



**Economic and Social
Council**

Distr.
GENERAL

CES/2005/21
4 April 2005

Original: ENGLISH

STATISTICAL COMMISSION and ECONOMIC COMMISSION FOR EUROPE

CONFERENCE OF EUROPEAN STATISTICIANS

Fifty-third plenary session
(Geneva, 13-15 June 2005)

**WHY OFFICIAL STATISTICS SHOULD DRIVE THE ELABORATION OF
SUSTAINABLE DEVELOPMENT STATISTICS**

Invited paper submitted by Eurostat*

EXECUTIVE SUMMARY

Sustainable Development is a complex concept with no single normative interpretation. Its interpretation is influenced by local or regional political priorities. As sustainable development policies have acquired very high visibility and as statistical information and indicators are required for their monitoring, national statistical institutes should consider Sustainable Development statistics as a part of their core business and play an increasing role in the development of national systems of Sustainable Development indicators.

THE CONCEPT OF SUSTAINABLE DEVELOPMENT

1. Sustainable Development aims to “meet the needs of the present generation without compromising the ability of future generations to meet their own needs”.¹ This traditional definition is an appealing attempt to phrase in a simple way the complexity of the relation between economic, social and environmental development in a global context and also capturing the inter-generational aspect.
2. However attractive it is to try to formulate a broad and complex relationship in a simple phrase, the very simplicity of the concept has in a way been its worst enemy. It has proven difficult to define the border lines of the concept and to make it sufficiently operational to serve as a useful instrument in actual policy making. In fact, we can say that the only consensus on the definition is that there is no shared understanding of the concrete

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interpretation of the concept.

3. As this definition encompasses short-, medium- and long-term priorities as well as the integration of economic performance, social cohesion and environmental protection for now and in regard to future generations, it can be and actually is translated into different political priorities among various entities, being multi-national like the European Union, national or local. The same is obviously true when talking about indicators or systems of indicators to measure sustainable development. Indicators constitute a powerful tool for policy-makers but only if they are intimately linked to political priorities.

4. Therefore the purpose of our debate in the ECE context should not be to try to adopt a common definition of Sustainable Development, but rather to understand the implications for the system of official statistics as it is introduced into the Sustainable Development approach and why official statistics should play a leading role in this process. It is nevertheless interesting to exchange information about national or multi-national experiences and therefore we would like to briefly introduce the experience of the European Union.

THE SUSTAINABLE DEVELOPMENT STRATEGY OF THE EUROPEAN UNION

Brief history of the EU Strategy

5. The Treaty establishing the European Communities sets sustainable development as an overarching concept which underpins all Union policies, actions and strategies and requires economic, environmental and social policies to be designed and implemented in a mutually reinforcing way. The European Council adopted in June 2001 a Strategy for Sustainable Development² and later on, in 2002, it adopted the Commission Communication on external dimension,³ forming the EU approach to sustainable development. The EU took some further commitments with the plan of implementation of the 2002 World Summit on Sustainable Development, which reviewed world priorities for Sustainable Development.

6. As a result of these various political commitments, we can say that there are 10 political priorities.⁴ They are:

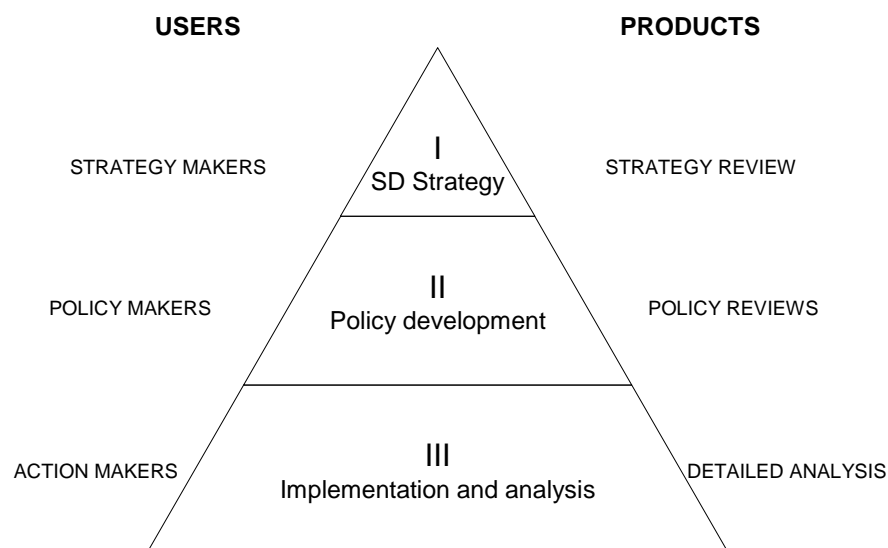
- to ensure a balanced economic development;
- to combat poverty and social exclusion;
- to deal with the economic and social implications of an ageing society;
- to address threats to public health;
- to limit climate change and increase the use of clean energy;
- to change unsustainable patterns of production and consumption;
- to manage natural resources more responsibly;
- to improve the transport system and land-use management;
- to enhance good governance;
- to promote a global partnership for sustainable development.

7. The EU Strategy will be reviewed in 2005. The Commission has formulated its proposals⁵ for the review and the Council should decide in March 2005 about the future steps. Indicators for Sustainable Development are in the core of the proposals of the Commission, which has endorsed a preliminary list of Sustainable Development Indicators (SDI).⁶

SDI in the EU: achievements and needs

8. This list of indicators is based on the preparatory work of a Task Force on Sustainable Development Indicators, which was created by the Statistical Programme Committee (SPC)⁷ in 2001. Participants came from statistical services and other national administrations,⁸ from Commission General-Directorates⁹ and from the European Environment Agency.
9. Eurostat should present to the SPC the final conclusions of the Task Force in November 2005. These conclusions will consist of a framework for SDI, of a list of SDI and of general recommendations for the development of statistics and tools necessary for the measurement of Sustainable Development in the European Union.
10. The Task Force looked for policy-relevant indicators that would serve a general follow-up of measures and actions taking place in the priority policy areas. In the selection of indicators, the Task Force has strived for the integration of the economic, social and environmental dimensions as well as the core perspectives (welfare and equity, efficiency, adaptability, transfers to future generations) in order to encompass the complexity of sustainable development. The SDI are organized in an indicator pyramid consisting of three levels that enable the prioritization of the use of SDI for various political purposes.

Figure 1. - Indicator pyramid



11. The information system builds mostly on data and information already existing in Member States, in Commission or other EU institutions as well as, in some cases, in the private sector. In some areas such as ageing society or climate change, modelling contributes remarkably to data production. Nevertheless, the demands for further development are

considerable. In order to facilitate immediate monitoring of progress towards policy objectives of the Sustainable Development Strategy, initial indicators will first be produced with available information. It will be necessary for the European Statistical System to look at these new needs rather urgently.

12. The data problems such as data availability, lack of international definitions or methodologies, poor coverage or limited access to data may severely hinder the compilation of SDI. One of the best justifications for the Task Force work was to efficiently and proactively merge statistical aspects to the development of indicators and thus assure accelerated compilation of indicators for decision making.

13. Table 2 presents an overview of data quality and availability in the set of SDI. It indicates that none of the themes have excellent data quality. The best situation regarding data can be found in the themes on Economic Development, Poverty and Social Exclusion, Ageing Society, Climate Change and Energy and in Global Partnership. Only satisfactory or poor data are available for all the other themes, and 12 sub-themes out of 31 cannot be monitored at all due to shortcomings in data, definitions and/or methodologies.

Table 2. Data quality of the preliminary set of SDI at level 1 and 2

Economic Development	Poverty and Social Exclusion	Ageing Society	Public Health	Climate Change & Energy	Production & Consumption Patterns	Management of Natural Resources	Transport	Good Governance	Global Partnership
Investment	Monetary poverty	Pension adequacy	Health protection and lifestyles	Climate change	Eco-efficiency	Biodiversity	Transport growth	Policy coherence	Globalisation of trade
Competitiveness	Access to labour market	Demographic changes	Food safety and quality	Energy	Consumption patterns	Marine ecosystems	Transport prices	Public participation	Financing for development
Employment	Other asp. of social exclusion	Public Finance sustainability	Chemicals management		Agriculture	Freshwater resources	Social and env. impact of transport		Resource management
			Health risks due to env. conditions		Corporate responsibility	Land use			

	Data available of good quality
	Lack of data in some areas, problems of quality
	Severe lack of data or methodological problem

14. The Task Force will recommend increasing efforts to be put on the priority policy areas of sustainable development. This approach shifts the focus from isolated data collections to a more global approach of sustainable development needs, based on mutually complementary systems offering efficiency gains through compatibility, wider and handier use of data for multidimensional assessments. Development of these systems requires an interdisciplinary approach and innovativeness in merging different data production traditions to mutually complementary systems. Such developments should not be restricted to statistical systems, but should rather enhance cooperation and data exchange, especially between statistical and administrative systems, but also between statistics, research and modelling, and private data producers.

WHY OFFICIAL STATISTICS SHOULD PLAY A KEY ROLE IN THE SD PROCESS?

An overarching principle for all policies

15. Since the Rio Summit of 1992, all countries are committed to cooperation for world sustainable development (global partnership). Principle 7¹⁰ of the Rio Declaration establishes that states have common but differentiated responsibilities as far as sustainable development is concerned. These commitments were reinforced with the Johannesburg Summit in 2002. Sustainable development policies have taken a predominant role and therefore there is a shared interest to work in common to implement and monitor sustainable development policies where statistical indicators and information play a key role.

16. Sustainable development principles are to be taken on board when designing both domestic and external policies. Concerning domestic policies, our governments need to address such issues as poverty eradication, changing unsustainable patterns of production and consumption, and protecting and managing the natural resources in a mutually reinforcing way. As for external policies, both donor and recipient states need sustainable development principles such as good governance to be implemented as they become a basis for the allocation of external aid.

17. Policy-makers need statistical information on which to base their decisions. The sustainable development approach creates a demand for new data or for a new approach to existing data on a large variety of issues. The integration of economic, social and environmental dimensions calls for new combinations of statistical variables that emphasize the need for integrated tools such as national account frameworks and a good compatibility of classifications. The demands for new data also highlight needs for the development of models and scenarios that would facilitate projections with various policy options for the sustainable development assessment. Therefore, the compilation of the SDI forms a challenging task for national statistical institutions and other administrations.

Official statistics to coordinate new developments on indicators

18. The importance of sustainable development policies in world discussions should be considered as an opportunity for official statistics to improve the coverage of some difficult areas such as public health or natural resources. The necessity to respond to more complex requests should push decision-makers to allocate the appropriate resources to develop the necessary tools, sometimes with the research community or other stakeholders. As an example, the development of environmental accounts and particularly material flow accounts would greatly improve the coverage of some sustainable development issues.

19. Sustainable Development statistics are part of the core business of national statistical institutes. As highlighted both in the Swedish paper and in this paper, most data needed for SDI come from regular data collections. Therefore, the technical expertise needed for the implementation and the further improvement of the SDI belongs firstly to national statistical institutes. The system of national accounts, which is also essentially managed by official statistics, is also a fundamental tool for SDI with its ability to link the economic, social and

environmental dimensions of sustainable development. Therefore the national statistical institutes are and will increasingly be concerned with the development and the use of SDI. As such, it is preferable for official statistics to have an active role and finally to coordinate the development of SDI. The contrary would lead to non-integrated and non-coordinated data production efforts that will not fulfill standards and nor facilitate compilation of time series, an essential feature for the long-term assessment of sustainability. The benefits for a strong statistical input would lead to user satisfaction, better efficiency and long-term investments in expertise and system development.

20. The production of indicators does not end for statisticians with the delivery of data. As these indicators will be used and analyzed by many different stakeholders, it is necessary to document this information with metadata¹¹ defining in an objective manner all methodological aspects of the collection and calculation of the indicators. Eurostat is also committed, as in the case of the structural indicators, to provide final users with a description and rating of the quality attached to the indicators.¹² Finally, statisticians should also consider helping policy-makers in the analysis of the indicators produced.

21. Sustainable Development statistics have begun only recently and will be facing substantial improvements over time. Following the Eurostat experience, the issues listed below could be dealt with as priorities.

- **Frameworks:** there is a debate on the kind of frameworks needed for SDI. Given the integrated nature of Sustainable Development issues, there is some advantage to setting up a strongly integrated framework, for instance using national accounts concepts. On the other hand, a theme framework based on political priorities may help policy-makers and more generally stakeholders to more easily identify indicators to concrete policies.
- **Statistical areas where urgent development is needed:** as mentioned in paragraph 12, such areas in the European context concern mainly health, natural resources and some aspects of transport statistics.
- **New areas for official statistics:** this concerns such areas as production and consumption patterns, good governance and, to a lesser extent, global partnership.
- **Some statistical discussions are still open:** this concerns for instance the aggregation of indicators and the creation of composite indicators (as discussed in session 2). Although there is great pressure to reduce the overall number of indicators and to set up some aggregated measures, Eurostat does not support the development of highly composite indicators, which would not be supported by a strong scientific foundation, in the structural indicators or the SDI processes.
- **New tools needed:** as sustainable development is looking at present and future developments, more up-to-date data as well as more forecasting are needed. As part of the Sustainable Development approach is to look at the future situation if nothing is done at present, Sustainable Development statistics need not only statistical projections but also scenario in order to be able to respond to such questions as “What will happen if ...?”

CONCLUSIONS

22. The compilation of the SDI forms a challenging task for national statistical institutions and other administrations. Official statistics have much experience in data collection and

analysis and should be closely involved in the development of SDI at all levels. Sustainable Development statistics is part of the core business of national statistical institutes.

23. The need for Sustainable Development statistics will mean that official statisticians work more closely with experts from other institutions and from the research side in order to develop the new data and sometimes the new approach which is required. As Sustainable Development is about the quality of life for now and the future, Sustainable Development Statistics may become a kind of general umbrella to defend the various needs for improvement in different areas of basic statistics.

¹ Our Common Future, UN Commission for SD, 1987.

² Commission Communication COM(2001)264 final of 15.05.2001: "A Sustainable Europe for a Better World: A European Union Strategy for Sustainable Development".

³ Commission Communication COM(2002)82 final of 13.02.2002: "Towards a global partnership for sustainable development".

⁴ Some of these priorities are also related to international engagements taken in the framework of the Millennium Declaration.

⁵ Commission Communication COM(2005)37 final of 09.02.2005: "The 2005 review of the EU Sustainable Development Strategy: Initial Stocktaking and Future Orientations".

⁶ Commission Communication SEC(2005)161 final of 09.02.2005: "Sustainable Development Indicators to monitor the implementation of the EU Sustainable Development Strategy".

⁷ The SPC is composed of the General-Directors of the Statistical Institutions of the EU Member States.

⁸ Participants came from competent authorities from Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Italy, Luxembourg, the Netherlands, Norway, Spain, Sweden, Switzerland and United Kingdom.

⁹ The following DGs regularly attended the meetings of the Task Force: Environment, Enterprises, Economic and Financial affairs, Transport and Energy. Some others like Secretariat-General, Employment, Development, Fisheries, Information society and Trade occasionally attended the meetings.

¹⁰ Principle 7 of the Rio Declaration: "States shall cooperate in a spirit of global partnership to conserve, protect and restore the health and integrity of the Earth's ecosystem. In view of the different contributions to global environmental degradation, States have common but differentiated responsibilities. The developed countries acknowledge the responsibility that they bear in the international pursuit of sustainable development in view of the pressures their societies place on the global environment and of the technologies and financial resources they command."

¹¹ Eurostat applies the Special Data Dissemination Standard (SDDS) developed by the IMF for describing metadata.

¹² Following the joint Eurostat and European Statistical System definition of quality in statistics, the quality profiles summarises the main quality features of the indicators. It touches upon the following issues: objective and relevance, data availability (coverage, timeliness), data comparability (spatial, over time), data accuracy (sources, methodology) and development perspectives.

ANNEX

LIST OF HEADLINE SDI IN THE EUROPEAN UNION

1. Growth rate of GDP per capita
2. At-risk-of-poverty rate after social transfers
3. Current and projected old age dependency ratio
4. Healthy life years at birth by gender
5. Total greenhouse gas emissions
6. Gross inland energy consumption by fuel
7. Domestic Material Consumption
8. Population trends of farmland birds
9. Fish catches outside safe biological limits
10. Energy consumption by transport
11. Level of citizens' confidence in EU institutions
12. Official Development Assistance

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