

MEASUREMENT ISSUES

A critical analysis of well-being and sustainability indices and their validity in statistical analysis

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The gradually growing importance of environmental problems tends to gradually increase the appreciation of natural capital increasingly, and sustainability seems more and more to become a social objective in developed societies. It is also known in economics for several decades that the main indices of the SNA are not able to handle a significant part of the environmental and social information which are relevant from the aspect of sustainability.

In our paper we introduce alternative sustainability (and well-being) measures, their methodology and the well-being and sustainability paradigms they are based on. These indices are Gross Domestic Product (GDP), Human Development Index (HDI), Ecological Footprint (EF), Genuine Savings (GS) and Sustainable Society Index (SSI). We also analyze their relationship in a cross-national context. We conclude that (1) the validity of single indicators of such complex notions as sustainability and well-being is highly questionable and (2) the results of a statistical analysis regarding these notions are highly dependent on the underlying well-being and sustainability paradigms.

Keywords: Sustainability, Gross Domestic Product (GDP), Human Development Index (HDI), Ecological Footprint (EF), Genuine Savings (GS), Sustainable Society Index (SSI)