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Background paper

**Preliminary Meeting of the UN Committee on
Environmental-Economic Accounting
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**RESEARCH AGENDA:
OTHER ISSUES
EXPANDING THE SEEA FRAMEWORK TO
SOCIAL ASPECTS**

Statistics Sweden

At the London Group meeting in Rome in 2003, a number of participants voiced different needs to include social issues in the accounting framework. Some issues raised were e.g. health information coupled to water accounting, social capital as a complement in sustainability indicator work and also inclusion of variables such as traffic accidents per industry. It was decided to form a sub-group to discuss and find out more about what types of issues that could be of interest and make an inventory of what has already been done. At the meeting in Copenhagen 2004 the inventory was presented. Many policy issues can be seen that would benefit from an inclusion of social data into the SEEA. It may even help in the implementation phase of the environmental accounts if it can be shown that also social issues can be analyzed to some extent.

As is noted in the recently finished handbook (SEEA 2003) there are several approaches to defining sustainable development and the SEEA may be helpful to inform some of them but not all. The concepts of human and social capital were left out of the handbook as it was a large undertaking to describe and suggest concepts for the relations between economic and environmental data. Still, the question on how to integrate all three areas in national analyses is pressing. National and international strategies for sustainable development are being formed. Also companies are incorporating more social data in their yearly reports. By using similar classifications for social statistics, a framework of statistics that could be used for the creation of sustainable development indicators and for integrated policies may be created.

It can be said that social variables are already included in the environmental accounts, as employment is a vital part of the national accounting structure. This makes it possible to analyze for example how many people that may be affected by a particular policy that addresses some particular industries. Social accounting matrices (SAM) have been created and linked with the environmental accounts, analyzing gender issues coupled to environmental policy and looking deeper into the environmental performance of households. In some of the analyses coupled to environmental industry social aspects such as education, gender and regional issues on employment have also been addressed.

It can also be stated that the boundary between social and environmental issues is not so clearly defined. Working environment is an area that is sometimes included in the environmental policies, especially if it concerns chemical policy. For companies that report on sustainability issues, the work environment is certainly a part of their reporting.

There are some different outlooks on how social issues can be included. One of the challenges is to integrate household or individual characteristics with the SNA production and consumption approach. This can e.g. be done by coupling people in the work force to the production through their working place. For children, retired, students and unemployed this is not possible. However, these can be linked to the household "sector" or through other types of surveys covering travel, time, income etc.

The attempts at bringing in social issues in forms that give opportunities for integration with the system of integrated environmental and economic accounts (SEEA) were grouped under three headings.

The first socio-economic group consists of established practices that link social data with the system of national accounts and use ordinary statistics and classifications to make more detailed analyses of households and of the work force.

The second socio-environmental group consists of information on health aspects expressed either in physical or monetary forms. It is relatively easy to see the policy needs for these types of analyses. However, it is probable that the gathering of data will be a cumbersome task, as the effects on health are often difficult to trace to particular causes. However, there are areas where data are available such as traffic related death and injuries and work environment data.

The third and last group was intended to cover the social issues that are included in the discussions and strategies for sustainable development but have no clear coupling to the environmental or economic data sets. None of the studies found intend to put a monetary value on the capital, but use other physical data to estimate and compare this resource.

From these experiences, we suggest the following research topics:

1. The socio-economic aspects. Looking in more detail at issues that in principle are already included: employment, household properties, education, gender, income through SAMs and household accounts.
2. The socio-environmental aspects. Integrating closely related social issues with economy and environment: sickness caused by environmental degradation, work environment, traffic accidents, people access to clean water, clean air, etc.
3. The linkage to sustainable development indicators. Social issues that are important to sustainability in a general sense. These can include data which are more loosely coupled to the economic sphere e.g. poverty, sickness, threat of violence, unemployment, political empowerment. If external effects of consumption would be included then also obesity and drug abuse could be included.