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

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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

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Age Group</th>
<th>Housing Type</th>
<th>Score (kg)</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>Young</td>
<td>Urban flat</td>
<td>83</td>
<td>(5)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban house</td>
<td>91</td>
<td>(14)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rural house</td>
<td>96</td>
<td>(16)</td>
</tr>
<tr>
<td></td>
<td>Middle-aged</td>
<td>Urban flat</td>
<td>87</td>
<td>(8)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban house</td>
<td>94</td>
<td>(15)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rural house</td>
<td>110</td>
<td>(23)</td>
</tr>
<tr>
<td></td>
<td>Elderly</td>
<td>Urban flat</td>
<td>91</td>
<td>(12)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Urban house</td>
<td>109</td>
<td>(22)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rural house</td>
<td>126</td>
<td>(27)</td>
</tr>
</tbody>
</table>
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