

Policy Uses and Green Accounts: How Far Have We Come?

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Introduction

- Inaugural joint IEEN/ UKNEE seminar
- Environmental accounts: the broader context
 - **Policy uses** & **recent developments**
 - Increasing desire for **international comparability**
 - ... a similar trend can be detected within official (sustainability) indicator work

Cross-Country Experience

- What (many) countries **are** doing...
 - Developing thematic indicators: with reference to targets and trends
 - Working with large number of indicators
 - Developing accounting programmes
- What (many) countries **are not** doing...
 - Constructing green alternatives to GDP or ...
 - ... Synoptic indicators of environmental quality

Indicators or Accounts?

Sustainability Indicators

Policy departments
(e.g. DEFRA)

- *"Headline" indicators*
 - *Easy to communicate*

Environmental & Resource ("Green") Accounting

Data providers
(e.g. ONS, CSO)

- *National accounts*
- *Detailed info. by economic sector*

Greening the National Accounts

- UN Satellite Environmental and Economic Accounts (SEEA 1993, 2003)
 - **Resource balances**
 - **Emissions accounts**
 - **Environmental expenditure accounts**
 - Green national accounting aggregates
- ***Adjunct*** to conventional UN SNA
- Other developments
 - Ecosystem accounting (EEA/ TEEB), Energy Accounting (UN)

Environmental Accounting Across Countries

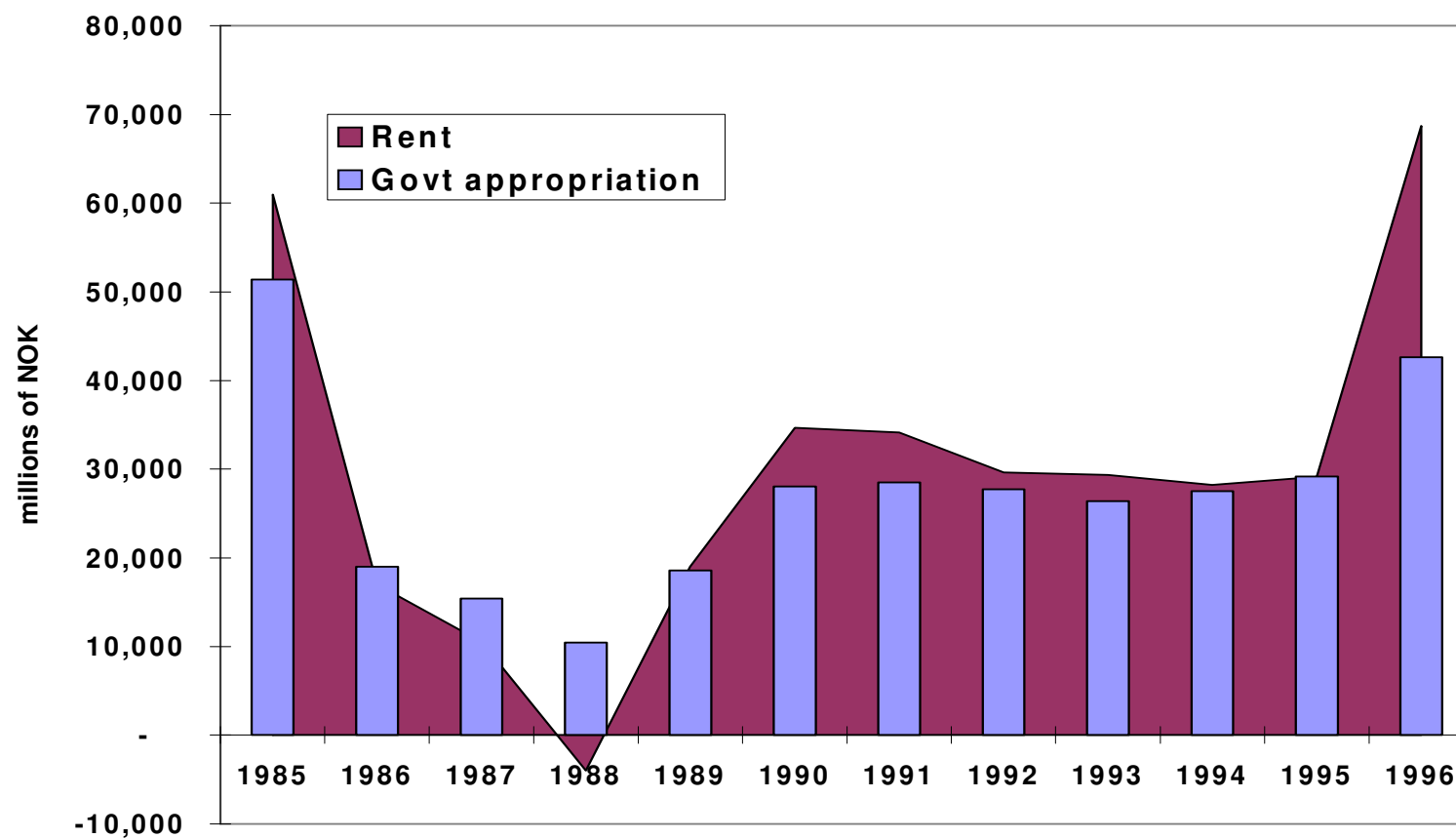
	1. Assets (physical & monetary)	2. Flow Accounts for Pollutants & Materials		3. Environmental Protection & Resource Management Expenditures	4. Macro- economic indicators
		Physical	Monetary		
INDUSTRIALIZED COUNTRIES					
Australia	X	X		X	X-monetary
Austria	X			X	
Canada	X	X		X	X-physical
Denmark	X	X		X	
Finland	X	X		X	
France	X	X		X	
Germany	X	X	X	X	
Italy	X	X		X	
Netherlands	X	X			
New Zealand	X	X	X		
Norway	X	X			
Sweden	X	X	X	X	
UK	X	X		X	

Source: Lange (2007)

Are Policy Uses Being Realised?

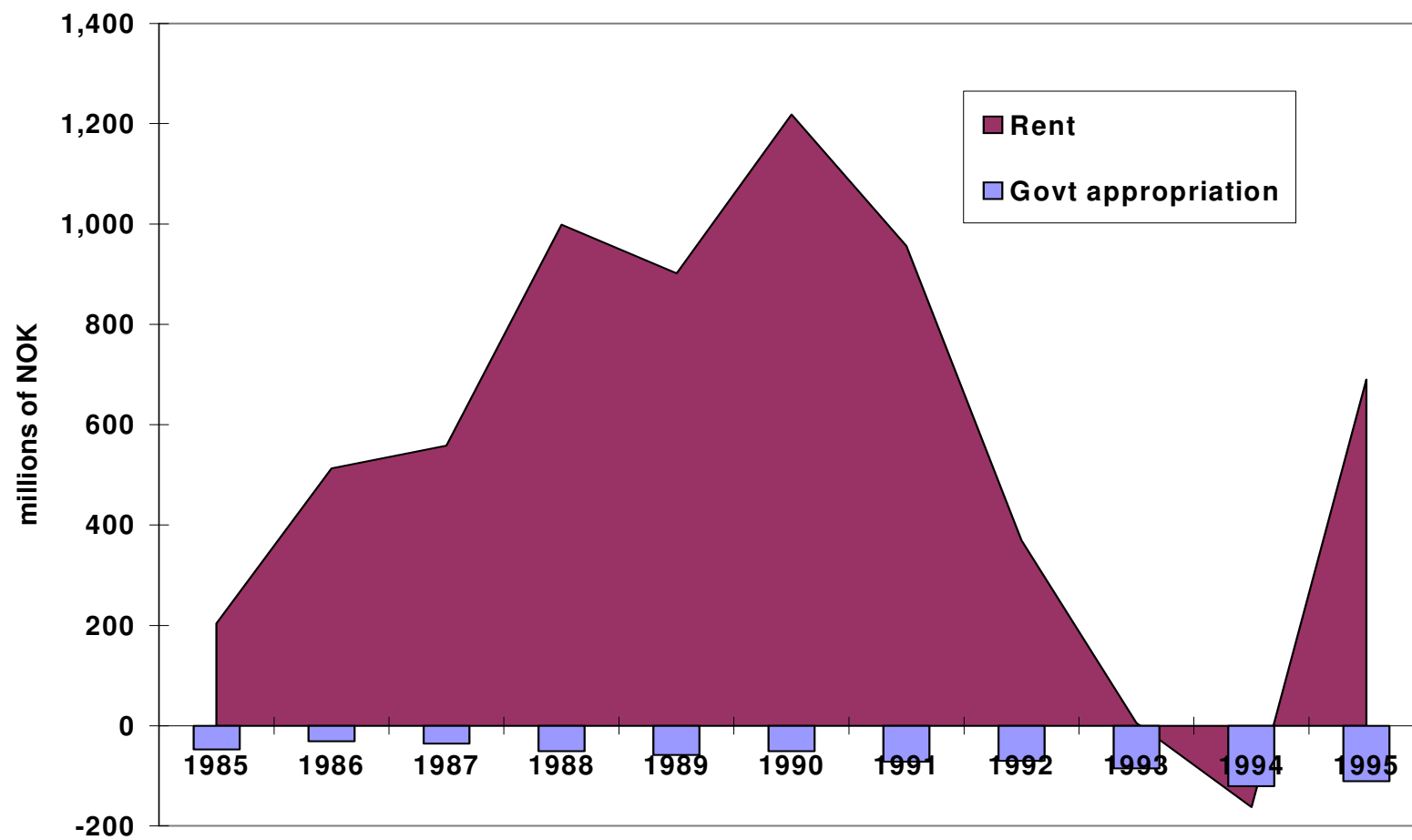
- Circa 'early' 1990s
 - **Official programmes initiated with very little discussion of end-uses** ... with perhaps one exception
- Hamilton *et al.* (1994):
 - **Importance of institutional relationships** in creating links between data providers and policy-makers
- What of policy applications 'today'?
 - **Lange** (2003): Growing but still underused esp. asset accounts
 - Issues: leadership role of SEEA, international comparisons
 - Examples of use for Statistics Sweden and its links to NIPA, SEPA, Finance Ministry
 - ... contrast to UK?

Resource Rent and Taxes from Oil in Norway



Source: Lange (2003)

Resource Rent and Taxes from Forestry in Norway



Source: Lange (2003)

Emissions Accounts

- Potentially rich range of policy uses for **flow accounts**
 - What of the **international dimension**?
- Example: **carbon accounting**
 - **Within country**: flow accounts, I/O tables
 - **Inter-country**: trade matrix
- Accounting task:
 - Calculate carbon intensity of **export mix** and **final demand** etc.
- Policy relevance?
 - Peters & Hertwich (2008): leakage & inventories
 - Hamilton, Ruta & Atkinson: price instruments

SEEA as an International Statistical Standard (ISS)

- **What is an ISS?**

- ‘Global’ agreement on framework of definitions, classifications, accounts and tables

- **What this entail?**

- “Multiple options should be replaced by one single recommended method based on consensus” (de Haan, 2006)

- **UN Committee of Experts on Environmental Accounting (UNCEEA, 2005)**

- **Prospects for consensus**

- Issues to resolve?
- Core vs. ‘experimental’ accounts?
 - Standards vs. ‘best practice’

'Conceptualising' and Identifying Indicators (1)

- UNECE/ OECD/ Eurostat Working Group on Statistics for SD (2008: Smith et al.)
- Objectives
 - 'Articulate a broad conceptual framework'
 - Identify menu of good SD indicators
 - Identify small & core set of indicators

Country	SD indicators
Denmark	119
France	12
Germany	28
Ireland	36
Netherlands	32
Norway	16
Spain	74
Sweden	91
UK	147 (17)

What Lies “Beyond GDP”?

■ Organisations

- Club of Rome
- European Commission, DG Environment
- European Environment Agency
- Eurostat
- Global Footprint Network
- Global Reporting Initiative
- International Institute for Sustainable Development
- Jacksonville Community Council Inc
- new economics foundation
- OECD
- Transparency International
- WWF

■ Indicators

- Calvert-Henderson Quality of Life Indicators
- Canadian Index of Wellbeing
- The Happy Planet Index
- Human Development Index
- Ecological Footprint
- Living Planet Index
- Genuine Savings (Adjusted Net Savings)
- Adjusted GDP

'Conceptualising' and Identifying Indicators (2)

- Framework for indicator selection
 - **Conceptual** vs. **policy agenda**
 - E.g. **Norway** & **UK**
 - Integrated vs. future-oriented views
 - Similarity between approaches?
 - Notable differences?
- What does UNECE (2008) recommend?
 - '**Foundational**' wellbeing and '**economic**' wellbeing
 - **13 indicators:** natural resources, human resources and environmental quality
 - ... +12 candidate **social capital** indicators

Concluding Remarks