

The National Welfare Index – A New German Approach to Policy Information on Societal Welfare and Sustainable Growth

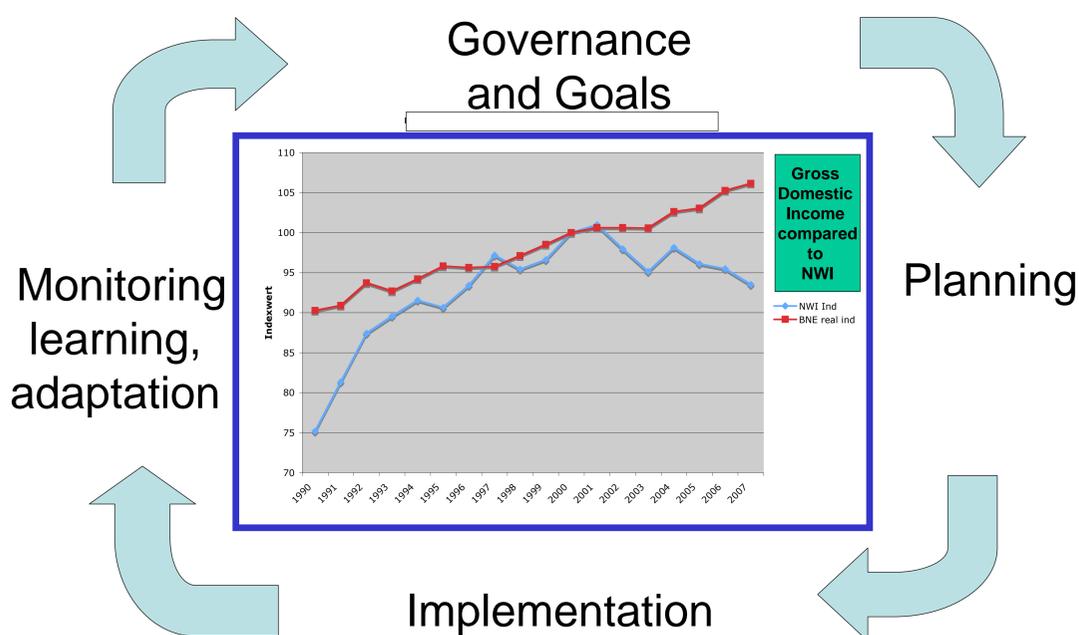
Zieschank, R.¹ & Diefenbacher, H.²

Will sustainable development have a chance if the economy and the GDP are growing? In order to answer this question, **sustainability indicators** provide the most comprehensive form of information about developments in economics, environment and society. They offer powerful and widely used tools for decision making and also for assessment of political changes or social transforming processes.

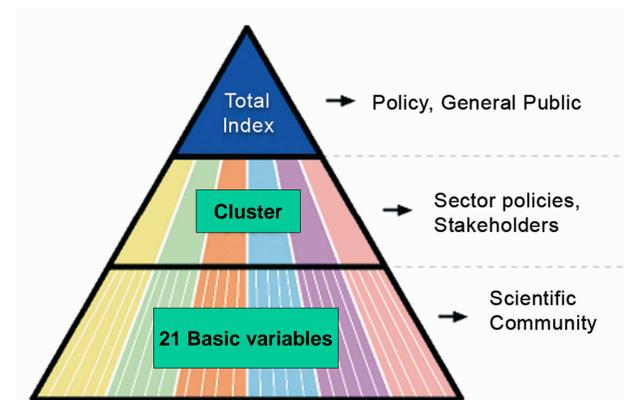
In Germany, a highly aggregated index for progress in direction of welfare has been developed in a research project [1,2] led by the Federal Environment Agency (UBA). The **National Welfare Index** is part of the discussions “**GDP and Beyond**” and indicates the state and quality of Germany’s economic development in monetary terms. As a result, welfare seems to be an alternative to growth.

Only sustainable forms of production and consumption can assure long-term social progress. The National Welfare Index consists of **21 monetary variables**, which allow a different impression of economic development in contrast to the GDP: Social and ecological costs of economic growth are included and also non-market activities fostering the national welfare of states. - Compare Poster 1

1. Indicators and the Policy Cycle to manage SD



2. Target groups of information



The pyramid construction of the NWI consists of three aggregation levels: single variables; economical, ecological and social clusters, total index.

The design corresponds to the information demand of different target groups.

3. Functions of the National Welfare Index for the public, policy and transformation processes in society

POLITICAL FUNCTIONS	SOCIETAL FUNCTIONS
New Economic reporting system (monitoring)	Instrument for „agenda setting“
Information for policy making (engineering)	Input for the formation of public opinion
Evaluation of policy measures as well as environmental quality (assessment)	Basis for social reframing of quantitative economic growth
Input to discussion on new priorities (goal finding)	Policy change in sectors in direction of „green growth“ or „steady state“- economies
Initiation of policy learning (enlightenment)	Facilitate acceptance of new ecological welfare concepts
NIW: Innovative information system to change from quantitative economic growth to ecological transformation and societal welfare	

Trend results of the National Welfare Index were first reported to the public in 2009. The Index is also proposed to contribute to similar reports dealing with new measurement concepts on the European level (<http://www.beyond-gdp.eu/news.html>) and will be updated for Germany in 2011. Future research must include efforts in methodology, new variables, data availability and the contribution to ecological welfare concepts.

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LITERATURE

[1] Diefenbacher, H. & Zieschank, R. (2010): Wohlfahrtsmessung in Deutschland – Ein Vorschlag für einen nationalen Wohlfahrtsindex (Welfare Measurement in Germany – a suggestion for a new welfare index). Final Report – reserach index FKZ 3707 11 101/01. UBA-Reihe Texte 2/2010. Dessau.

[2] Zieschank, R. Diefenbacher, H. (2009): English summary: Sustainability and growth – towards the description of an area of conflict on the basis of national indicators. Heidelberg / Berlin, pp 6.