

Insights on New Measures of Progress

What do we know?

What do we want?

What should we do?

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What do we know

- **National Accounting Matrix** including Environmental Accounts – Air Emissions (NAMEA - AIR), 1995-2004
 - Satellite accounts to the ESA95 for the analysis between the environment and the economy
- **Sustainable Development Indicators (SDI)**
Reconciliation of economic development, social cohesion and protection of the environment

What do we want?

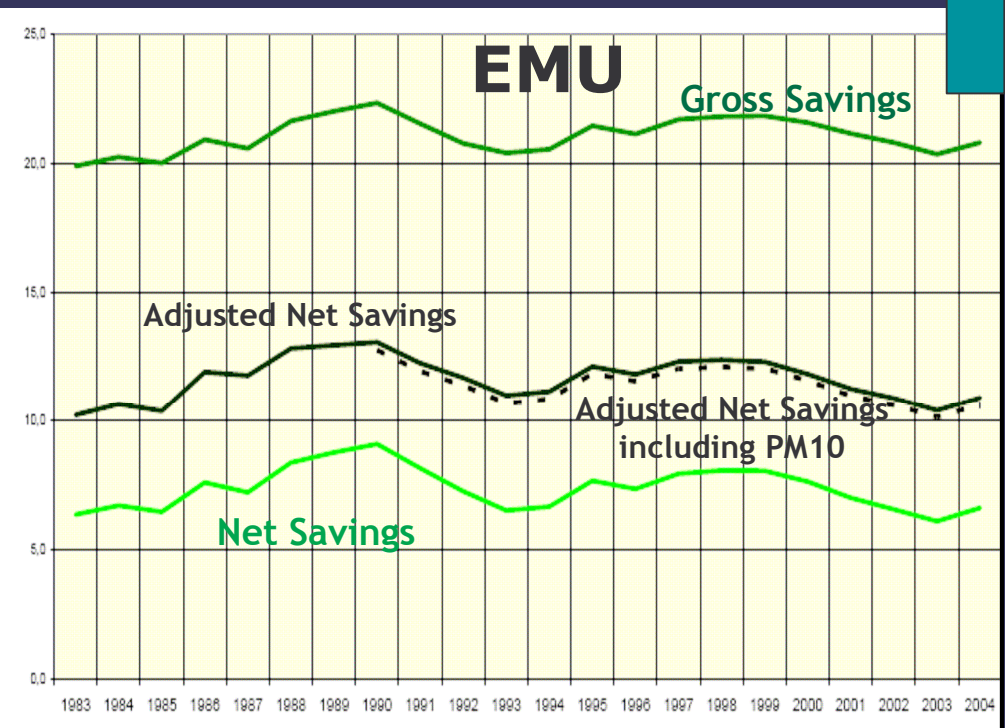
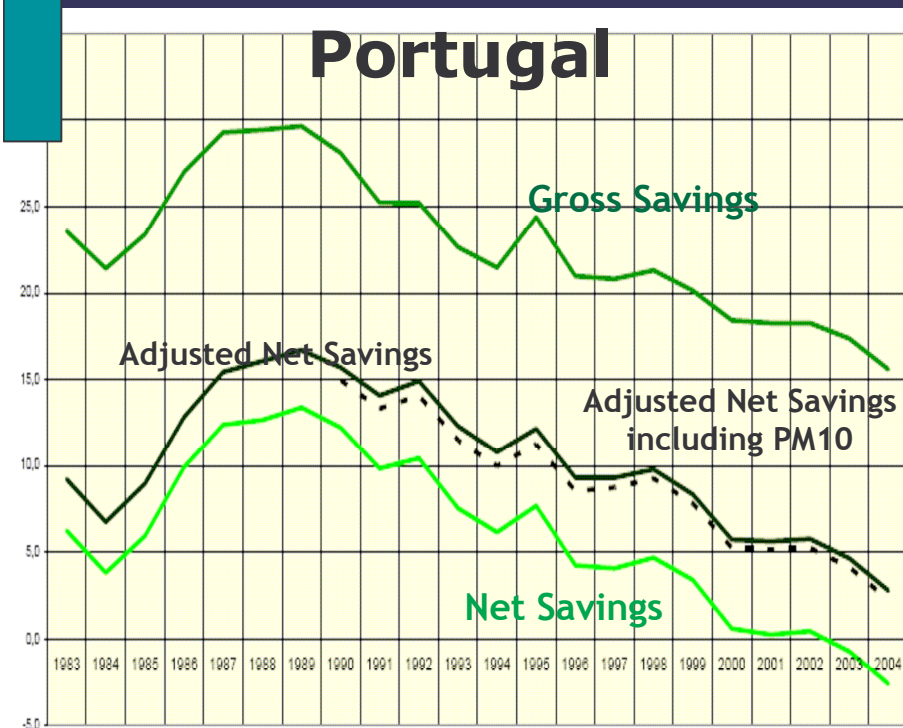
To answer this question it is important to highlight some remarks about portuguese figures as regard **Adjusted Net Savings (ANS)**

What do we know

Sharp increase of ANS in the 80''s, reversing this tendency from 89 onwards

Stable pattern in a range of 10-13% of the GNI

The path of ANS follows the dynamics of GNS/NNS



Sources: World Bank; DPP

Since late 90`s portuguese gap is larger

What do we know

1990/2004		
	PRT_Gap ANS_ /NNS	EMU_Gap ANS_ /NNS
Gap ANS_ /NNS	1	1
EDE	0,99	0,97
DEPLETION	-0,83	-0,62
CO2_PM10	-0,82	-0,50

Sources: World Bank; INE; DPP

The influence of **EDE** on this gap is high both in PRT and EMU.

Depletion of natural resources has a positive trend in PRT since 90, contributing to amplify PRT *gap* comparing with EMU

These data point out different structural profiles and to improve the assessment of the capital components we must use more detailed data



What should we do

Medium term

•Improving ANS

- Evaluation of additional natural resources and environmental damages (**NAMEA_ENERGY, NAMEA-WATER, NAMEA-WASTE**)
- Add professional training expenditures as human capital's investment
- Upgrade and application of monetary valuation methods

•Improving GNI

- Evaluation of activities such as house and volunteer work & leisure time;

•Improving Strong Sustainability

- Harmonisation of environmental quality indicators, namely critical environmental services
- Development of useful methodologies for decision making process in a context of huge incertitude, taking into account the precautionary principle

The Future

A modular system of accounting for **Well-being** and **Sustainable growth** could be effective:

- Setting up an integrated information system based on environmental accounts (**NAMEA**) and social accounts (**SAM**) linked to the National Accounts;
- This should end up in an extensive System of Economic and Social Accounting Matrices and Extensions (**SESAME**) with huge potential: harmonisation, flexibility to answer users needs and consistency with core National Accounts.

Beyond **GDP**

Measuring progress, true wealth, and the well-being of nations

Thank you for your attention!!!