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FOR IMMEDIATE RELEASE: May 3, 2013

13-024

## HAWAII STATE ENVIRONMENTAL COUNCIL RELEASES ANNUAL REPORT ON THE ENVIRONMENT

*“Towards a Green Economy: Introducing the GPI to Hawaii” adopts  
supplemental measurement to GDP*

HONOLULU – The Hawaii State Environmental Council today released its 2012 Annual Report, titled, “Towards a Green Economy: Introducing the GPI to Hawaii.” The report introduces a new, holistic measure of prosperity and progress to Hawaii by introducing a new way to measure the state’s environmental health in relation to economic progress called the Genuine Progress Indicator (GPI).

The GPI supplements the standard economic measure of growth, Gross Domestic Product (GDP), which ignores key costs of economic activity and likely overestimates economic growth. GPI adjusts GDP by deducting environmental and societal costs, such as pollution or depletion of non-renewable resources that result from that growth.

“The GPI will serve as a standardized method for measuring the true health of the economy,” said study co-author Dr. Regina Ostergaard-Klem of Hawaii Pacific University.

Co-author Dr. Kirsten Oleson of the University of Hawaii at Manoa added that “Hawaii’s GPI initiative is a step towards balancing economic development and quality of life. By accounting for the environmental costs that result from economic activities, we can help ensure that we do not degrade *‘aina*, forests, coasts and natural beauty.”

The calculation of this new indicator dovetails with state sustainability and open data initiatives, such as the Governor’s New Day Plan, Hawaii Sustainability 2050, Hawaii Green Growth Initiative, and Open Data portal.

(more)

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The GPI provides a very different picture of economic prosperity that policy makers can use in policy evaluation and budget decisions.

“The report’s analysis shows that while Hawaii’s GDP increased nearly every year over the past decade, the environmental costs of that economic growth can be significant,” Environmental Council Chair Mary Steiner explained.

For example, in 2000, the economic cost of environmental degradation across nine indicators including water pollution, forest loss, and nonrenewable energy depletion amounted to \$6.2 billion. The report authors stress that this cost is likely a gross underestimate as available data is currently incomplete. The Environmental Council looks forward to improving these estimates in future years.

“With the publication of this report, Hawaii joins a group of innovative nations and states building more accurate indicators to guide policy while making environmental data more accessible and relevant to the public,” said Steiner. “Much of our people’s well-being is derived from things like healthy forests, productive landscapes, and clean beaches. Losing or degrading these assets has real economic cost.”

To view a copy of the annual report go to:

<http://oegc.doh.hawaii.gov/Shared%20Documents/2012-Annual-Report-by-Hawaii-State-Environmental%20Council.pdf>

This year’s pilot GPI exercise is the initial phase of a long-term research project that seeks to quantify the value of our natural capital here in Hawaii, leading towards greener and more sustainable decision-making for Hawaii.

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