

Measuring What Matters

for prosperous societies with economic and ecological resilience

Measuring What Matters aims to explore frameworks and metrics that support in tracking performance of our economies, such that it includes its impact on social and environmental systems. Some of the critical values in green economy include:

Economic resilience: Managing economies on the basis of a broader indicator set, than just growth indicators like GDP, fiscal deficits, could avoid economic policy undermining the objectives of social and environmental policy.

Prosperous societies: For each of us as individuals and members of families and communities, alternative and better metrics – and improved governance for them – would make it much more likely that we achieve a form of prosperity that includes financial and material well-being, but can also go beyond that, to include a good quality of life and the hope of sustaining it into the future.

Business opportunity: Alternative metrics to assess the environmental and societal impact of a company's operations allow businesses to tackle vital questions regarding their impacts, business risks, cost savings and longer-term resilience. Corporate reporting can become a new tool for both identifying risks and communicating intangible assets.

Madhya Pradesh's Development – Status Quo

MP is the second largest state in the country, stretching over 308,000 sq. kms. The state is blessed with large mineral resources of coal, diamond and limestone. It has a diverse population and is full of socio-economic diversity. Some of the facts and trends that throw light on the development scenario of the state of Madhya Pradesh are as follows:

- **Consistent growth rate:** Madhya Pradesh's economy has registered consistent growth rate since 2005. With current GDP of INR 7.3 trillion, it stands at 3.6% of the total GDP of the country. Madhya Pradesh is among the top 4 states of the country for industrial investments. (PRS, 2016)
- **Income disparities:** In the last 10 years, the all-India per capita income increased at a greater rate than the per capita income of MP. In 1993-94, the per capita income of Madhya Pradesh (base year: 1993-94) as a proportion of all-India per capita income was 86 per cent. The all-India per capita income for 2004-05 is 50 per cent higher than that of MP. (Planning Commission Report, 2011)
- **Sector disparities – share of employment and GDP:** The growth in different sectors of the state has been very uneven. The primary sector growth which employs about 70 per cent of the state's population has had very wide fluctuations across the last 10 years. Nearly 40 per cent of the state's villages are either forest villages or are situated close to forests. Forests play a significant role in the livelihoods of people in such villages. (Planning Commission Report, 2011)
- **Quality of life:** Madhya Pradesh has been ranked at 13th position with a score of 1.33, among 20 big states in the country in 2007, in terms of quality of life provided in the state. (Planning Commission Report, 2011) Madhya Pradesh scores lower (0.375) than India's average on the Human Development Index (0.467). (HD Report 2007-08) The state performs particularly badly in the following indicators: underweight prevalence amongst children, infant mortality and under-five mortality, gender parity in secondary education, sex ratio (adult and child), access to drinking water and sanitation. (NIPFP, 2016)

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- **Development trajectory is worsening the environment sustainability:** A study (Jain & Jain, 2013) identifies indicators and develops index to measure economic development and environment sustainability for various districts of the state of Madhya Pradesh. It is observed in the study that in case of Madhya Pradesh, out of 45 districts, 8 (for instance: Bhopal, Indore, Jabalpur and Gwalior) show higher levels of development, but fail to achieve good environmental quality. There is only one district (Khargone) which has high economic development as well as high environment index but in terms of human development index, the district is lagging behind (14th rank). Four districts scored low levels in both development as well as environment, including Dindori, Harda, Rewa and Tikamgarh. Districts scoring high in environment index are economically backward and less developed, like Damoh, Guna, Jhabua, Panna, and Shivpuri.

'Measuring What Matters' in the context of Madhya Pradesh

The state of Madhya Pradesh uses the conventional framework like most other states in India, to measure its economic progress. The most commonly used indicators being – GDP, fiscal & revenue deficits and employment ratios. In parallel, it has social and environmental parameters to assess its performance on the two fronts. The missing links in such systems of measurements are:

- Relation of economic development with environmental impact and social well-being is not tracked. Studies, as stated above, reflect the contrary nature of economic development and environment.
- State governments are not able to optimise their resources in order to have a win-win development solution for their economy, environment and people.
- Inequalities in access to resources and opportunities to explore life choices reduces, both for the current and future generation, leading to threats to possibilities of decent human life. This problem arises also due to the fact that the cause/origin of the problem is different from the system which faces the impacts of the action.
- Businesses are not incentivised to plan and work on long term goals for conserving environment and, thus, end up exploiting the natural resources.

What the state plans to track as indicators to its progress is critical in the design and manifestation of its development. Government of Madhya Pradesh, in July 2016, set up the Anand Mantralaya or the Ministry of Happiness, with Chief Minister Shivraj Singh Chouhan as its first "Happiness Minister". (Hindu, 2017) While the step is applauded, the process of identifying key indicators to track MP's progress is critical.

The main objective of the theme "Measuring What Matters" is to bring together stakeholders like leading practitioners, experts, and policy makers from MP and India, to discuss on how to better measure progress using the health of our planet and the well-being of our communities as our yardstick rather than profit alone. TARAGram Yatra 2017 will address the following questions:

1. What do the stakeholders of Madhya Pradesh value and define as progress?
2. What are the indicators that can track progress in economy – along with its impact on people and planet?
3. How can synergies across stakeholders and systems/processes be developed to support in alternative progress measurements towards inclusive growth?