

Embedding social dimensions into economic and environmental accounting and indicator systems - some aspects to consider -

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**Paper prepared for the London Group Meeting
Session: Social dimension in environmental accounts
Copenhagen, Denmark 22-24 September 2004**



The message!!!

- Need for a clarification of SD's social dimension and definition of essential indicators
- Need for a definition of the term “indicator”
- SD indicators should be derived from systems where all data are based on the same definitions and classifications
- The system of national accounts and its satellite accounts are well suited for that



First ideas about social dimensions

- After the United Nations was founded, the requirements for social statistical information increased
- 1954: UN presented a comprehensive list of 11 social indicators
- 1997: The Statistical Commission developed a Minimum National Social Data Set (MNSDS)



Comparison of social indicators 1954 and 1997

- Indicators defined as a compromise between data availability and usefulness for analysis about which one can still find agreement internationally
- Both sets of social indicators lack links to other important environmental and economic indicators
- However, they can be used as starting point for future work with social indicators in connection to SD



Social dimensions and sustainable development

- First in the past decade the social dimension has been generally recognised as the equal part of SD
- A lack of a clear definition and delimitation of the 'social' caused that a large amount of social indicators was produced

Introduction to sustainable development indicators in Denmark

- Dimensions in the Danish strategy for sustainable development:
 - Economy
 - Environment
 - Social factors
- The social dimension of SD is described by means of a wide range of social indicators

Accounting systems including social issues

- **Social Accounting Matrices - SAM**
- **National Accounting Matrix including Environmental Accounts - NAMEA**
- **System of Economic and Social Accounting Matrices and Extensions - SESAME**



Social Accounting Matrices (SAM)

- SAM = National accounts incorporated into a matrix accountancy framework
- SAM extends national accounts data with more detailed statistics on the compensation of employees
- The design and construction method of SAM is not yet internationally standardized



SESAME

- SESAME is a statistical information system in matrix format
- Combines SAM and NAMEA
- Possibility for expansion with a range of supplementary tables

Example of SESAME-type information

Greenhouse effect in Denmark score by family types, 1997

			kg per DKK 1,000 private consumption	Ranking
Low income	Young	Urban flat	83	(5)
		Urban house	91	(14)
		Rural house	96	(16)
	Middle-aged	Urban flat	87	(8)
		Urban house	94	(15)
		Rural house	110	(23)
	Elderly	Urban flat	91	(12)
		Urban house	109	(22)
		Rural house	126	(27)

General points regarding indicators

- Definition of the term “indicator” seems to differ through the different topics of official statistics
- We can look at different elements when the criteria for establishing a good indicator is under loop
- It is proposed that a clear definition and delimitation of the term indicator are taken as starting point



Specific issues regarding sustainable development indicators

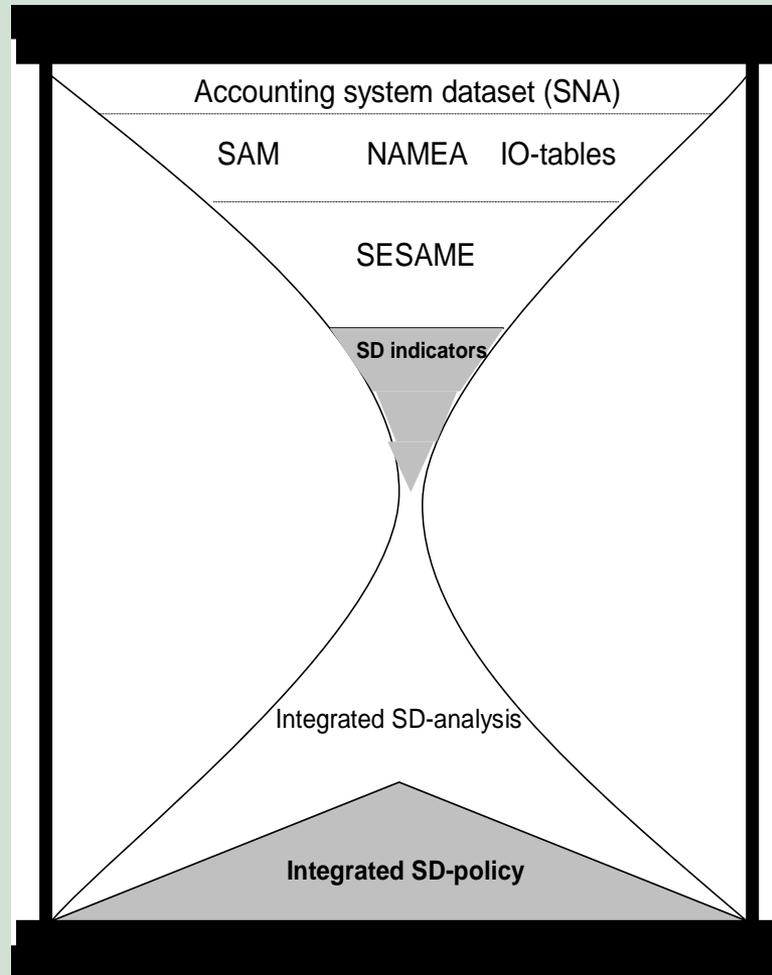
- Too large number of indicators
- Lack of linkages between the three dimensions of SD

Specific issues regarding social indicators

- Lack of clear definition
- Extremely sensitive to cultural differences
- Dependence on politics



The link between accounting systems and indicator systems



SESAME - advantages and issues

- Indicators derived from SESAME are a useful tool for monitoring
- SESAME doesn't tell us anything about goals of sustainability
- Some of the social topics will be added as supplementary tables to a SD accounting system and it can cause a growing range of social indicators

Conclusion

- The path forward must be clarification of SD's social dimension and delimitation of social headline indicators
- We need a clear definition of the term indicator
- A new indicator set should be derived from a statistical framework where individual indicators are embedded into an underlying database, like for instance SESAME

