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To: Measuring What Matters
Subject: 'Measuring What Matters'

Thank you for the opportunity to provide feedback on '[Measuring What Matters](#)', and the provisional themes of 'prosperous, inclusive, sustainable, cohesive and healthy'.

My submission is based on my expertise as an economist and experience as a senior officer in Treasury in Australia and New Zealand during the 1980s and 1990s working on economic conditions and tax policy, and as an [academic](#) at the Australian National University since that time.

I currently hold an ARC Future Fellowship on 'Research to enhance measurement, understanding, and policy regulatory approaches to emerging markets and trade in mothers' milk'. This uses data from emerging markets in mothers milk to consider, *inter alia*, how national accounting techniques might take into account the unpaid economic contribution of women through breastfeeding and infant care work. This means that following the progress of the wellbeing approach is an element of my work.

THE WELLBEING APPROACH

In relation to the Wellbeing Framework, having a long history of research in this area dating back into the 1990s, and particularly participation in discussions on the 'Beyond GDP' agenda at meetings of the [International Association for Research on income and Wealth](#) (IARIW) in 2012, 2017, 2018 and 2021 and the [Wellbeing Conference](#) in New Zealand in 2018, I am concerned that the Wellbeing approach may be a diversion from reforming GDP (and refocussing budget policy in a gender equitable way) which is and looks like remaining the main focus of public policy and fiscal decisionmaking.

A Wellbeing approach was adopted in New Zealand and is promoted by OECD countries but I am sceptical that it has provided any serious challenge to the flawed GDP paradigm, and is in effect a distraction that avoids fundamental reconsideration of the biased policy and fiscal focus on expanding the monetised economy as measured by GDP.

THE CASE OF BREASTFEEDING

The case of breastfeeding is archetypal of these concerns, and can be argued to be pervasive and microcosmic across the five themes identified.

Firstly, the breastfeeding of infants and young children is an activity that contributes to **prosperity**, via the quality of human capital through its effects on IQ and lifelong health of mother and child. It reduces health costs such as for maternal chronic disease such as breast cancer. There is ample empirical evidence of this, and of the economic and labour force effects of cognitive deficits and health costs, summarised in the Lancet in 2016 and 2023. At present commercial milk formula counts in measures of economic prosperity, breastfeeding doesn't. This is despite around 55 million litres of milk a year being produced by Australian mothers for their infants and young children.

Secondly, breastfeeding is an activity that works worldwide to improve equity and **inclusion** of an group without a voice, as all children (0-3 years as recommended by the World Health Organization - around 5% of the population) have potential access to it as an underpinning of their mental and physical wellbeing in childhood and later life. This access depends on society prioritising the needs of its infants and young children, and respecting and resourcing the productive work of their mothers.

Thirdly, breastfeeding contributes to sustainability and to the pillars of climate change policy through mitigation, adaptation and resilience, as shown in this publication. The [Green Feeding Tool](#) to be launch 5 June 2023, calculates the greenhouse gas emissions associated with formula use in over 80 countries.

Smith, J. P. (2019). A commentary on the carbon footprint of milk formula: harms to planetary health and policy implications. *Int Breastfeed J*, 14(1), 49.

Fourthly, breastfeeding as a productive economic activity of women has well understood impacts on the formation of sound attachment of the infant and young child, with implications for neurobiology, trust, bonding, and ultimately social cohesion.

Smith, J. P., & Forrester, R. (2017). Maternal Time Use and Nurturing: Analysis of the Association Between Breastfeeding Practice and Time Spent Interacting with Baby. *Breastfeeding Medicine*, 12(5), 269-278.

Finally, the implications for human health, and both acute and chronic disease costs are solidly established and I will not elaborate them here but health costs of premature weaning for Australia were estimated in studies I did previously. The [Cost of Not Breastfeeding Tool](#) is a global tool that elaborates the health costs and the human capital costs including for Australia. It does however ignore the avoidable time costs to women of caring for children who are ill due to lack of sufficient breastfeeding. Such economic costs escape notice in current economic accounting and are not accounted for in wellbeing frameworks. Only the value of commercial food products and health services are counted, resulting in a distorting picture of reality for economic policymakers.

Smith, J. P. (2019). Counting the cost of not breastfeeding is now easier, but women's unpaid health care work remains invisible. *Health Policy Plan*, 34(6), 479-481.

AUSTRALIAN LEADERSHIP

Australia was at the forefront of discussions about reforming GDP measurement in the early 2000s, including on the environment and human capital. This follows a long tradition of leadership in national accounting dating back to Timothy Coghlan, Colin Clark, and Duncan Ironmonger's more recent work, as well as Tasmanian Statistician Johnston in the 1920s.

The Australian Treasury also provided leadership in this area when Ken Henry was secretary, as documented in Paul Tilley's 2019 book, *Changing Fortunes: A History of the Australian Treasury*.

Earlier, in 1985 Chris Higgins as Deputy Secretary encouraged discussion of these 'big picture' issues, as evidenced in the seminar paper which I gave on measuring unpaid work in GDP.

Smith, J. P. (1982). The value of household work in Australian national product. In (*Published in Treasury Seminar Series, June 1987*): Department of Economic History, Australian National University.

This paper showed how GDP was biased by exclusion of the unpaid household economy, and particularly the unpaid work of women caring for young children.

The comprehensive critique of GDP by Marilyn Waring in her 1988 book, *Counting for Nothing*, inspired my research from the 1990s on including the value of breastfeeding in GDP. She has since published an update, *Still Counting*, which critiques the current New Zealand approach on comparable grounds. A better approach to measuring value rests in time use statistics, not monetised values which include harmful activities including destruction of the environment and clean up of damaging activities including pollution, that should not have been permitted without attribution of the full costs to the beneficiaries.

ECONOMIC STATISTICS, POLICY AND FISCAL DECISIONMAKING

Statistics are the basis on which policy is made, and budgets allocated. The use of GDP as a measure of economic performance translates into bias in how societal resources, including fiscal priorities, are decided, to the disadvantage of women and children. This is a result of [political power](#), which gains from the current system of measuring economic performance, and will not be altered by even 'objective' measures of wellbeing. It requires 'transformational change', and evidence so far is that wellbeing approaches are not 'transformational'.

Baker, P., Smith, J. P., Garde, A., Grummer-Strawn, L. M., Wood, B., Sen, G., Hastings, G., Perez-Escamilla, R., Ling, C. Y., Rollins, N., McCoy, D., & Lancet Breastfeeding Series, G. (2023). The political economy of infant and young child feeding: confronting corporate power, overcoming structural barriers, and accelerating progress. *Lancet*, 401(10375), 503-524.

Measurement of the work of mothers in the breastfeeding and care of infants and young children epitomises this. Production is excluded from conventional economic statistics because it is unpaid. Hence, for example, Australia's most recent budget provides half a million dollars to evaluate a dedicated team of breastfeeding support volunteers who work 24/7 for zero remuneration to help other new mothers and also prepared evidence based guidelines for [human milk sharing](#), several times more than that for a small group of medical experts to write guidelines on milk banking, and nothing for implementation of the National Breastfeeding Strategy. Leading economists at [OECD statistics](#) have shown the bias that results in measuring economic growth based on market production, when non-monetised production of unpaid care by households such as childcare is ignored, but commercial services are counted.

By 1993, partly arising from the work of influential pioneer feminist economists like Waring, the System of National Accounting had been revised to include all goods within the scope of core GDP, and as my coauthor former Treasury and national accounting expert Lindy Ingham and I wrote in 2005, clearly provided for breastmilk to be accounted for in GDP. The detailed methodological discussion on valuation was earlier in 1999.

Smith, J. P., & Ingham, L. H. (2005). Mothers' milk and measures of economic output. *Feminist Economics*, 11(1), 41-62.

Smith, J. P. (1999). Human milk supply in Australia. *Food Policy*, 24(1), 71-91.

Since then I have presented and published research including journal articles in leading scholarly journals, book chapters, and papers presented at IARIW (a small, accessible sample below) which argued for a set of experimental accounts which used breastfeeding as a way of testing the performance of GDP and SNA reforms. Most recently I demonstrated the measurable bias in GDP over time due to declining breastfeeding trends since 1901. This arises because of the high market value that women and health practitioners place on breastfeeding and mothers milk, upwards of \$100 a litre, more usually around \$250 a litre. Research in Africa by Norwegian nutrition experts Anne Hatloy and Arne Oshaug shows that at \$1 a litre breastfeeding added around 5-15% to the value of national GDP. Likewise in Nepal currently, the [Mothers Milk Tool](#) (developed at ANU in partnership with Alive & Thrive East Asia Pacific shows a monetary value of breastmilk produced by the country's breastfeeding mothers to be more than half the value of the country's GDP. These are arguments for including mothers milk in food production statistics as well as GDP.

Smith, J. P. (2013). "Lost milk?": Counting the economic value of breast milk in gross domestic product. *J Hum Lact*, 29(4), 537-546.

Smith, J. P. (2017 April 26-28). *Increasing GDP relevance and usefulness in a changing, globalising world - arguments for measuring a unique and complex food - human milk - in GDP* IARIW-Bank of Korea Conference "Beyond GDP: Experiences and Challenges in the measurement of Economic Well-being," Westin Hotel, Seoul, Korea,.

Smith, J. P. (2018). *Valuing Human Milk in GDP: Market Values for Imputation of Non Market Household Production through Breastfeeding* 35th IARIW General Conference, Copenhagen, Denmark, August 20-25, 2018, <http://www.iariw.org/copenhagen/poster/smith.pdf>

Smith, J. P. (2021, 24-26 August). *20th century trends in mother's milk production* 36th IARIW General Conference, Oslo, Norway.

Smith, J. P., Lande, B., Johansson, L., Baker, P., & Baerug, A. (2022). The contribution of breastfeeding to a healthy, secure and sustainable food system for infants and young children: monitoring mothers' milk production in the food surveillance system of Norway. *Public Health Nutr*, 1-9.

CONCLUSION

As until very recently I was previously unaware of the consultation process on this issue, I have therefore had limited time to prepare this submission and certainly was not in a position to convene a discussion group. However, discussion on this topic over many years with women, men, organisations, nationally and internationally, including with experts in the field, informs my opinion and research outlined above.

I am happy to elaborate, or assist with further discussion, or can send copies of these publications or documents if you cannot easily access them.

Infants and young children must be the touchstone for development of the wellbeing framework. Infants and young children have no voice including about how they are fed and cared for, and what happens in their future, especially in these challenging times of climate change risks, and international tension and conflict. The wellbeing framework must put the voiceless first.

"If we are to reach real peace in this world and if we are to carry on a real war against war, we shall have to begin with children; and if they will grow up in their natural innocence, we won't have to struggle, we won't have to pass fruitless idle resolutions. But we shall go from love to love and peace to peace, until at

last all the corners of the world are covered with that peace and love for which, consciously or unconsciously, the whole world is hungering. (YI, 19-11-1931, p. 361)”
Mahatma Gandhi

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<https://internationalbreastfeedingjournal.biomedcentral.com/>