



# Beyond **GDP**

Measuring progress, true wealth, and the well-being of nations

International Conference, 19 & 20 November 2007, Brussels

**Session I – Nov. 20**

**“Practice in Policy and Business”**

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*Member, **The Club of Rome***



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## Session I Panel:

- Carole Laible, President and Chief Operating Officer, Domini Social Investments
- George Gyan-Baffour, Deputy Minister of Finance and Economic Planning, Government of Ghana
- Nicole Notat, President, Vigeo
- Lothar Meinzer, Director, BASF



## Beyond GDP

### Examples of Financial Firms Using Enhanced Accounting and Risk Analysis

- Global Reporting Initiative, Amsterdam, NL
- Innovest Strategic Value Advisors, International, Toronto
- Domini Social Investments, USA
- Vigeo, France
- Sustainable Asset Management, Zurich
- Calvert Group, USA
- Swiss Reinsurance, Zurich
- Generation Investment Management, UK
- EcoSecurities, Brasil & UK
- ASRIA, Hong Kong
- Friends Provident, London
- Triodos Bank, NL and UK
- Rabobank, International, NL



## Beyond GDP

### **Finance Groups Promoting Enhanced Environmental, Social, Ethical Reporting**

- UN Global Compact – 3000 companies worldwide
- UN Principles of Responsible Investment – \$10 trillion in assets
- Carbon Disclosure Project – \$41 trillion in assets, UK
- CERES – \$3.7 trillion in assets, USA
- The Equator Principles – used by banks worldwide
- Social Investment Forum – \$2.3 trillion in assets with over 500 member practitioners and institutions, USA
- ChinaCSR.com – reporting on corporate social responsibility
- Instituto Ethos – member companies total 37% Brasil's economy
- Environmental Markets Association, UK
- Enhanced Analytics Initiative – \$2.5 trillion in assets, UK

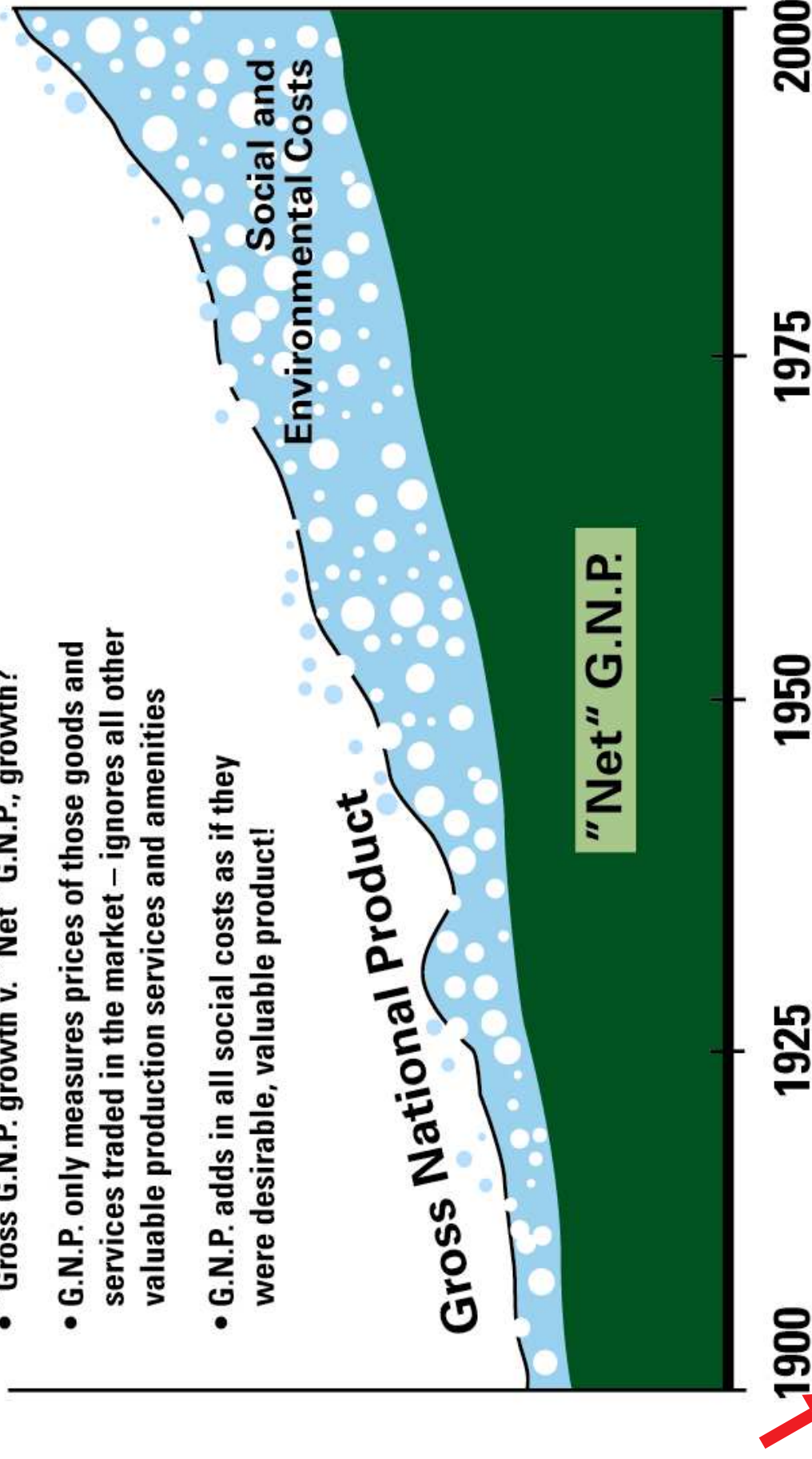


## Enhanced Analytics Avoid Risk

- Internalizes social and environmental costs and risks in company accounts and financing data
- Reduces “Black Swan” risks: “externalities blindness”  
see Nassim Taleb, [The Black Swan](#) (2007)
- Improves management foresight
- Improves overall corporate performance
- Enhances company brands and reputation
- Shifts production and technologies toward sustainability

# Gross National Product Problems

- "Gross G.N.P. growth v. "Net" G.N.P., growth?"
- G.N.P. only measures prices of those goods and services traded in the market – ignores all other valuable production services and amenities
- G.N.P. adds in all social costs as if they were desirable, valuable product!





## The Information Age has become the Age of Truth

- Corporations have expanded their accounting to the “triple bottom line” of People, Planet and Profit.
- Now it is time for national accounts to conform by also internalizing social and environmental costs.
- Expanding national accounts can steer countries toward sustainability.
- Beyond GDP ? Quality of Life
- Globescan Survey – 70% majorities in 10 countries agree