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PROPOSALS ON FOLLOW-UP WORK IN THE AREA OF MEASURING SUSTAINABLE DEVELOPMENT

Prepared by the UNECE secretariat

GERMANY

Joachim Thomas, Destatis

During the discussions and in the preparation of the report there was nearly a continuous agreement that there exist two basically different positions or approaches regarding the conceptual framework for SD - capital approach and policy driven approach.

I think the report makes clear that in practice the indicator sets established for measuring the concepts are highly overlapping, i.e. the operational definition of the concepts leads to similar indicator sets.

In addition I'm convinced that also the theoretical concepts are nearly identical in the sense that the elements of one concept can easily be transformed into the other. In the box below I have tried to indicate how this translation can function:

The capital position focuses on consumption (consumption of tangible and intangible goods). Well-being – the SD target - results from consumption and consumption can be only guaranteed by available resources or capital. Therefore capital has to be conserved and/or piled up.

The second position looks at the various needs or demands of different systems of societies. According to this position societies consist out of different systems (law, economy, moral and justice, infrastructure, culture, education, employment etc.) which cannot be brought into a rigid hierarchy. All systems are necessary for SD, all functions need to be conserved or developed.

The difference between the two views is in effect negligible, because all necessary functions can be also expressed via capital necessary and vice versa.

If the assumption is correct and the differences between the two concepts are more of semantic nature then the structure of the future work can be simplified.

The (assumed) possible synergy of capital approach and policy-driven-approach would of course not bring discussions to an end, but they would allow focusing on the basic problem on how far “negative” aspects or negative dimensions can or should be considered. It is evident that depending on the political position negative aspects can be assessed as necessary or bad / fateful or changeable and so on.

I guess the main future problem regards further development of theoretical framework for SD comes from “outside” or should come from outside the concepts available at the moment: How far critical aspects of current situation should be considered? What about these negative aspects of societies like: corruption, intransparency, violence, restriction, inequality, lack of liberty, etc?

It is evident that these negative aspects inhibit SD. It is also evident that an indicator set for SD should also incorporate indicators on existing negative societal aspects which should be repaired or at least mitigated. An indicator set which excludes these negative aspects cannot pretend to assess the situation regards SD appropriately.

ISRAEL

Amit Yagur-Kroll, Central Bureau of Statistics

Basically, what is needed at this point is more specific elaboration on the methods to be used for the calculation of the accounting values of different capital assets and more concrete examples and suggestions for the elements that would comprise the different types of capital. Such information could be very helpful for a statistical office in the task of mapping available data and points of weakness where further work is needed.

FINLAND

Leo Koltola, Statistics Finland

It would be very important to be able to develop recommendations or at least to be able to make some plans for further work. It is not easy on the basis of the draft report, because the last part of the draft (**Chapter 5.2**) is at the moment on a very general level.

The idea that "the work on SDI's should be seen as a proper part of official statistics" will lead to extensive changes in the work in many countries.

Maybe we could think about the actions needed on international and national level to attain this objective. Like for example:

- development of internationally harmonized frameworks, concepts and definitions (partly already done by this Working Group)
- involvement of statistical offices in the work on SDI's in all countries of a small internationally comparable core set of indicators, that could be used in all countries

ITALY

Roberta Pignatelli, APAT (Italian Agency for Environment Protection and Technical Services)

As regards the follow-up work in the area of measuring sustainable development, I think that there is a strong need to further developing practical guidelines and recommendations for statistical offices. One of the main problems in the field of statistics for sustainable development is exactly that each Region/State/local authority defines their own set of indicators that are more or less the same all over the world, but with different methodological details (unit of measurement, variables considered, etc.). In Italy there already exist several sustainable development initiatives at the national, regional, and local levels; they are based on different frameworks of indicators and use different methodological procedures and data, thus reducing the possibility of comparing data and lowering the statistical value of the whole activity. For example, every Local Agenda 21 process implies the setting of a new set of indicators, not allowing any kind of further statistical elaboration.

Extending this experience to all sectors covered by sustainable development indicators, I would suggest being more precise as possible in defining guidelines and recommendations. It should be taken into account, clearly, all attempts and exercises already underway at regional level (e.g. the UNEP MAP Blue Plan indicators for sustainable development in the Mediterranean), at national level, etc.

NORWAY

Tone Smith, Statistics Norway

In our view the report is a useful contribution to the knowledge of capital as a way to measure sustainability. We support the continuation of the work done so far.

We wonder whether it might be useful to continue the work in small task forces of specialists on the different kinds of capital (economic, natural/critical, human, social) rather than in one large working group. Especially, the parts on human and social capital are still quite weak compared to the other forms of capital, and would need further work within groups of specialists. Concerning natural capital, we wonder whether the development work needed will already be taken care of by the London group. We would like to stress the need of giving careful attention to the treatment of thresholds of critical capital in the continued work.

If the work of the different task forces proves successful, the next step would be to develop practical guidelines for statistical offices on how to develop capital indicators.

I should underline that the issue will be discussed at directors' level in Statistics Norway only after the Lisbon meeting.

POLAND

Katarzyna Pecikiewicz, Central Statistical Office of Poland

The CSO of Poland claims that this report should be treated as the basic source of knowledge of sustainable development.

The CSO of Poland hopes to have bigger participation in the joint UNECE/OECD/Eurostat Working Group works in future, during which we will be able to share our knowledge and experience.

SPAIN

Pedro J. Herrera Giménez, Statistics Spain

Jorge Saralegui, Statistics Spain

As practical steps to develop and/or complement the valuable work already done in the clarification of the capital approach, we propose to continue promoting international research and technical cooperation in several aspects as:

- Identification/formulation of variables and indicators to make explicit the concept of unsustainability within the framework. In our view, this concept is closely linked with the concept of ‘irreversible levels of capital components’, and in line with international consensuses (as Kyoto/Bali). In our view it should be implemented in the form of sub-set of indicators within the capital approach, at least as an intermediate goal in measuring SD.
- It would be desirable further technical work regarding Economic Wealth measurement, its aggregates and components, formulating explicit estimation procedures adapted to diverse international profile of statistics systems, and to SEEA.
- It would be very useful to produce a ‘good practices inventory’ containing both statistical sources and methodologies already implemented, in order to facilitate countries to develop the Natural Capital Indicators set. It would likewise be worth while to raise/mobilize resources to address the calculation of the different components of the Economic Wealth by means of an international pilot statistical operation.

A lot of resources have been devoted to set up policy-based SDI sets. It is therefore convenient to study the way of integrating both approaches. This will also avoid potential misinterpretations such as the wrong idea that both (natural capital and policy-based) approaches are contradictory. In this sense we think that it would be very positive to foster the integration of both approaches through mixed technical groups.

EUROSTAT

Pascal Wolff

We insist that the use of this report should not bring more confusion to countries willing to start developing SDIs. This report should be seen as a background document describing a possible theoretical foundation for the work on SDIs. We are anyway reticent to any form of recommendation stemming from this report. In particular, the

debate on the coverage and relative importance of short- vs. long-term issues is not solved, and the approach proposed in this report does not fit with most (not to say all) current sustainable development policies. We all agreed that we need to put more focus on long-term issues, but in our opinion it cannot be with forgetting about shorter-term aspects.

We should not try to use the report for more than what it has been prepared for. In particular, the contents and the tone of the report are directly influenced by the terms of reference for the WGSSD, i.e. how the capital approach can contribute to improve the measurement of SD. Had these ToR been different, we would now discuss of a different report.

In order to make progress on the capital approach, we need to improve the conceptual foundation (for instance regarding the social capital), as well as the methodological approach (there is no consensus in the statistical community on many issues such as the calculation of total wealth or various forms of capital). We think that in both cases the WGSSD is not the most appropriate forum to make recommendations on these issues that could anyway remain for long on the international agenda. Therefore, in our opinion progress should be looked for in more specialised fora such as the London Group for the natural capital. This is to say that we do not really see the added value of the WGSSD to make further progress on these methodological debates.

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