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SYSTEM

Sponsorship Group on Measuring Progress, Well-being and Sustainable Development

Final Report
adopted by the European Statistical System Committee

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This consolidated report has been prepared by members of a Task Force in charge of cross-cutting and overarching issues. It is based on the report of three thematic Task Forces[1].

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[1] The reports are available on the Eurostat website at http://epp.eurostat.ec.europa.eu and on the ESS website at http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/about_ess/measuring_progress

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1 Introduction

1.1 Progress of societies

Over the past few years, intensive discussions have taken place about how progress in our societies should be best measured, going beyond existing economic and social indicators. In a context where macroeconomic conditions are again taking central stage in the public debate, it is of utmost importance not to forget longer term issues such as improving people's well-being and preserving our social and natural environment. Indeed, well-being issues received significantly more attention in recent years along with increasing demands for participation of citizens in the political process. Growing attention was also devoted to the natural environment and the effects of climate change as well as social inclusion and a sustainable welfare society.

Discussions on how to better measure progress of societies, well-being and how to sustain the quality of life in the future, have led to several important initiatives. These include reflections on the ability of the available statistical information to properly monitor and steer evidence based decision making. In particular, the Stiglitz-Sen-Fitoussi Commission (SSFC) report[2] and the Communication of the Commission on "GDP and Beyond"[3], challenged a range of international, national and regional organisations to address the need to improve current information available for measuring progress, well-being and sustainable development.

1.2 European Statistical System awareness

The European Statistical System (ESS) provides statistical information for the European Union as a whole and comparative statistical information for the EU Member States as well as EFTA[4] and candidate countries on issues that are relevant for EU policy making. In making these statistics the ESS uses a set of principles covering the institutional set-up of its members as well as statistical processes and outputs in order to guarantee high quality statistics. The governance arrangements of the ESS create an environment for its members to provide statistics that are labelled as ("official") European statistics. Box 1 provides an overview.

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[2] Stiglitz, J., Sen, A. and Fitoussi, J.: Report by the Commission on the Measurement of Economic Performance and Social Progress - September 2009

[3] GDP and Beyond - Measuring progress in a changing world" (COM(2009) 433), August 2009

[4] EFTA: European Free Trade Association (in 2011: Iceland, Liechtenstein, Norway, Switzerland)

Box 1: European Statistical System quality assurance

Producing high-quality statistics is traditionally a primary concern and strength of European official statistics. During the last decade the European Statistical System has strongly focused on the importance of common quality standards to maintain and strengthen trust in statistics. Statistical authorities have adopted a systematic approach to quality with regard to institutional management as well as to day-to-day statistical operations. The European statistics Code of Practice of 2005[5] to which all governance authorities and statistical authorities in the European Union have committed themselves, builds upon a common and legally enshrined ESS definition of quality in statistics[6] and targets all relevant areas of European Statistics. Implementation of the 15 principles of the Code assures that European Statistics are produced on a scientific basis, free from external political influence and that the ESS delivers neutral and objective statistical information that corresponds to highest quality standards.

Production of high quality statistics depends on the quality of the underlying statistical processes. Assessing, assuring and communicating data quality is one of the main tasks of the ESS comprising a systematic monitoring of the processes, including the operations in place for data collection, editing, imputation and weighting as well as the dissemination of statistics. At the same time the ESS assesses and communicates output quality according to various criteria: relevance, accuracy and reliability, timeliness and punctuality, accessibility and clarity as well as comparability and coherence. In its Communication COM(2011)211 "Towards robust quality management for European Statistics"[7] published on 15 April 2011, the European Commission presented its new strategy to further enhance quality management through i.a. strengthening in particular the institutional dimension of the implementation of the Code of Practice and explicit commitments by the ESS members on quality assurance measures and improvement programmes.

The European Statistical System Committee (ESSC) recognised at an early stage that specific new statistics are needed to answer better the needs for information regarding progress in societies as described in the diverse initiatives. The UNECE Conference of European Statisticians (CES) took a similar initiative for developing indicators to measure the closely related concept of sustainable development. This work has resulted in important inputs to the discussions as presented in this report. Other recent initiatives such as the Europe 2020 strategy, the EU Macro Economic Surveillance and the OECD's Better Life Initiative and Green Growth Strategy, also raised awareness for the need to update the program and production of statistics to be better equipped to answer the societal challenges and to support policy makers with fit for purpose and high quality indicators. This development was clearly underlined in the Eurostat Conference on "Statistics for policymaking: Europe 2020 strategy" of 10-11 March 2011.

1.3 Translation of the recommendation into actions for the European Statistical System

To answer the new challenges described above, the ESSC launched a cooperative project to translate the recommendations from the SSFC report and the Commission's Communication into concrete actions for the ESS. This cooperative project was organised as a so-called Sponsorship Group: Member States high level representatives working together with the aim to adapt the official statistical systems to be better equipped to meet changing needs. The mandate of this **Sponsorship Group "Measuring, Progress, Well-being and Sustainable**

[5] http://epp.eurostat.ec.europa.eu/portal/page/portal/quality/code_of_practice
[6] Regulation (EC) No 223/2009 on European statistics http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:087:0164:0173:En:PDF
[7] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0211:FIN:EN:pdf

Development" was especially dedicated to enhance the experience and knowledge about the measurement of those phenomena and to develop specific and concrete sets of indicators that answer the described challenges from the "GDP and Beyond" Communication and the SSFC report. The Sponsorship Group was co-chaired by Walter Radermacher, Chief statistician of the EU and Jean-Philippe Cotis, Director General of the French Statistical Office, INSEE. Representatives of most EU and EFTA national statistical offices as well as OECD and UNECE participated in four Task Forces. Three Task Forces were mandated to make concrete proposals on the better use of and improvements to existing statistics or the development of new statistics and indicators. Task Force 4 was requested to give guidance on cross-cutting and overarching issues and to consolidate the final report of the project.[8]

Two important milestones for the work of the Sponsorship Group took place in Sofia (September 2010) and Wiesbaden (September 2011). In Sofia, the Directors General of the National Statistical Institutes agreed to work further on the conclusions of the SSFC report and the "GDP and Beyond" Communication, in particular on the households perspective, distributional aspects in our societies, the consumption perspective of environmental pressures, objective and subjective conditions of people's quality of life and complementarities between micro data sources (in particular national accounts and surveys on income and living conditions, on labour force, on household budget and time use). In Wiesbaden, the Directors General of the National Statistics Institutes underlined their commitment – subject to appropriate funding - to invest in improvements and the modernisation of European social statistics and agreed in particular steps towards a common architecture covering a system of integrated social surveys comprising standardised core components and complementary micro-data collections based on reliable and up-to-date sampling frames. The measurement of quality of life and of the living conditions of subgroups of the population (including children, migrants and the elderly), information on time use and household budgets as well as strengthening the links between social statistics and national accounts were earmarked as areas in which progress will be pursued with priority.

1.4 Structure of the Sponsorship Group report

This report of the Sponsorship Group on Measuring Progress, Well-being and Sustainable Development summarises the main actions by the ESS to implement the recommendations from the "GDP and Beyond" -Communication and the SSFC report, as developed by the Task Forces in the period between spring 2010 and summer 2011.

This report contains a set of concrete actions and development work to be undertaken to update the statistical system to the changing needs for new information. It also includes a set of recommendations on communication of the results. It thus addresses as the main audience the members of the European Statistical System Committee. The ESS Committee at its meeting on 17 November 2011 adopted this report and decided to include the concrete actions, development work and recommendations in its work plan.

[8] Based on a conceptual frame of reference provided by Task Force 4, the other three Task Forces worked on the translation of the SSFC recommendations and the actions of the GDP and beyond Communication into concrete activities in the field of respectively -1- Household perspective and distributional aspects of income, consumption and wealth -2- Multidimensional measures of quality of life and -3- Environmental sustainability.

This report is based on the information as provided by the reports of the three Task Forces[9]. In chapter 2 the background of the project and the conceptual and methodological fundaments of the work are described, as well as some overarching issues. Chapter 3, summarises the concrete actions and development work respectively in the domain of the "Household perspective and distributional aspects of income, consumption and wealth" (sub-chapter 3.1); the domain of "Multidimensional measures of quality of life" (sub-chapter 3.2) and the domain of "Environmental sustainability" (sub-chapter 3.3). In each of these sub-chapters, the rather widely formulated recommendations from the SSFC report and "GDP and Beyond" Communication are narrowed down to a set of more concrete actions and positioned in the light of the current situation in the specific fields of statistics, the main available data sources and possible further developments. Each of these sub-chapters provides key findings and a list of indicators. Chapter 4 discusses the next steps and proposes actions for communicating the results of the Sponsorship Group. An overview of related initiatives at European and international level is given in Annex 1.

The co-chairs of the Sponsorship Group "Measuring, Progress, Well-being and Sustainable Development" would like to express their profound gratitude to the co-chairs and members of its four Task Forces comprising representatives from Eurostat and 17 EU and EFTA National Statistical Institutes as well as from UNECE, OECD, ECB and DG EMPL of the European Commission without whose dedicated efforts and numerous contributions this report wouldn't have been possible.

[9] Published on http://epp.eurostat.ec.europa.eu

2 Background

There are growing societal and political demands to measure progress, well-being and sustainable development in a more comprehensive way.

Discussions during the last decade converged in two important initiatives: the Istanbul conference in 2007 devoted to the OECD Project "Measuring Progress in Societies" and in November 2007, the "Beyond GDP" conference from the European Commission (organized together with the European Parliament, the Club of Rome, the WWF and the OECD). They paved the way to the SSF Commission on the Measurement of Economic Performance and Social Progress and the EU Commission Communication to the Council and Parliament on "GDP and Beyond". The Sponsorship Group's work is more of an empirical nature since it aims to address the statistical gaps identified by previous reports.

The need to improve our statistical system became even more urgent with the economic and social consequences of the 2008/09 financial crisis, particularly in the area of sustainability. This Sponsorship Group report covers elements of economic and social sustainability like net household wealth and educational levels, and also deals with environmental sustainability issues. Over the years there have been a number of attempts to produce statistics on stocks and levels of all resources, including social capital and human capital, but in the main these developments are still experimental. More work needs to be done, both on developing measures of capital and to integrate them with data on flows, so that assessments of the overall sustainability of current activities can be made.

New statistics proposed by this Sponsorship Group should match the high quality standards of the European statistical system. The issue of comparability was central to the Group's work, which focussed on aggregation and comparison across the ESS aiming at measures to be used at the EU level as well as within Member States, perhaps supplemented with a limited number of specific national measures. Where possible, international comparability – beyond the EU borders – should be also aimed at.

This chapter presents:

- Firstly, the demands addressed to the statistical system by the SSFC report and the "GDP and Beyond" Communication. Other initiatives involved in measuring progress of societies and sustainability are presented in the annex to this report.
- Secondly, the resulting challenges faced by European statisticians in the context of the Sponsorship Group.

2.1 Recommendations from international and EU initiatives

2.1.1 Recommendations from the SSFC report

In February 2008, President Sarkozy launched the Commission on the Measurement of Economic Performance and Social Progress (CMEPSP), co-chaired by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi. The aims of the CMEPSP were to identify the limits of GDP as an indicator of economic performance and social progress, to consider what additional information might be required for the production of more relevant indicators of social progress, and to assess the feasibility of alternative measurement tools.

One important motive for setting up the Stiglitz-Sen-Fitoussi Commission was the increasing gap between standard measures of GDP growth and inflation on the one hand and the individuals' subjective perception of progress and wellbeing on the other hand. This gap undermines public confidence in official statistics. The current financial crisis has deepened further such a gap: statisticians have been accused of failing to detect unsustainable developments in an accurate way and early enough.

Citizens rightly consider that the main purpose of political action is to improve present and future well-being. Increased production of goods and services, as measured by the GDP growth rate, is only an intermediate target. Economic growth may well be necessary, but it is not sufficient for society's progress. Statisticians have to provide policy-makers and civil society with reliable, timely and trusted indicators of well-being, which can quantitatively and qualitatively assess the present situation, allow for comparisons across countries and over time, and indicate perspectives for further progress.

The report the SSF Commission published in 2009 was very explicit on the need to look beyond factors of production to better measure economic performance and social progress in the context of sustainability. It suggests new avenues for better measurement in three main areas:

- Economic performance where improvements in GDP accounting are needed;
- Societal well-being (quality of life, including subjective - that is people's assessment - of well-being);
- Sustainability and the environment.

The SSF Commission believes that it is not realistic to try and identify a single synthetic indicator summarizing all the aspects of well-being. It rather favours parsimonious dashboards[10] particularly to assess sustainability.

The report also invites countries to discuss these issues in national roundtables, echoing that part of the Istanbul Declaration which urges "statistical offices, public and private organisations, and academic experts to work alongside representatives of their communities to produce high-quality, facts-based information that can be used by all of society to form a shared view of societal well-being and its evolution over time."[11]

[10] A dashboard brings together a limited number of indicators, possibly including indexes, displayed as visually as possible.

[11] http://www.oecd.org/dataoecd/14/46/38883774.pdf

Box 2: Recommendations from the Stiglitz-Sen-Fitoussi Commission report

Recommendation 1: When evaluating material well-being, look at income and consumption rather than production

Recommendation 2: Emphasize the household perspective

Recommendation 3: Consider income and consumption jointly with wealth

Recommendation 4: Give more prominence to the distribution of income, consumption and wealth.

Recommendation 5: Broaden income measures to non-market activities

Recommendation 6: Quality of life depends on people's objective conditions and capabilities. Steps should be taken to improve measures of people's health, education, personal activities and environmental conditions. In particular, substantial effort should be devoted to developing and implementing robust, reliable measures of social connections, political voice, and insecurity that can be shown to predict life satisfaction.

Recommendation 7: Quality-of-life indicators in all the dimensions covered should assess inequalities in a comprehensive way

Recommendation 8: Surveys should be designed to assess the links between various quality-of-life domains for each person, and this information should be used when designing policies in various fields

Recommendation 9: Statistical offices should provide the information needed to aggregate across quality-of-life dimensions, allowing the construction of different indexes

Recommendation 10: Measures of both objective and subjective well-being provide key information about people's quality of life. Statistical offices should incorporate questions to capture people's life evaluations, hedonic experiences and priorities in their own survey

Recommendation 11: Sustainability assessment requires a well-identified dashboard of indicators. The distinctive feature of the components of this dashboard should be that they are interpretable as variations of some underlying "stocks". A monetary index of sustainability has its place in such a dashboard but, under the current state of the art, it should remain essentially focused on economic aspects of sustainability.

Recommendation 12: The environmental aspects of sustainability deserve a separate follow-up based on a well-chosen set of physical indicators. In particular there is a need for a clear indicator of our proximity to dangerous levels of environmental damage (such as associated with climate change or the depletion of fishing stocks).

2.1.2 European initiative: "GDP &Beyond: measuring progress in a changing world"

Two years before the Stiglitz–Sen-Fitoussi Commission produced its final report, the "Beyond GDP" conference confirmed a strong demand from policymakers, economic, social and environmental experts and civil society for indicators that complement GDP and aim at providing more comprehensive information to support policy decisions.

Following up on this request the "GDP and Beyond" Communication in 2009 aimed at developing more inclusive indicators that provide a more reliable knowledge base for better public debate and policy-making. It pointed to the need to improve, adjust and complement GDP with indicators that concisely incorporate social and environmental achievements (for example, improved social cohesion, accessibility and affordability of basic goods and

services, education, public health and air quality) and setbacks (e.g., increasing poverty, more crime, depleting natural resources). It focused on a number of actions for the short to medium term in order to incorporate social and environmental dimensions in measuring progress. These key actions are:

- Complementing GDP with environmental and social indicators;
- Gathering near real-time information for decision-making;
- Providing more accurate reporting on distribution and inequalities;
- Developing a European Sustainable Development Scoreboard;
- Extending national accounts to environmental and social issues.

These prescriptions fit well with the recommendations of the SSF Commission. They try to meet growing societal and political demands to measure progress, well-being and sustainable development in a more comprehensive way. The newly developed "Europe 2020" strategy adopted by the heads of States and Governments defines measurable targets for several indicators that go beyond GDP and the Commission has proposed a surveillance mechanism for these indicators. As with approaches to Green Growth, they aim to improve the relation between economic activities and their impact on the environment and social inclusion.

2.1.3 Other initiatives

The ultimate goal of these two initiatives continues to be in line with the objectives of the Rio summit in 1992: societies should preserve their capital while profiting from economic growth. A large range of further initiatives, has already pointed in similar directions: progress of society, sustainable development and well-being. There is a broad agreement on the necessity to take the economic, social and environmental dimension into account when trying to measure how a society develops. Consequently, the approaches elaborated in the context of this Sponsorship Group cannot be developed in isolation and regardless of other initiatives. Many of those initiatives have already led to adaptations in the work program for statistics and set new standards. However, other recommendations are presently too far-reaching or their implementation is not feasible considering their conceptual shortcomings or the lack of suitable data.

The recommendations of the SSFC report and the "GDP and Beyond" Communication led not only to international follow-up work but also to many national initiatives. Governments tasked working groups to find out how at the national level available information could be tailored to meet the challenge from the SSFC report.

2.2 European responses to fill statistical gaps

To address statistical gaps, the European Statistical System mandated the Sponsorship Group to make concrete proposals to the ESSC on how to implement the recommendations of the SSFC report and the "GDP and Beyond" Communication. Its mandate was mainly to prioritise actions with the aim to produce adequate indicators rather than proposing an additional conceptual framework. The report of the Sponsorship Group should help to shape the 2013-2017 programme of the European Statistical System, both through the work needed to implement specific actions (see chapter 3) and through a common and coordinated communication strategy (see chapter 4).

For European comparison purposes, core instruments are one important way of building harmonisation and these should be developed and defined in good cooperation with international partners (OECD, UNECE). One of the major objectives of the Sponsorship Group was to harmonize the data produced and delivered within Europe, and if possible, with other geographical entities.

The Sponsorship Group took into account ongoing works as well as the richness of current data, which is not always fully exploited. It also had the mandate, whenever possible, to "pick low hanging fruits". For instance, to emphasise the household perspective in national accounts, the Sponsorship Group had first to examine how to better use existing national accounts data. Although as far as possible priority has been given to official statistics, in specific cases or as a temporary solution until official data become available, the use of appropriate non-official statistics such as data from scientific institutes or data derived from research exercises was considered necessary. In such a situation, the ESS commits to review the quality of the data, following strict quality assessment protocols. Where possible, collaborating with the data owners will be envisaged with a view to improving data quality.

The Sponsorship has taken a cautious approach with regard to indicator aggregation. As a rule, aggregation should be limited to transparent methods with a sound scientific basis agreed upon by the statistical community[12]. This entails that only data measured in the same units should be aggregated. By contrast, composite indicators combining individual indicators that have no common meaningful unit of measurement and implying arbitrary choices for weighting the sub-indicators cannot be labelled as official statistics and should thus remain in the research or political sphere.

Fast implementation is a crucial consideration in the selection of indicators.[13] The strategy for proposing indicators thus was to use or reuse the statistical material already available and to move forward in filling measurement gaps in the medium and long term. The Sponsorship Group has taken into account, to the extent possible, relevant initiatives and existing indicator sets while at the same time outlining actions to bring out the new emphasis and perspectives entailed in the SSFC report and the "GDP and Beyond" Communication.

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[12] E.g so called synthetic indicators are computed through the aggregation of several basic indicators combining highly correlated raw variables that are directly measured. Thus, the assumption can be supported that they are measuring the same latent concept. In order to validate the computation of synthetic indicators, their uni-dimensionality and internal consistency will need to be assessed through multivariate analysis techniques (correlations, Cronbach Alpha, correspondence and factor analysis). This methodology can facilitate the computation of a limited number of 'homogenous' synthetic indicators for each (sub) dimension with little loss of information.

[13] Further considerations stem from a conceptual framework linking issues and goals to indicators and measurement criteria as a basis for setting up any indicator system. It prescribes e.g. that indicators of outcome (e.g. "life expectancy at birth") should be preferred to indicators of input (e.g. "investment in the health system"). Indicators that measure goals (overall objective) should have a higher priority than indicators that measure means (or related to actions). Simple indicators should be preferred to ratios. This rule applies for instance to "decoupling indicators" to be expressed in absolute terms, not as a ratio with GDP. The indicator framework also tells that for the measures of sustainability both the producer and the consumer perspectives should be represented and that in the measures of quality of life, both subjective and objective conditions should be considered.

The Sponsorship Group has examined three themes in order to better respond to new statistical demands:

- The households' perspective and distributional aspects of income, consumption and wealth,
- Multidimensional measures of quality of life, including subjective measures,
- Environmental sustainability.

The key findings related to these themes are summarised in chapter 3.

3 Key findings and indicators

To implement the recommendations, a three stages approach was adopted, starting with an appraisal of sources and available data within the European Statistical System (ESS), considering where relevant, other international initiatives and approaches.

A number of requirements were formulated in a second stage with a view to guide the selection of activities and facilitate in particular the identification of data sources, indicators[14] and indicator sets[15]. Pragmatic solutions were favoured, focusing on deliverables and maintaining a reasonable cost-benefit balance.

Finally, activities that generate statistical outputs, enhance the statistical base or further develop underlying concepts and methods were identified.

3.1 Strengthening the household perspective and distributional aspects of income, consumption and wealth

The SSFC puts an emphasis on the household perspective, encompassing income, consumption and wealth as well as their distribution. More specifically, five recommendations deal with economic statistics and how they could better reflect households' material living conditions, i.e. how household material needs and wants are fulfilled on average and by category of households. The need to measure progress better is also emphasised in the Commission Communication "GDP and Beyond".

Four priority areas have been identified in European Statistics, as to be emphasised from the viewpoint of the household perspective and distributional aspects of income, consumption and wealth:

[14] Indicators should be **relevant**, meeting the objective of its measurement and user needs. Performance indicators should be able to show how certain outcomes help achieving the goals set. The indicators should be selected with **methodological soundness**: international scientific standards and well-established literature or at least broad consensus among main stakeholders. They should also be **accurate** and measure the phenomenon in a reliable way. The indicator should be sensitive to changes and to political decisions. Changes in the value of an indicator should have a clear and unambiguous meaning. Transparency is needed about the precision of indicators and their evaluation. The **timeliness** of the indicators should be an objective. The indicators should be **comparable** over time and allow for international comparisons. It is evident, that certain trade-offs between different selection and quality criteria may exist and often a single criterion is fulfilled only to a certain extent. **Reuse of data** is important in order to limit response burden, to meet financial restrictions and to encourage the coherence of the statistical system. Against this background the importance of **close co-operation at international level** in order to promote converging indicator development work is emphasized.

[15] When developing a **set of indicators**, there is a need to assess how well an indicator fits into the **integrated analysis** based on the entire set. Indicators originating from different sources should be **coherent**. In so far as indicators can be derived from an integrated accounting system, they are to be preferred as they can be better analyzed and linked to a wider range of other variables. In order to be easy to communicate, clear and well-balanced across different dimensions, the set of indicators should **be structured and limited** to a fairly small size. Each indicator should **fill an essential gap** in an analytical framework or substantially increase the relevance of already existing indicators. The indicator should meet the conceptual and practical requirements of the framework in which it is integrated (frequency, timeliness, availability of time series).

(1) Promoting existing national accounts data on household income and consumption,

(2) Providing information on the distribution of income, consumption and wealth,

(3) Encouraging the compilation of balance sheet accounts for households,

(4) Broadening income measurement to non-market domestic activities and leisure time.

Below these priority areas of work are explained further and followed by tables outlining the respective activities, their timing as well as a list of resulting indicators.

3.1.1 Promoting existing national accounts data on household income and consumption

Existing national accounts data should be used to better reflect the evolution of the material living standards of the "average household". It is important to extend income and consumption aggregates to include the measurement of in-kind services provided by government and thus improve the comparability of household aggregates particularly across countries with different social organisation or sizes of government.

ESS activity and actor	Timing
a. Publication of Quarterly headline figures for household income and consumption: Quarterly headline figures should focus on "gross disposable income", referred to as "household income" and "individual consumption expenditure" referred to as "household consumption". Data on social transfers in kind should also be made available. Household income and consumption should be calculated per consumption unit or at least per capita. The gross saving rate should be derived from individual consumption expenditure and gross disposable income adjusted for changes in pension funds reserves. Quarterly data should be adjusted for seasonal effects. Actor: ESS	Short term (2012-2013)
b. Publication of Annual data on households' income and consumption in gross and net terms: Annual data on households' income and consumption should be provided gross and net of capital consumption, with and without adjustments for social transfers in kind and calculated per consumption unit or at least per capita. For international comparisons, special focus should be given to annual data on household adjusted disposable income per consumption unit[16], in real terms using Purchasing Power Standards (PPS) as deflators. Actor: ESS	Short term
c. Delineation of the household sector: Annual data should refer to the actual households sector (i.e. excluding non-profit institutions serving households), whereas quarterly data may be shown for the combination of households + non-profit institutions serving households. Actor: ESS	Short term
d. Publication of household adjusted disposable income: Household adjusted disposable income should be shown at current prices and in real terms (i.e. after accounting for inflation). It should be calculated in gross terms (gross of consumption of fixed capital) for quarterly data and in both gross and net terms for	Short term

[16] Consumption units (OECD)= no of households + (0.5 * (no of adults – no of households)) + (0.3 * no of children)

annual data. Income should be broken into: (1) labour income (wages and salaries); (2) income of self-entrepreneurs; (3) capital income (including from actual and imputed rents); (4) social benefits and transfers in kind (and other current transfers) and (5) taxes and social contributions (compulsory contributions). Actor: ESS	
e. Publication of consumption figures: Annual and quarterly data on actual individual consumption should be provided in real terms, using the price indices compiled in the national accounts framework for each of the below-mentioned categories. At least for annual data, they should be broken down by "Durable goods" (cars, home appliances etc.); "Food and non-alcoholic beverages"; "Housing, water, electricity, gas and other fuels"; "other non durable goods" and "social transfers in kind" (*i.e.* goods and services financed by government in education, health etc.). Actor: ESS	Medium term
f. Further harmonisation work for the treatment of quasi-corporations: The current cooperation work to harmonise the treatment of quasi-corporations across countries, in both the financial and non-financial accounts should be continued. Actor: ESS (Task Force on quarterly accounts by institutional sectors)	Medium term
g. Further methodological work on household liabilities: The gross recording of household liabilities, in particular for mortgage loans, is to be further researched with a view to calculating saving rates net of capital redemptions. Actor: ESS	Long term

The box below proposes a set of indicators that should become the base for future press releases of household accounts. The indicators are based on existing data. They should progressively become the headline figures in the EU, when communicating on household income and consumption. As soon as available, they should appear in the headline publication of quarterly and annual national accounts, at least with the same status as the key indicators used so far, and at best replacing them. They should be available at least annually, for Member States below 1% of the EU GDP, and quarterly for the other countries.

A standard quarterly news release of households account should be published in a harmonised and synchronised way across the ESS, based on the following list of key indicators:

1. Individual consumption expenditure, in volume, per consumption unit
2. Gross disposable income in real terms, per consumption unit
3. Gross saving rate
4. (Optional) decomposition of the actual individual consumption into: "Durable goods" (*e.g.* cars, home appliances), "Food and non alcoholic beverages", "Housing, water, electricity, gas and other fuels", "Other non-durable goods" and "Social transfers in kind".
5. Decomposition of the gross adjusted disposable income into: (1) labour income (wages and salaries); (2) income of self-entrepreneurs; (3) capital income (including from actual and imputed rents); (4) social benefits and transfers in kind (and other current transfers) and (5) taxes and social contributions (compulsory contributions).

For international comparisons, special focus should be given to annual data on household adjusted disposable income per consumption unit, in real terms using purchasing power standards (PPS) as deflators.

3.1.2 Providing information on the distribution of income, consumption and wealth

In order to supplement average measures of income, consumption and wealth with indicators that reflect their distribution across households, it is necessary to work on deriving consistent estimates from national accounts and social statistics that would be comprehensive, in terms of transactions and population covered. Work has been launched by a technical expert group addressing the related methodological challenges. This comprises aligning of concepts (for the population scope) and definitions (of income and consumption) between national accounts and social statistics. When this alignment is not feasible, estimation/imputation procedures should be envisaged. It is deemed beneficial to start working simultaneously on income and consumption and to consider individual public expenditure as imputed "enlarged" income. Building upon the findings of the technical expert group and in order to address remaining data gaps, an incremental approach will be pursued aiming at the provision of distributional indicators as of 2020.

ESS activity and actor	**Timing**
h. Methodological work with OECD: A joint Eurostat/OECD technical expert group will work on methodological issues for EU and non-EU countries (the work already started with 25 countries). Actor: Eurostat/OECD Expert Group on Disparities in a national accounts framework	Short term
i. Reconciliation exercises (including imputation) between social statistics and national accounts data: work on "*a minima"* matching exercise with national accounts based on EU-Statistics on Income and Living Conditions (EU-SILC) / Household Budget Survey (HBS) data available at Eurostat and in parallel on national pilot studies that take advantage of further information at national level to produce distributional information consistent with national accounts aggregates. Actor: Eurostat/OECD Expert Group on Disparities in a national accounts framework	Short term (2012)
j. Reference concept for social statistics and national accounts data: Use "adjusted disposable income" as the reference concept for social statistics and national accounts data. As a first step, adjustments for social transfers in kind should be limited to public education and health services. Actor: ESS	ongoing
k. Breakdown of income, consumption and saving rates: data should be broken down by a number of household categories such as standard of living (i.e. adjusted disposable income per consumption unit); household composition and age structure. Actor: Eurostat/OECD Expert Group on Disparities in a national accounts framework	ongoing
l. Publication of annual data: once the methodology is established, publication of annual data on the distribution of income and (when available) consumption, and then, in a further step, publication of estimates on income and consumption growth by household category and on wealth distribution. Actor: ESS	Medium term

ESS activity and actor	Timing
m. EU-SILC/HBS: Consider the possibility of an EU Regulation for HBS and consider adding (key) variables to the EU-SILC legislation in order to better measure social transfers in kind at the individual level. Actor: ESS	Long term
n. Annual sector accounts: consider the possibility of transmitting additional national accounts data (annual sector accounts) to Eurostat to better match them with micro-data on income. Actor: ESS	Long term

As a result, the indicators listed below should be available as of 2020:

1. Adjusted gross disposable income for different categories of households (e.g. standard of living, household composition and age structure).
2. Actual individual consumption for the different categories of households.
3. Gross saving rate for the different categories of households.

3.1.3 Encouraging the compilation of balance sheet accounts for households:

Vital indicators of the financial status of a firm are usually derived from balance sheet information and the same holds for households. To construct the balance sheets for households, comprehensive accounts of their assets (mostly dwellings and land) and their liabilities are needed. As a first step, an increased coverage of non-financial assets, in particular estimates on the value of dwellings and of land underlying buildings and structure should improve the measurement of household total wealth. Furthermore, improving the timeliness for compiling/transmitting the key non-financial assets to t+12 months instead of t+24 months requested in the current ESA transmission programme is considered important. Finally, the comparability of estimates across countries should be improved.

ESS activity and actor	Timing
o. Increase the coverage of the assets: by 2014, Member States should, for the household sector, transmit data for the value of "Dwellings"; "Land" and in particular "Land underlying buildings and structures". Actor: ESS	2014
p. Improve the timeliness: By 2017, data for households "Dwellings" and "Land" should be submitted 12 months after the reference year (instead of 24 months today). Actor: ESS	2017
q. Increase the coverage of household wealth: Consider collecting, annual stock data on the value of consumer durables which are relevant for the analysis of household wealth (such as motorcars, washing machines or computers) Actor: ESS	Medium term
r. Improve compilation methods: Organise a workshop to discuss national practices and methodological issues on the compilation of non financial assets for the total economy and by sector with a special focus on households' dwellings and land). In	Medium term

ESS activity and actor	Timing
particular: (a) dwellings and land should be valued at market price instead of current purchasers' prices written down by the accumulated consumption of fixed capital and (b) the delineation of the household sector and of the main asset categories should be harmonised. Actor: ESS	

As of 2017, the annual indicators listed below should be available, at t+12 months and used in the EU when communicating on household material wealth.

1. Household gross debt (loans) as a share of their gross disposable income
2. Value of household assets in "Dwellings" and "Land" as a share of their gross disposable income
3. Household wealth (net financial assets + assets in dwellings and land) as a share of their gross disposable income

3.1.4 Broadening income measurement to non-market domestic activities and leisure time

Although leisure time contributes to wellbeing, and can be captured through e.g. Time Use Surveys (TUS), it may fall outside the coverage of national accounts, which aim at recording production, expenditure and income within a defined production boundary. In addition, many services that households produce for themselves are not recognised in official income and production measures, yet they constitute an important aspect of the material living conditions. Such own-account production should be accounted for, to the extent that it spares households the buying of equivalent goods and services or, conversely, may lead to an apparent increase in production when household members reduce their leisure time say to take up paid employment. Thus it is considered important, particularly for cross-country comparability of income and consumption estimates, to collect information on the time spent in such non-market production activities. The data should be based on (even light) Time Use Surveys and potential alternative/complementary sources on non-market domestic activities such as household budget surveys. In parallel, methodological work should be conducted on the compilation / harmonisation of households' satellite accounts.

ESS activity and actor	Timing
s. Harmonisation of Time Use Surveys (TUS): More work at international level should be done to harmonise Time Use Surveys (TUS) as one possible basic source for estimates on domestic non-market activities Actor: UNECE Task Force on TUS	2012
t. Frequency of TUS: TUS should be conducted at least every ten years, (e.g. through EU regulation), starting in 2020. Ideally, "light" TUS capturing domestic work should be run with a higher frequency. Actor: ESS	2020
u. Investigation of alternative/complementary data sources: the availability and suitability of alternative/complementary sources on non-market domestic activities such as household budget surveys should be investigated.	Short to medium term

ESS activity and actor	Timing
Actor: ESS	
v. Harmonisation of household satellite accounts: A pilot group of experienced countries should be created to propose a common (European) approach in compiling household satellite accounts. Actor: ESS pilot group	Medium term

In 2020, the indicators listed below should be available and updated at least every ten years:

1. Time spent by households on the different kinds of non-market production of goods and services.
2. (Optional) Actual household consumption including value added from non-market domestic activities, in total and per consumption unit.

3.2 Multi-dimensional measures of quality of life

The SSFC report addresses the need for quality-of-life indicators in five recommendations and defines eight key dimensions covering objective and subjective aspects of well-being to be taken into account. These dimensions include material living conditions, productive and valued activities (incl. work), health, education, leisure and social interactions, economic, job and physical insecurity, governance and basic rights, natural and living environment as well as overall experience of life. The SSFC report also considers that quality-of-life indicators in all the dimensions covered should assess inequalities in a comprehensive way. Finally, it suggests to statistical offices to incorporate in their own surveys questions to capture people's life evaluations, hedonic experiences and priorities.

At the same time, European social statistics are engaged in a modernisation process that has the potential of facilitating some of the actions listed below, in particular through streamlining the system of social surveys.

In addressing these recommendations, the following priority areas have been identified for future work which is outlined below including an indication of their timing:

(1) Use EU Statistics on Income and Living Conditions as the core instrument

(2) Complement the coverage of the dimensions with additional data sources

(3) Deepen and improve analysis

3.2.1 Use of EU Statistics on Income and Living Conditions as the core instrument

As of today, European statistics substantially contribute to the understanding of objective factors influencing people's quality of life whereas subjective well-being has been broadly considered to lie outside the scope of official statistics. Nevertheless, several statistical offices recently started to establish actions and programmes for the measurement of subjective indicators on quality of life at national level (e.g. by adding questions to the EU-SILC questionnaire). On European level, priority should be given to introducing every year, in EU-SILC, a question on overall life satisfaction as was already included in its predecessor, the

European Community Household Panel. In addition, the 2013 EU-SILC ad hoc module will collect in-depth information on subjective well-being.

At the same time, further dimensions of quality of life will need to be covered through developing a number of sources giving priority to addressing economic, job and physical insecurity, productive and valued activities, natural and living environment, leisure and social interactions, governance and basic rights as well as the overall experience of life.

EU-SILC should be developed further to serve as the core EU instrument connecting the different dimensions of quality of life on individual level and reflecting their dynamic interdependencies.

As an immediate priority, investment should be done in timeliness and comparability of EU-SILC variables. The coverage of the dimensions should also improve. This refers in particular to health, education, social interactions and natural and living environment.

The ESS also attaches priority to improve policy relevant indicators, including better comparable measures of income poverty risks, deprivation and consumption constraints as well as households with low work intensity. These inequalities will also be increasingly addressed at sub-national geographical (regional and even local) level.

ESS activity and actor	**Timing**
a. Development of EU-SILC as the core instrument of ESS measuring and reporting on the quality of life: A single-source approach would bring value added as it would enable **capturing** correlations and identify sub-populations that are below a certain threshold in various dimensions (such as children, women, immigrants and elderly). Actor: ESS	Long term
b. Improving quality (incl. timeliness) of EU-SILC data with special focus on the Europe 2020 indicators, used for policy monitoring in the context of the European Semester. Actor: ESS	Medium to long term
c. Inclusion of topics in the EU-SILC legal basis: the revision of the EU-SILC legal basis should a minima consider **yearly inclusion** of questions on the overall experience with life. Other dimensions might also be covered if possible Actor: ESS	Long term
d. Subjective well-being questions in the 2013 EU-SILC ad-hoc modules: The 2013 EU-SILC ad-hoc module will focus on subjective well-being questions. Actor: ESS	To be launched in 2013. Results in 2015
e. Inclusion of topics **in EU-SILC rolling modules**: to address other dimensions - More elements on well-being - Leisure , social participation and interaction • trust in institutions and satisfaction with public services • environmental conditions In order not to further increase the costs and burden associated with EU-SILC, it should be considered to replace the ad-hoc modules by rolling modules that would return every "x"	Medium to long term

ESS activity and actor	Timing
years. Actor: ESS	

3.2.2 Complement the coverage of the dimensions with additional data sources

Several instruments other than EU-SILC in the field of social statistics are currently implemented or are being prepared that should cover important part of the dimensions of quality of life at EU level. The activities below address some of the evolutions that should be implemented in these instruments.

In parallel, facilitating the integration between different sources will be important. This includes enforced use of core variables in EU social surveys and efforts to ensure that common sub-populations and reference periods can be identified across surveys.

A set of core variables was agreed by Member States in 2005 and regularly reviewed.

Considering the time horizon and the costs associated with developing European statistics, in the short term, data gaps could be filled by non-official European or national sources provided that the sources and quality level are clearly indicated.

ESS activity and actor	Timing
f. Household Budget Survey: will be developed further considering timeliness aspects and harmonisation. Actor: ESS	Long term
g. Labour Force Survey (LFS): the revision of the questionnaire of the LFS will provide elements about formal and non-formal learning, and will codify the new ISCED[17]. The availability of the Adult Education Survey and the better integration with LFS will provide a good opportunity to improve the indicators for education. Moreover, items related to job satisfaction and job insecurity will be considered for inclusion possibly in the LFS. Actor: ESS	2014
h. Time Use Survey: Work will be conducted to extend the country coverage and to improve the quality of the TUS either with better guidelines or a regulation combined with quality requirements. The conduction of light surveys (or specific questions) on the use of time should be considered in between the decennial TUS. The measure of time-use satisfaction was experimented in the French TUS survey in 2010. The results will be examined to assess the potential for ESS-wide recommendations on this topic. • See also §3.1 (priority area 4 "broadening income measurement to non-market domestic activities and leisure time")	Long term

[17] ISCED: International Standard Classification of Education

ESS activity and actor	Timing
Actor: ESS	
i. Household Finance and consumption Survey (HFCS): In the future the HFCS will provide information on indebtedness over wealth and loan service over gross disposable income. Actor: ESCB[18]	Medium term
j. EU Safety Survey (SASU): will provide more extensive information on physical insecurity. Actor: ESS	To be launched 2013
k. European Health Interview Survey (EHIS): will provide, probably every five years, more extensive information on perceived health status, health limitations and unmet needs as well as on mental health. Actor: ESS	To be launched 2014
l. Analysis and indicator development: In the preparation of the questionnaires and in the publication of the results of both surveys (SASU and EHIS), particular care will be devoted to the comparison between objective and subjective answers to similar questions. Moreover, further work will be conducted on the development of quality-of-life indicators for these domains. Actor: ESS	Medium to long term
m. Introduction of the **social core variables** through both extending the coverage of the variables to all feasible surveys and work to deepen the consistency with an agreed definition based on a Eurostat set of updated definitions and implementation guidelines. Implementation of core variables will be regularly assessed to ensure coherence with the work to rationalise micro data collection into a reduced number of pillars. Actor: ESS	Short term
n. Exploit complementary use of data from different sources through analysis of sub-populations, data imputation and statistical matching techniques. Actor: ESS	Short term

3.2.3 Deepen and improve analysis

Data is already available for several quality-of-life dimensions. They should be more broadly used and disseminated.

Work will comprise application of various aggregation methods (e.g. arithmetic averages, median, threshold based indicators), sensitivity analyses to document various choices and assess their impact on the indicators as well as on the validation of benchmarks; Further empirical work will be conducted aiming at producing a limited set of indicators for measuring the (sub)-dimensions of quality of life covered by EU-SILC.

[18] ESCB: European System of Central Banks

ESS activity and actor	Timing
o. Compilation of indicators based on existing data: a first set of indicators should be developed with data from existing ESS sources, and, where these data are lacking, with data from EU sources outside the ESS. Their source will be clearly indicated and a judgement on quality provided. Actor: ESS	Short term
p. Development of synthetic indicators: in order to reduce complexity of the data and to allow for analysis between dimensions, a set of synthetic level indicators for each quality-of-life dimension should be developed to the extent that the variables of interest are highly correlated. A scoreboard of uncorrelated primary indicators should complement the picture. Actor: ESS	Short to medium term
q. Co-operate with owners of non-official statistical European (and national) sources such as the European Quality of Life Survey and the European Social Survey to investigate and possibly improve data quality and their consistency with ESS definitions and concepts. Actor: ESS	Ongoing
r. Establishment of an expert group to support indicator work. The expert group should represent producers, users and other stakeholders. It should in particular further develop the overall list of indicators, work on synthetic indicators and the scoreboard of primary indicators. Actor: Eurostat, ESS members	Short term

Table 1 suggests – according to each quality-of-life dimension - a preliminary list of indicators as an example, marking headline indicators in bold. It also indicates the best available data source linked to the time planning.

Table 1: Structured list of quality-of-life indicators (headline indicators are in bold)

Indicators name	Measurement	Source	Planning Term
Material living conditions			
At-risk-of-poverty (rate)	**(Share of) people with an equivalised disposable income below the risk of poverty threshold (equal to 60% of the national median equivalised disposable income) (Europe 2020 indicator)**	**EU-SILC**	**Short**
Material deprivation (rate)	**(Share of) people that accumulate at least 4 out of 9 deprivation items enforced lack of basic necessities, arrears, unexpected expenses (Europe 2020 indicator) (synthetic)**	**EU-SILC**	**Short**
Constrained expenses	Basic expenses to total household budget ratio higher than 75%	HBS EU-SILC	Long
Debt burden	Debt to assets ratio higher than 75%; loan service to income ratio	HFCS	Long
Quality of dwelling	Based on aggregation several items (too dark, overcrowding, leaking roof or dump floor, indoor toilet, bath or shower)	EU-SILC	Short
Income quintile share ratio	S80/S20	EU-SILC	Short
Productive and valued activities			
Low work intensity	**Households where adults work less than 20% of their potential during the income reference year (Europe 2020 indicator) (synthetic)**	**EU-SILC**	**Short**
Quality of employment	**Temporary contracts**	LFS EU-SILC	Short
Quality of employment	**Involuntary part time workers**	LFS EU-SILC	Short
Quality of employment	**Working long working hours**	LFS EU-SILC	Short
Quality of employment	**In work poverty**	EU-SILC	Short

Indicators name	**Measurement**	**Source**	**Planning Term**
Quality of employment	Encompassing set of indicators based on the UNECE/ILO/EUROSTAT task for recommendations (safety and ethics of employment; income and benefits from employment; working hours and balancing work and family life; security of employment and social protection; social dialogue; skill development and training; workplace relationships) (synthetic)	LFS + modules	Long
Unemployment rate	Share of people unemployed as percentage of the active labour force	LFS	Short
Regional disparities	Coefficient of variation employment rates	LFS	Short
Health			
Health deprivation	**The share of persons that assess their health to be fair/bad/very bad, or that report having a long-standing chronic illness/ long-standing health problem or declare having long-term restrictions in daily activities. (18-64, 65+) (Based on aggregation 3 European community health indicators) (synthetic)**	**EU-SILC** **EHIS**	**Short** **Long**
Healthy Life Years (HLY)	**Potential number of years expected to live in good health**	**Adm[19]** **EU-SILC**	**Short**
Access to healthcare	The share of people who reported that at least once in the previous 12 months they felt they needed medical or dentist care and they did not receive it either because a) it was too expensive, b) they had to wait or c) it was too far away (18-64, 65+). (synthetic)	EU-SILC EHIS	Short Long
Life expectancy	Mean number of years still to be lived by a person who has reached a certain exact age, if subjected throughout the rest of his or her life to the current mortality conditions	Adm	Short
Mortality rates	Age specific death rates (per 1000 inhabitants); infant mortality rates (per 1000 live births)	Adm	Short
Education			
Early leavers from education and training	**Share of people aged 18-24 with only a lower secondary school qualification and not involved in further education (synthetic)**	**LFS**	**Short**

[19] Administrative sources

Indicators name	Measurement	Source	Planning Term
Educational attainment	**Share of people that have low/medium/high education**	**LFS**	**Short**
Lifelong learning	Share of people aged 25 to 64 that received education or training in the four weeks preceding the survey (synthetic)	LFS	Short
Cognitive skills	PISA/PIAAC scores	OECD	Long
Leisure and social interactions			
Supportive relationships	**Based on quality-of-relationships items (Ability to ask any relative, friend or neighbour for help, relatedness) (synthetic)**	**EU-SILC ahm[20] 2006** **EU-SILC ahm 2013**	**Short** **Long**
Social contacts	**Based on aggregation "frequency contacts" items (people that meet "less than once a week" with both relatives and friends) (synthetic)**	**EU-SILC ahm 2006**	**Short**
Leisure and culture	Based on participation several activities(leisure, hobbies, voluntary work, cultural activities) (synthetic)	TUS	Long
Social exclusion	Based on aggregation several items on people's feelings of exclusion/inclusion to society (synthetic)	EQLS[21]	Short
Personal insecurity			
Economic insecurity	**Based on aggregation "financial constraints" items (financial burden housing cost, unexpected financial expenses, make ends meet) (synthetic)**	**EU-SILC**	**Short**
Physical insecurity	**Based on aggregation insecurity items (violent crime, terrorism, burglary, safety in the dark) (synthetic)**	**SASU**	**Long**
Physical Insecurity	Homicide rate/100000 people	Adm	Short

[20] ad hoc module
[21] European Quality of Life Survey by Eurofound

Indicators name	Measurement	Source	Planning Term
Governance and basic rights			
Trust in institutions	**Based on aggregation several items (trust various national institutions) (synthetic)**	**EQLS** **EU-SILC Ahm 2013**	**Short** **Long**
Satisfaction with public services	Based on aggregation several items (various executive services) (synthetic)	EQLS	Short
Active citizenship	Pools numbers	Adm	Short
Natural and living environment			
Local environment	**Based on aggregation several items (Noise from neighbours; Pollution, grime and environmental problems) (synthetic)**	**EU-SILC**	**Short**
Air pollution	Percent of urban population exposure to pollution		
Overall life satisfaction			
Overall life satisfaction	**Based on one "life satisfaction" item** **0-10 scale**	**EQLS** **EU-SILC 2013 ahm**	**Short** **Long**
Emotional Well-being/affects	Based on aggregation items on mental health items (synthetic)	EHIS EU-SILC 2013 ahm	Short Long

3.3 Environmental sustainability

The growing importance of environmental factors, already acknowledged in high-level initiatives such as the "GDP and Beyond" Communication and the "EU sustainable development" and "Europe 2020" strategies[22], motivates the need to more effectively measure our environment and its capacity to remain available to future generations. This includes on the one hand, the present-oriented elements, that is, the well-being enjoyed by present generations from current environmental resources and services and on the other hand, the future-oriented aspects, that is, how are we preserving the natural capital that future generations will inherit from us.

In the SSFC report, environmental sustainability is specifically addressed through recommendation 12: *The environmental aspects of sustainability deserve a separate follow-up based on a well-chosen set of physical indicators. In particular there is a need for a clear indicator of our proximity to dangerous levels of environmental damage (such as associated with climate change or the depletion of fishing stocks.).*

Pointing into a similar direction, the "GDP and Beyond" Communication calls for *complementing GDP with environmental indicators, more timely environmental indicators and the extension of national accounts to environmental issues (integrated environmental-economic accounting).*

This chapter takes up these recommendations and policy needs along a medium to long term implementation strategy. Aiming at consistency with a more general framework encompassing also economic and social dimensions of sustainable development, the so called "capital approach" served as a conceptual basis when devising indicators related to future-oriented aspects of environmental sustainability. At the same time, present-oriented sustainability aspects have also been considered. Thus, the main focus has been laid on developing environmental accounts as the appropriate statistical framework. Due to several gaps in the statistics on stocks of environmental resources and the difficulties of defining such stocks properly, the indicators proposed in this report often relate to statistics on flows of environmental goods and services together with their use in the various economic functions. In addition, the development of some complementary measures will allow taking into account other important aspects of environmental sustainability, such as efficiency and equity. Longer term actions to improve the measurement of stocks are also considered.

A large number of the indicators can be derived using the system of integrated environmental and economic accounts, which has the core advantage of being directly compatible with the system of national accounts, thus allowing for an integrated environmental-economic analysis to measure the impacts of the economy on the environment and vice versa. Combining environmental accounts with extended Supply and Use Input-Output tables (SUIOT) allows for further analysis, especially for measuring environmental impacts induced by consumption (the so called "consumption perspective"), with the purpose of tracking both direct and indirect environmental pressures (for example through indicators such as carbon footprint or emissions "embedded" in trade).

[22] Annex 1 illustrates their main orientations in comparison to the approach chosen here.

In the lack of clear and widely established statistical methods for valuation of certain environmental phenomena (e.g. degradation), sustainability indicators expressed in physical terms are considered more feasible and solid than indicators expressed in monetary terms. For the time being, only valuation of natural resource (oil, gas, etc.) seems achievable.

When it comes to selecting indicators, environmental accounts allow them to be drawn directly from aggregates (e.g. national current expenditure on environmental protection) as they represent meaningful inputs for policy analysis. In addition, scientific weights used for aggregating residuals that contribute to the same environmental problem (e.g. emissions of greenhouse gases aggregated according to their global warming potential) can also be relevant, as well as input/output tables for targeting environmental pressures from a consumption perspective (e.g. raw material consumption or carbon footprint).

A range of priority actions has been identified on the basis of work already in progress as well as policy needs. They are listed below, including an indicative timing for the development work. Many of them relate to the further step by step development of a European system of environmental and economic accounts. The first step in this process has already been set by the adoption of an EU Regulation on European environmental economic accounts with modules on air emissions accounts, economy-wide material flow accounts and environmentally-related taxes by economic activity.

First priority will be given to the following areas:

ESS activity and actor	**Timing**
a. Develop energy flows accounts, based on already existing energy statistics and derive indicators on that basis, such as for example energy use by economic activity: Energy flows accounts allow for a more disaggregated picture of the different energy commodity flows through the economy. Several indicators, pertinent to sustainable use of energy policies, economic planning and analysis and sustainable production and consumption, can be derived from such accounts. Actor: ESS	2012-2013
b. Further develop indicators related to climate change, also by using data derived from accounts: The module on Air emission accounts, covering greenhouse gas emissions, is already part of the first set of modules included in the EU Regulation on environmental economic accounts. Besides indicators derived on the basis of Air emission accounts, further indicators relevant to climate change mitigation and adaptation need to be developed in collaboration with other stakeholders. Actor: ESS	2012-2014
c. Improve timeliness of climate-related indicators by developing early estimates of CO_2 emissions based on monthly energy statistics: The methodology for using monthly energy statistics to produce early estimates of CO2 emissions from energy is in an advanced stage of development by Eurostat. The basic data used by this methodology is the one currently reported under the Energy Statistics Regulation. Therefore, countries can follow a similar approach to develop their early estimates. In addition, Eurostat is looking into developing "now-casting" techniques which could later be tested by EU Member States to be applied also at national level. With high political importance, such early estimates are also a priority. Actor: ESS	2011-2012

ESS activity and actor	Timing
d. Regularly produce environmentally-extended Supply and Use Input/Output Tables (SUIOT) to investigate the "consumer perspective" of global climate change or air pollution The linking of environmental data with the economic Supply and Use Input/Output Tables from national accounts allows for an integrated analysis of the so called "consumer perspective", which can provide relevant "footprint type" indicators. Actor: ESS	2013-2014
e. Explore the possibility of producing the indicator *Raw material consumption* further to the ongoing pilot studies. The indicator *Raw Material Consumption (RMC)* complements the already established indicator *Domestic Material Consumption*, derived from Material flow accounts (MFA). Its additional value lies in the fact that it accounts for the consumption of raw materials in third countries induced by imports of finished or semi-finished products. Eurostat is currently producing on a pilot basis the RMC at EU level. Many MS also plan to obtain the corresponding national indicator Actor: ESS	2012-2014

The following indicators could be further developed or result from the first priority areas listed above:

By 2012:

1. Early estimates (now-casts) of CO_2 emissions from energy

By 2013-2014:

2. Energy consumption by economic activity (NACE breakdown)
3. Energy efficiency by economic activity
4. Energy productivity of the economic sectors
5. Carbon intensity by economic activity (NACE breakdown)
6. Carbon productivity by economic activity
7. Expenditure related to climate change adaptation
8. Emissions "embedded" in imports
9. Emissions induced by final use of products, by product group
10. National or EU carbon footprint
11. Raw material consumption

The development areas below are considered second priority:

ESS activity and actor	Timing
f. Further develop the environmental goods and services sector (EGSS) data collection and work on developing a module for future inclusion of EGSS in the	2012

ESS activity and actor	Timing
Regulation on European environmental economic accounts. The development of the module on Environmental goods and services sector (EGSS) would permit the calculation of new indicators linked to the economy. Actor: ESS	
g. Further consolidate the Environmental protection expenditure accounts (EPEA) and work on developing a simplified version in view of its future inclusion in the Regulation on European environmental economic accounts: Environmental protection expenditure accounts can be used to identify and measure society's response to environmental concerns and behaviour aimed at preventing environmental degradation. Actor: ESS	2013-2014
h. Develop asset accounts for natural resources, including sub-soil assets and energy assets: Asset accounts allow the calculation of indicators showing to what extent the stock of a given asset (e.g. energy reserves) has been sustained or not in both physical and monetary terms. Developing asset accounts would require intensified exchanges with the scientific community responsible for gathering primary data on the various resources, for example, forests, fish or minerals. Actors: ESS, scientific community	2013 to long term
i. Use Land Use/ Land Cover data to build relevant indicators on landscape and biodiversity: The further development of landscape and biodiversity indicators would require intensified collaboration with the European Environment Agency and DG Environment on how best to utilise existing statistical information such as Lucas and Corinne. Actors: ESS, EEA, DG ENV	2013 to long term

The following indicators could be further developed or result from the second priority areas listed above:

By 2012-2014:

1. "Green" employment
2. Turnover generated by "green" economy
3. National expenditure on environmental protection
4. Total investment and current expenditure by households, government and industry
5. Expenditure by environmental domain (air and climate, wastewater, waste, other)

In the longer term:

6. Depletion (change in stock levels) of natural resources assets, e.g. energy reserves
7. National saving net of total natural resource depletion
8. Expected life length of a natural resource asset

9. Landscape state and biodiversity 10. Changes in land use

The following development areas are considered third priority:

ESS activity and actor	Timing
j. Improve the data coverage and quality of existing water statistics (abstraction, water use, pollution, etc.) and develop indicators for pressures on water resources on regional (or river-basin), rather than national aggregation: Improving the existing water statistics and developing indicators on a river-basin or regional level are pertinent to measuring the environmental sustainability of water resources. Actor: ESS	2013-2014
k. Develop water accounts to map out the use of water by the different economic activities. Actor: ESS	Long term
l. Harmonise the presentation of the existing indicators on waste and their metadata along the on-going Eurostat indicator streamlining project: Waste statistics benefit from the already established EU Regulation in that area. Work that remains to be done concerns further improvements on the harmonisation and streamlining of indicators. Actor: ESS	2012-2014
m. Develop waste accounts on the basis of already existing waste statistics: Waste accounts could be developed on the basis of already existing waste statistics. Developing waste accounts could render additional indicators. Actor: ESS	Long term

The following indicators could be further developed or result from the third priority areas listed above:

By 2013-2014: 1. Water abstraction and use by river basin or region 2. Water use by economic activity (NACE breakdown) *In the longer term:* 3. Waste generated by economic activities (NACE breakdown) 4. Waste recycled by economic activity 5. Recycling rate of waste by economic activity

4 Next steps and communication

The Sponsorship Group on Measuring Progress, Well-being and Sustainable Development is an initiative of the European Statistical System Committee. Therefore, following the adoption of this report by the Committee at its meeting of 17 November 2011, the next step for this report will be the inclusion of the outlined actions and development work in the ESS work program. In such a program the choice of the presentation format of the selected indicators (for example via a scoreboard) has to be included as well as the ESS communication strategy on the actions. This communication strategy can be divided into a general strategy covering the results of the Sponsorship Group and progress with regard to the implementation of the actions by the ESS and a more specific communication strategy focusing on actions for an individual domain or type of indicators.

The results of the Sponsorship Group will be communicated to a wide audience of stakeholders (including e.g. the European Statistics Advisory Committee (ESAC), the European Parliament and international and national affiliated bodies) as well as to organisations at a further distance to the ESS, like national governments and scientific communities, with the aim to obtain feedback from users and stakeholders through a consultation process. Furthermore, the report and the separate reports of the three task forces as well as the resulting indicators will be subject to discussions in international and national debates.

The actions below are about, first, communicating the report of the Sponsorship Group itself, then communicating the resulting indicators and indicator sets. Work on these actions needs to start in parallel with work on the more specific activities related to individual domains that have been included in chapter 3. Those comprise technical questions (selection of the indicator sets, how to combine the results of several indicators, direction of developments to be indicated, target values for target years, use of specific visualisation methods etc.) and a proposal for the content and format of a specific publication (i.e. the standard news release 'quarterly household accounts').

- **Communication on the report**

Action 1

For the adoption of the report, a main event, like a conference, will be organised by the ESSC. Such an event for the ESSC members and the main stakeholders can be combined with several other forms of media attention like a common ESS press release, introducing the report on the ESS website etc. It is proposed to use also other occasions like the UN Statistical Commission to organise information/discussion meetings on the achievements of the Sponsorship Group.

Action 2

The ESS members are invited to use the occasion of this main event to launch appropriate national communications, setting the actions envisaged by the ESS in the context of their own national activities. The input of the results of the Sponsorship Group in national discussions can be facilitated by a common text/brochure/presentation on the results of the report of the Sponsorship Group.

Action 3

Eurostat will use the ESS websites to jointly present Member States and ESS level media activities and feedback received, as well as to report on a regular basis on progress with regard to the implementation of the actions at ESS and national level.

Action 4

Stakeholder dialogues will be organised to create awareness and commitment for the development actions as well as for the use of new measures. Stakeholders can be the main users (groups) as well as other organisations or groups in society. The dialogues can take place on national as well as on European level. The European Parliament will be contacted. The results can be presented by the chairs of the Sponsorship Group in a public hearing and further steps can be discussed with the MEPs.

Action 5

The envisaged ESS actions and development work will be included in the programming cycle (annual and multi annual plans) of the ESS. However, it is recommended in addition to annually report and to discuss the progress with regard to the development of the indicators in the ESSC and with main stakeholders.

Action 6

Given the manifold initiatives launched at the European and international level concerning the implementation of the SSFC recommendations, the Sponsorship Group results will also be presented at international level. Therefore, the UN Statistical Commission will be asked to include it on the agenda of its next meeting.

- **Communication on the resulting indicators**

Action 7

Eurostat will present in an annual report a limited set of indicators with a brief synthesis of findings. These indicators – packaging new indicators with established key indicators, like GDP - would mainly be based on data collections occurring annually or more frequently. The launch of the annual report will be supported by European level and national press events presenting the indicators and the results with a common ESS press release. The communication can focus on a limited set of indicators together with issuing other important data (like GDP).

Action 8

In addition, Eurostat will publish a comprehensive report every 5 years, including non-ESS sources where ESS sources are not available. Likewise, the launch of the 5 year report can be supported by European level and national press events presenting the indicators and the results.

Action 9

The communication on the indicators will be based on the 'storytelling approach' informing about the indicator itself but also positioning the results in its context. A layered approach to the set of indicators will increase its accessibility and efficient use. The webpage with the indicators will use all the modern visualisation tools, allow user engagement and studying the

proposals as well as initiating a discussion on them. It is recommended to use an alert system (e.g. "RSS-Feeds") for interest groups to regularly announce the availability of new material.

Action 10

A detailed system of quantitative and meta information on the main indicators (possibly via a dashboard) will be developed for presentation via the ESS website. For transparency reasons, this meta information contains information about the whole chain of collecting, processing and disseminating the information. It will allow linking European and national information and data sources.

Annex 1: Description of different international initiatives related with social progress or sustainability

I. European Commission "Europe 2020: A strategy for smart, sustainable and inclusive growth"[23]

In June 2010 the European Council adopted the "Europe 2020 Strategy" put forward by the European Commission.[24] It sets out a vision of Europe's social market economy for the 21st century. It defines priorities, targets and actions (inter allia seven flagship initiative) to turn Europe into a smart, sustainable and inclusive economy delivering high levels of employment, productivity and social cohesion.

Europe 2020 puts forward three mutually reinforcing priorities:

- Smart growth: developing an economy based on knowledge and innovation;
- Sustainable growth: promoting a more resources efficient, greener and more competitive economy;
- Inclusive growth: fostering a high employment economy delivering social and territorial cohesion.

To that end, the Commission proposes five measurable EU targets for 2020 that will steer the process and will be translated into national targets: for employment, for research and innovation, for climate change and energy, for education and for combating poverty. They represent the direction that has to be taken and enable us to measuring the degree of advancement and achievement of the three priorities laid down in the strategy. The five targets are currently measured by eight headline indicators (see Annex 1.2) and will be supplemented by a set of background indicators.

As a sideline it can be mentioned here that the Europe 2020 Strategy is also the reference document for fiscal and financial stability and for deeper and broader macro-economic surveillance. The Communication on reinforcing economic policy coordination presented in section 2.1.9 can be seen in this context.[25]

II. European Council: Renewed EU strategy for sustainable development[26]

The EU Sustainable Development Strategy (EU SDS) was one of the first European initiatives addressing progress, well-being and sustainability. The European Council adopted the strategy

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[23] See http://ec.europa.eu/europe2020

[24] European Commission communication "Europe 2020: A strategy for smart, sustainable and inclusive growth" (COM(2010) 2020)

[25] The Europe 2020 Strategy succeeds the Lisbon Strategy for growth and jobs. Progress made towards the Lisbon objectives was assessed with a short list of 14 Structural indicators (see Annex 1.2) that went into the statistical annex of the annual progress report. The complete list of Structural indicators comprises around 80 indicators.

[26] See http://register.consilium.europa.eu/pdf/en/06/st10/st10917.en06.pdf

in 2001 which, following a review in 2005, was renewed in 2006.[27] The EU SDS sets out a coherent approach to how the EU will more effectively live up to its long-standing commitment to meet the challenges of sustainable development. It reaffirms the overall aim of achieving continuous improvements of the quality of life and well-being on earth for present and future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion.

The EU SDS requires regular reporting on progress, drawing on a biennial monitoring report drafted by Eurostat, which is based on an indicator framework. The sustainable development indicator framework was developed by Eurostat with the assistance of an ESS Taskforce on Sustainable Development Indicators. It is based on ten themes, reflecting the key challenges, key objective and guiding principles of the strategy:

- socio-economic development
- sustainable consumption and production,
- social inclusion,
- demographic changes,
- public health,
- climate change and energy,
- sustainable transport,
- natural resources,
- global partnership,
- good governance.

They are further divided into sub-themes to organise the set in a way that reflects the operational objectives and actions of the sustainable development strategy. In order to facilitate communication, the set of around 120 indicators is built as a three-storey pyramid, distinguishing between three levels of indicators. This approach not only reflects the structure of the renewed strategy (overall objectives, operational objectives, actions) but also responds to different kinds of user needs. The three-levels are complemented with contextual indicators, which provide valuable background information but which do not monitor directly the strategy's objectives (see Annex 1.1).

III. Joint UNECE/OECD/Eurostat Working Group on statistics for sustainable development, — Task Force on measuring sustainable development

In 2009, the Joint UNECE/Eurostat/OECD Working Group published its work on measuring sustainable development. [28.] The report proposed a broad conceptual framework for sustainable development measurement based on capital The capital approach to measure sustainability aims at accounting for a broader set of capital assets than those assets already recognised in the current System of National Accounts (financial and non-financial assets, with the latter broken down into produced and non-produced assets). In particular, a set of environmental assets,

[27] European Council: Renewed EU strategy for sustainable development adopted by European Council, June 2006 (10917/06)

[28] UNECE 2009: Measuring sustainable development. Prepared in cooperation with the OECD and Eurostat, ECE/CES/77

human capital and social capital are added. The group proposed a set of sustainable development indicators that might serve as the basis for international comparisons, and is consistent with both the capital approach and common elements of existing policy-based indicator sets. The set takes into account monetary indicators of economic wealth and physical indicators of climate, air quality, water quantity/quality, ecological integrity, biological diversity, educational attainment and health status. No indicators related to social capital were included as it was considered that these were not sufficiently robust to be proposed for the small set at this stage.

A Task Force for Measuring Sustainable Development was set up in 2009 to further pursue the conceptual development based on the capital approach with a broader perspective to include the distributional, i.e. quality-of-life aspects of sustainable development. Work has advanced, including on the measurement of human and social capital and in refining the set of sustainable development indicators proposed by the Working Group. At present, the analysed set of sustainable development indicators cover the "needs of the present generation", the "needs of the future generations" and the "international dimension". The final report of the Task Force is planned to be ready mid 2012.

IV. OECD Better Life Initiative: Measuring well-being and progress[29]

Building on almost ten years of work on progress, including the Istanbul Declaration of 2007, the OECD launched *The OECD Better Life Initiative.* This initiative presents a set of comparable well-being indicators. It combines various streams of work, including a compendium of OECD well-being indicators and the *How's Life?* report, which will be published in October 2011. The set of indicators included in the *Better Life Initiative* will, over the years, be improved by taking into account the outcomes of a number of methodological projects at the OECD and elsewhere as these deliver their results and lead to better measures. The conceptual framework underpinning the *Better Life Initiative* identifies three pillars for understanding and measuring the well-being of individuals and households: (i) material living conditions; (ii) quality of life; (iii) and sustainability. This approach draws closely on that recommended by the SSFC and on previous OECD work[30] and is consistent with the approach proposed by the Sponsorship Group.

V. OECD Green Growth Strategy

At its 2011 Ministerial meeting, the OECD presented its Green Growth Strategy, comprising analytical reports and a report on Green growth indicators. To structure the measurement of green growth, a conceptual framework with four types of indicators was developed and adopted: (a) indicators of environmental and resource productivity; (b) indicators that monitor the evolution of the natural asset base; (c) indicators of the environmental quality of life and (d) indicators of economic opportunities and policy responses. The green growth agenda complements the OECD's work on wellbeing and progress in that it stresses the interaction between environment and economy and covers important aspects of environmental sustainability. The OECD's Green Growth indicators as measured today provide useful

[29] See http://www.oecd.org/progress

[30] See Hall *et al* (20100, A framework to measure the progress of societies. OECD Statistics Directorate Working Paper No 34.

international comparisons but their measurement has also revealed a number of data gaps. Hence, a measurement agenda has been defined that forms the basis for forthcoming statistical work by the OECD in this area.

VI. United Nations: Millennium development goals[31]

In September 2000, world leaders adopted the United Nations Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty and setting out a series of time-bound targets – with a deadline of 2015 – that have become known as the Millennium Development Goals (MDG). The goals target at poverty and hunger eradication, universal primary education, gender equality, child and maternal health, HIV/AIDS combat, environmental sustainability and global partnership.

Progress in the eight MDG and their 20 targets are monitored by a set of more than 60 indicators. The indicators for MDG 1-8 measure outcomes in developing countries and are thus indirect measures of the success/failure of the world community in achieving the goals. Ten out of the twelve indicators used to monitor MDG 8 "Develop a global partnership for development", can – with opposite signs – also be measured in the donor country in order to follow the development of their contribution to a more equitable world. These indicators show progress in official development assistance, market access and debt.

VII. United Nations: Human Development Index (HDI)[32]

The Human Development Index (HDI) is another measure to illustrate the state of development of a society. It is the best-known measure of development. It is a composite that combines the average achievements in a country in three basic dimensions of human development: life expectancy, education and knowledge, and the standard of living. The index is currently undergoing a substantial review by taking into account recent developments in the field, notably the Stiglitz report and the GDP and Beyond initiative. Proposed changes by the Human Development Report Office include: the revision of the classic HDI; the introduction of new inequality-adjusted HDI and gender-inequality adjusted HDI indices; and, the inclusion of a broader and more detailed set of statistics and indicators on various dimensions of human development, e.g. sustainability.

VIII. European Commission Communication "Reinforcing economic policy coordination" (COM (2010) 250)[33]

This Communication is worth being mentioned here, because it introduces proposals for a stronger and earlier policy coordination, additional prevention and correction mechanisms and crisis resolution facility for EU Member States, and in particular for those belonging to the euro area. The Europe 2020 strategy has the role of an umbrella concept for these actions initiating on the one hand the development of an indicator set to monitor the Europe 2020 objectives (see

[31] http://www.un.org/millenniumgoals/
[32] http://hdr.undp.org/en/
[33] See http://ec.europa.eu/economy_finance/articles/euro/2010-05-12-reinforcing-economic-policy-coordination_en.htm

2.1.3) and on the other hand the development of a set of financial and fiscal stability indicators that will serve the surveillance of macro-economic structures.

One of the messages articulated in the Communication that is particularly relevant for the current discussion is the call to give more prominence to public debt and financial and fiscal sustainability. High indebtedness weighs on medium- and long-term growth perspectives and deprives governments of the ability to run credible counter cyclical policies when they are needed most. The Communication shares the vision of several other initiatives that sustainability needs to include household and government finances.

IX. Other initiatives

In 2007 in Budapest, the conference of Director-Generals of National Statistical Institutes put the issue of globalisation on the agenda (93rd DGINS conference 2007: The ESS response to globalisation – are we doing enough?).[34] The starting point was the insight that even if economic integration is a dominant feature of globalisation, other dimensions are also of great significance, including the social, cultural, political and institutional realms and environmental considerations. Globalisation is not an initiative to monitor progress as such but the measuring efforts in this field will be of relevance to the implementation of such initiatives. They will help to address transnational issues like the shift from a production to a consumption perspective or migration.[35]

[34] See http://epp.eurostat.ec.europa.eu/portal/page/portal/conferences/introduction/2007/93rd_dgins_conference

[35] In the same year the European Council made a declaration on globalisation (European Council: Presidency Conclusions, Annex: EU declaration on globalisation, December 2007 (16616/1/07 REV 1); European Commission communication: The European Interest: Succeeding in the age of globalisation COM(2007) 581 final). The purpose of the conference was to make an overview of the different aspects of globalisation and the answers to be given by statistics to the numerous and varied challenges of this phenomenon. Eurostat has recently had a first effort at a set of 25 descriptive globalisation indicators, picking the low hanging fruits, i.e. constructing the set from existing data (see Annex 1.3).

Since the 1990s the number of initiatives aiming at measuring progress, well-being, sustainable development or parts of these concepts is growing. Each of these initiatives uses its own frameworks and sets of statistical measures.[36]

[36] Some of the more recent or older but still ongoing initiatives are: INSEE 2010: Follow-up of Stiglitz report; European Commission, DG ECFIN 2010: Green growth An indicator-based assessment framework to identify country specific challenges towards greener growth; OECD 2010: Green growth strategy; UNCSD 2010 "Rio+20: Green economy within the context of sustainable development and poverty eradication, and an institutional framework for sustainable development"; Reflection. Group on "the Future of the EU 2030" 2010: Project Europe 2030: Challenges and Opportunities (report to the European Council); WEF 2009: Global Agenda Council on Benchmarking Progress in Society; WSSD 2002: Plan of implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation); UNCED 1992: Agenda 21; numerous initiatives in ESS member states.

Table 1: Broad overview of perspectives, scope dimensions and frameworks of initiatives

		Stiglitz-Sen-Fitoussi Commission report	GDP and Beyond	Europe 2020	EU Sustainable Development Strategy	OECD Better Life Initiative	OECD Green Growth	UNECE/OECD/ Eurostat WGSSD	UNECE/OECD/ Eurostat TFSD	UN MDG	HDI
	Perspective	economic performance and social progress	progress	growth	sustainable development	well-being and progress of societies	Green Growth	sustainability	sustainable development	ending global poverty	human development
Scope	Intragenerational, equity	**X**	**X**	**X**	**X**	**X**	**-**	-	**X**	**X**	**X**
	Intergenerational, sustainability	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X** (environ. sustainabil.)	(**X**)
	Main concern	well-being / quality of life	policy relevance	economy	meeting needs & resource conservation	material well-being and quality of life	economy	resources for future generations	current and future well-being	ending poverty	Wealth, education and health
Dimensions adapted from the Stiglitz report	Economic Performance	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**	**X**
	Societal well-being (human & social aspects)	**X**	**X**	**X**	**X**	**X**	(**X**)	(**X**)	**X**	**X**	**X**

		Stiglitz-Sen-Fitoussi Commission report	GDP and Beyond	Europe 2020	EU Sustainable Development Strategy	OECD Better Life Initiative	OECD Green Growth	UNECE/OECD/ Eurostat WGSSD	UNECE/OECD/ Eurostat TFSD	UN MDG	HDI
	Environment (sustainability dealt with in scope)	X	X	X	X	X	X	X	X	X	-
Framework	Purpose	improving statistics' relevance	improving statistics' relevance	monitoring strategy	monitoring strategy	fostering better policies for better lives	Fostering sustainable economic growth	international comparability	uniformity in measures for comparability	monitoring goals	evaluating development incl. human well-being
	Approach: policy - conceptual	policy	policy	policy	policy	policy	policy	conceptual	conceptual/ policy	policy	policy
	Approach: conceptual - consultative	conceptual/ consultative	conceptual/ consultative	conceptual/ consultative	conceptual/ consultative	conceptual/ consultative	conceptual/ consultative	conceptual	conceptual/ (consultative)	conceptual/ consultative	conceptual/ consultative

Table 2: Convergence of initiatives in substance (print in A3)

Stiglitz report: well-being and sustainability	GDP and beyond topics	Europe 2020 priorities and headline targets	EU Sustainable development indicators (present and future key challenges)	OECD Better life initiative, well-being and progress of societies	OECD Green Growth	UNECE/OECD/ Eurostat WGSSD	UNECE/OECD/Eurostat TFSD Needs, capital, themes (work in progress)	UN Millennium development goals	Human development report 2000-2009 Main topics	Components of Well-being from Eurostat feasibility study
WELL-BEING	Quality of life and well-being			*Material well-being and quality of life*			*QUALITY OF LIFE* *Headline indicators* : Well-being		Human development index (HDI)	Outcome: Life satisfaction and happiness
i. Material living standards (income, consumption and wealth);	Income Wealth Distribution and inequalities, poverty	People at risk of poverty	Social inclusion Sustainable consumption and production	Material well-being (income and wealth; jobs and earnings; housing)			*Headline indicator*: Material welfare *Personal needs* : Food	End poverty and hunger	Human and income poverty (2009) Economy and inequality (2009) End human poverty (2003)	Standard of living
ii. Health;	Health		Public health	Health	Impacts of environment on health		*Personal needs*: Health	Child health Maternal health Combat HIV/AIDS	Health and education (2009)	Outcome: Health Health and longevity Subjective Physiological needs
iii. Education;		Early school leavers	Social inclusion	Education and skills			*Personal needs* : Education	Universal education	Health and education (2009)	Education
iv. Personal activities including work			Social inclusion Socioeconomic developmemnt	Work and Life Balance						Productive and valued activities Subjective Professional/individual activities & autonomy, self-actualisation
v. Political voice and governance;	Public services Access to services, infrastructure, quality housing Discrimination		Good governance	Civic engagement and governance			*Social needs* : Political voice *Personal needs* : Inequality	Gender equality	Gender-related DI (2009) Deepening democracy (2002)	Basic rights at societal level
vi. Social connections and relationships;	Social exclusion	*INCLUSIVE GROWTH*		Social connections			*Personal needs* : Social exclusion *Social needs* : Family and friends			Social interactions Subjective Relatedness, loving, belonging
vii. Environment (present and future conditions);	Clean environment: Climate change and energy use Nature and biodiversity Air pollution and health impacts Water use and pollution Waste generation and use of resources	*SUSTAINABLE GROWTH* "20/20/20" climate/energy targets	Climate change and energy Conservation and management of natural resources	Environmental quality of life	*Environmental quality of life*		*Personal needs:* Natural environment	Environmental sustainability	Water crisis (2006)	Environment
viii. Insecurity, of an economic as well as a physical nature.			Good governance	Personal insecurity			*Personal needs*: Income risk and insecurity Other risk and insecurity			Safety Subjective Safety / security
										Subjective Professional/individual activities & autonomy,self-actualisation
SUSTAINABILITY all above dimensions for future generations	Environmental sustainability	Environmental: "20/20/20" climate/energy targets	Various measures in most themes	SUSTAINABILITY: economic capital; human capital; social capital and natural capital	*Environmental and resource productivity and indicators of natural asset base*	Stocks and flows of foundational well-being (Health, education, climate, water, natural habitats) and economic well-being (foreign financial assets; produced, human, natural capital; energy, mineral, timber, marine resources)	*CAPITAL* : Economic Financial Natural Human Social	Environmental sustainability	Environmental: Climate change (2007/08)	
			Global partnership and specific measures in other themes	CROSS-CUTTING PERSPECTIVES: inequalities, sustainability			*INTERNTIONAL DIMENSION:* Environmental impacts Knowledge transfer Trade and aid	Global partnership	International cooperation (2005)	
		SMART GROWTH	Socioeconomic development Sustainable consumption and production							
		SMART GROWTH Investment in R&D	Socioeconomic development Sustainable consumption and production		Technology, R&D and innovation		Technology			
							Personal needs : Culture		Cultural liberty (2004)	
	Leisure						*Personal needs* : Leisure time			
	Mobility		Sustainable transport						New technologies (2001)	
		Employment of older workers	Demographic changes						Human movement, migration (2009) Demographic developments (2009)	
					Production of environmenatl goods and services, international financial flows, prices and transfers (taxation)					Subjective Competence, self esteem