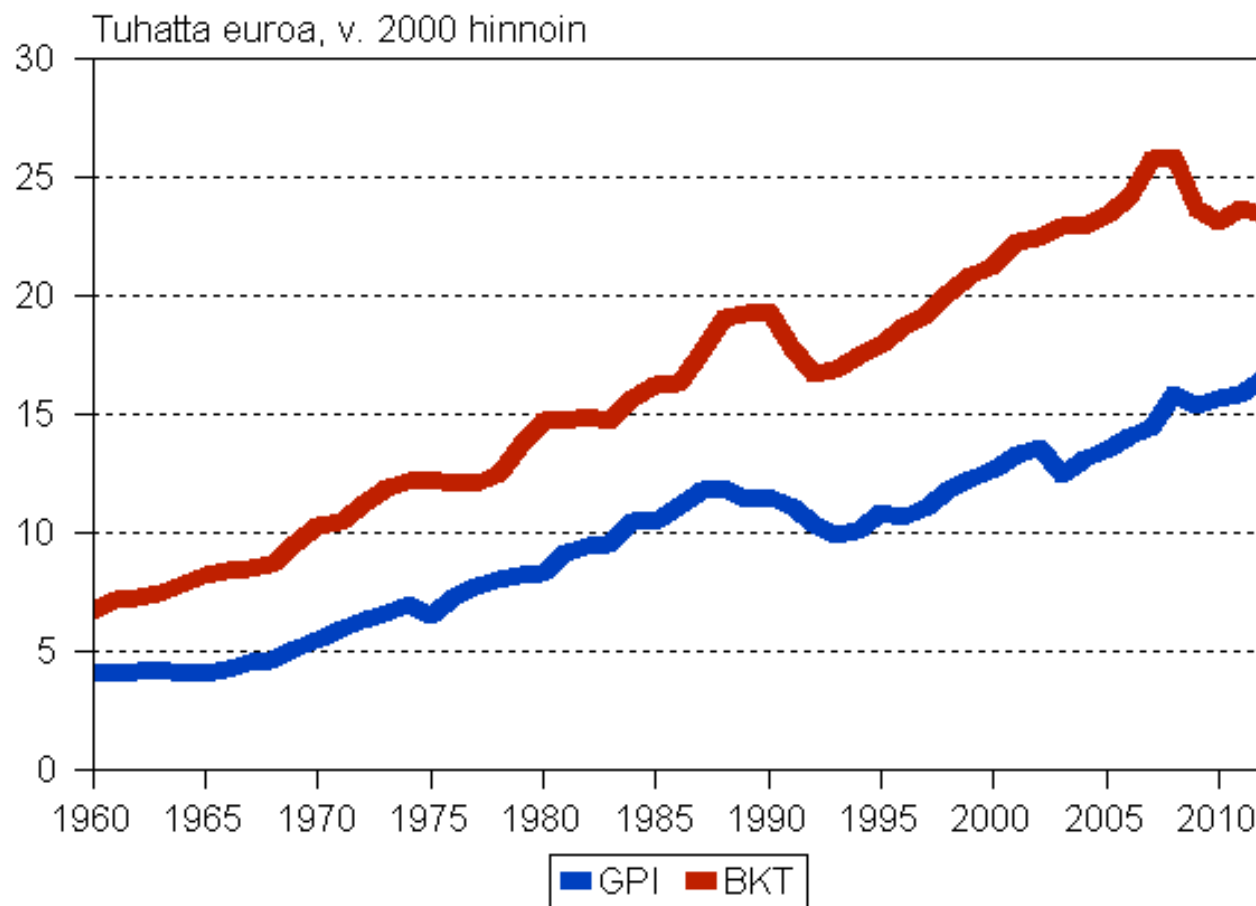


Worst provinces – GPI 1960 - 2012

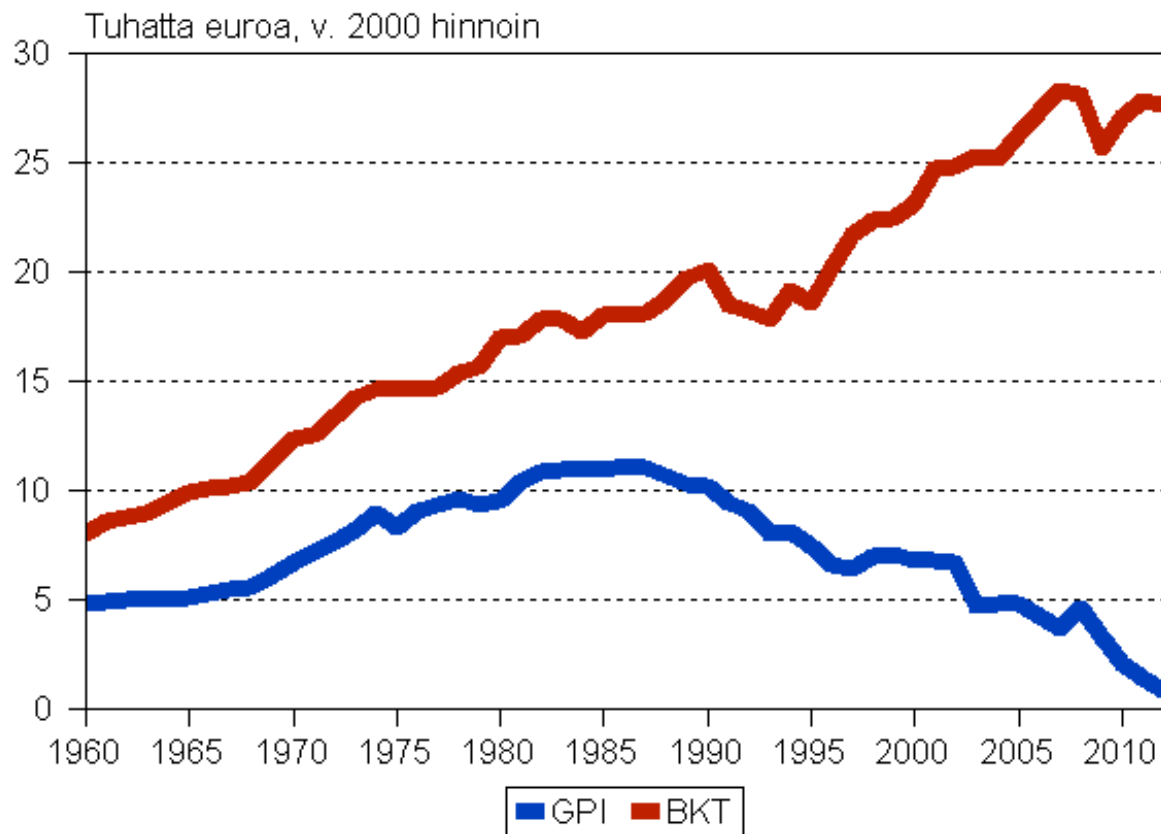
(per capita, *1000 €)



Central Finland GPI 1960-2012



Satakunta GPI 1960-2012



Regions

- Cannot influence all measured factors
- Well-being cannot be influenced solely by increasing economic activities
- Use of nature resources has increased: key influences on GPI

Questions

- For whom is the indicator being developed?
- Comparisons: why does HDI seem to be quite high in relatively poorly developed countries?
- Is GPI really suitable to measure and indicate genuine regional progress (development)?
- If CO2 emission is important for the level of GPI – why not use only that?

Project Development

- Which prior actions have been made in Europe to calculate GPI?
- EU policies?
- Who are the key actors and what are the joint goals for developing GPI (or other indexes)?
- Background study to clarify the starting point
- Financing is needed
 - cannot be obtained without an R&D plan
 - Joint actions necessary



See you!