



THE VATTENFALL ENERGY AWARD
MSC THESIS: BEYOND GDP USE

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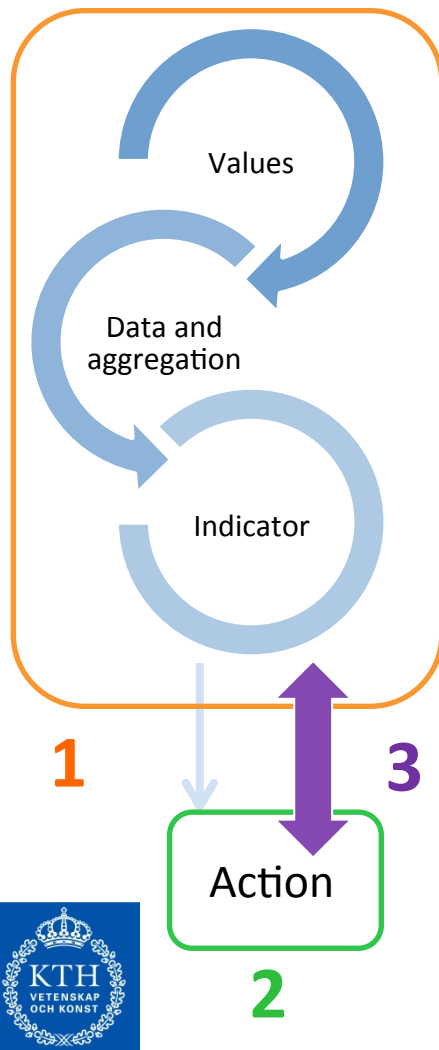
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AIM: TO ASSESS HOW GDP USES CAN BE REPLACED

METHODOLOGICAL APPROACH



IDEA BEHIND THIS THESIS:

- Is the place of GDP in our society threatening our prosperity, and how to counter it?

1. WHAT IS THE INDICATOR OF GDP?

- **Technical description**
- **Economic values** behind this calculation

2. WHO IS USING GDP AND WHY?

- Concepts related to GDP
- List of uses and users of GDP
- Classification in types and categories of uses

3. HOW TO "GO BEYOND GDP USE"?

- Analysis of **fetishisms**
- Analysis of **alternatives**



1. WHAT IS THE INDICATOR OF GDP?

- GDP aims at monitoring production → income → spending
 - Based on a methodology that is shared internationally since 1954
 - But technically disputable and often arbitrary
 - ⇒ **Diplomatic, and not technical, legitimacy**
- GDP tries to summarize the mainstream economic value:
 - The classical model of production through material capital and work
 - But it is **incomplete/exogenous (crucial role of exergy)**!
 - The neoclassical model of welfare/utility through consumption (informal activities, PPP or volumes)
 - But it is **unrealistic!**
 - ⇒ **GDP summarizes the mainstream economic value that is flawed**



2. WHO IS USING GDP AND WHY?

3. HOW TO “GO BEYOND GDP USE”?

- **10 uses are proposed**, classified in 3 types:
 - 4 Cultural uses: when GDP represents values shared among the society (ex: wealth)
 - 3 Operational uses: when GDP is used in order to trigger automatic actions (ex: EU budget)
 - 3 Political uses: when GDP is a crucial indicator for policy-makers (ex: pro-growth policies)
- **Every of the GDP uses lie on one of the four cultural values**
 - ⇒ To focus on the values is crucial, and the place of exergy and well-being are here crucial
- **No use is totally legitimate** according to the design of GDP
 - ⇒ All of them are more or less “fetishized”
- GDP users are limited in number (400.000 in the EU), but are **decisive decision-makers** (teaching, prospective, budget, rating, policy-making)
 - ⇒ Crucial for prosperity, especially natural resilience
- **There are alternatives to every of the uses:** they could be already set or under construction
 - ⇒ The ground is set for a rational and disaggregated transition, and especially on the development of an endogenous economic model (with the crucial role of exergy) and well-being measurements

