

Developing a framework to measure sustainable development

Within the OECD-wide initiative on sustainable development, the role of the Statistics Directorate is to develop and seek agreement on a framework which can be used to demonstrate the interaction between economic, environmental and social issues.

Our starting point will be the SNA because the common unit of money is the one most amenable to aggregation across different dimensions and because it is so familiar to most analysts. There are several ways in which we expect to exploit the SNA.

The first is simply to present the existing material in the accounts in new ways to allow greater insights to analysts whose knowledge of the system is less detailed than that of a compiler of the accounts. (This approach is sometimes called an internal satellite.)

The second is to extend the existing system, for example by expanding the asset boundary, to bring in new features not presently included in the core SNA. (External satellites)

Depending on experience, both practical as well as theoretical, we may be led to suggest changes to the 1993 SNA using the procedures proposed by the Inter-secretariat Working Group on National Accounts and approved by the Statistical Commission.

We will also explore the alternatives of combining monetary and non-monetary data in a combined system which allows for the modelling of features not captured in a purely monetary system.

We are not, of course, starting from a blank sheet of paper, especially in the area of links between the economy and the environment. We hope to draw on and feed into the work of a various groups and agencies to maximise the synergies of development across a number of initiatives.

The work started last year to reach agreement on how to handle environmental depletion, involving members of the London group, national accountants and staff attending the state of the environment meetings in OECD will be continued. This is an area where ultimately changes to the SNA may be proposed.

We are well aware of, and involved in, the work of the London group on environmental accounting. We hope under this initiative that it will be possible for us to devote more resources to helping the group produce a revised version of the SEEA within a reasonably short horizon.

We are equally aware of the work by the CBS in the NAMEA systems and its near relatives and wish to explore how this could be applied to the OECD pressure state response model used for sectoral analysis.

The World Bank work on genuine savings has attracted a lot of attention; we wish to explore how far this work is appropriate and applicable in the sustainable development work of the OECD.

In the area of linking the social dimension with the economy and the environment, existing work is less well advanced. We have two immediate goals.

OECD has been examining the possibilities of making estimates of human capital. We expect to work with our colleagues to see how far this can be integrated into a wider framework.

We wish to explore the possibility of making a more explicit link between the macro-economic data of the national accounts with the micro-data available for households. In this connection the Canberra group on income distribution is relevant and we will continue to participate in this group and hope to contribute to facilitating a better flow of information between macro- and micro-statisticians.

In all this work, our primary client is the rest of OECD and its goals in the area of sustainable development. However, we recognise that to serve this client well we need to seek the active cooperation of our statistical colleagues outside the organisation. Some of the mechanisms are spelt out above. In addition we would like to reach an agreement with a few specific offices to experiment with the approaches we are suggesting. We hope that the return to the statistical community in terms of developing an area of keen interest to policy makers throughout the world will be such as to encourage your cooperation with us in this exciting project.

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