Where to find data?

Data can be found on the *Eurostat QoL dedicated website*, and they are organised along the following nine dimensions:

The 'overall experience of life' refers to the personal perception of quality of life (i.e. life satisfaction, affects, meaning of life).

What is coming soon?

The results of the 2013 EU-SILC module on subjective well-being will be soon available (planned for summer 2014). Then, they will feed the nine QoL dimensions and complement indicators from existing surveys and data collections.

Some of the variables from the 2013 EU-SILC module on subjective well-being will be included in the core of the EU-SILC instrument and collected on an annual basis.

In order to reduce the complexity of the data and to allow for analysis between the nine dimensions of QoL, a set of synthetic indicators for each QoL dimension will be developed, to the extent that the variables of interest in the dimension are highly correlated.

A Handbook on policy use of well-being indicators (based on examples) will be released by February 2014.

SUSTAINABLE ENVIRONMENT

Global issues, such as for instance climate change and resource depletion, have highlighted the need to be able to more effectively measure the environment and its capacity to remain available to future generations.

What is new on measurement?

- **A first EU Regulation on European environmental economic accounting** was adopted in July 2011. This *regulation* covers air emissions by industry and households, environmental taxes and material flow accounts. The first data transmission at the end of 2013 showed a significant increase in data coverage and in its timeliness (compared to the former voluntary collections).
- **Early estimates of some key environmental variables** were developed by Eurostat to respond to the demand for more timeliness. For instance data on CO_2 emissions were presented only 4 months after the end of the reference year based on fuel combustion data in energy statistics.
- **An Environmental Economic Accounts** *dedicated site* was created by Eurostat. Environmental accounts are linked to the National Accounts, which provides a powerful analytical tool, e.g. to estimate the "carbon footprint" for the EU.
- **A Resource Efficiency Scoreboard** *dedicated site* was created by Eurostat. It gathers all indicators related to the resource efficiency policy.

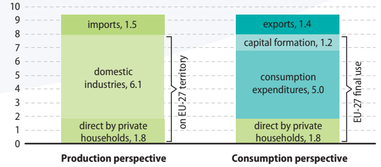
Data from the two dedicated sites contribute to answer questions such as which economic activity is most responsible for a certain environmental issue (e.g. which industry is most CO_2 intensive).

Resource productivity in comparison to GDP (in chain-linked volume, suited for comparison over time), EU-27, 2000-2011 (2000=100)

Source: Eurostat (online data codes: tsdpc100, tsdpc230 and nama_gdp_k)
EU-27 data for resource productivity and DMC are estimates

Reading note: Resource productivity is economic growth (GDP) divided by domestic material consumption (DMC). DMC measures the total amount of materials directly used by an economy. A rise in resource productivity means a decoupling of DMC from GDP, i.e. growth in DMC is smaller than the one in GDP. In the pre-crisis period between 2000 and 2007, DMC increased on average at half the rate of GDP growth, which implied a rise in resource productivity. The strongest growth of resource productivity appears in the years following the economic crisis of 2008, but this was largely driven by a significant drop in DMC, which outstripped the fall of GDP during the economic downturn. It is likely that the fall in DMC in 2009 and 2010 was influenced by the economic slowdown in the previous two years rather than by efficiency gains in the economic production system.

Domestic and global CO_2 emissions — production and consumption perspective, EU-27, 2009 (tonnes CO_2 per capita)

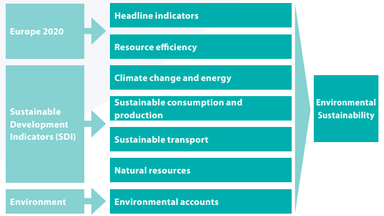


Source: Eurostat (online data codes: env_ac_ainah_r2 and env_ac_io2)

Reading note: From a production perspective (left bar), i.e. according to where the emissions were actually generated, domestic industries (e.g. EU's beef breeding farms, slaughterhouses and butchers) emit around 6.1 tonnes per capita (t/cap). In addition private households emit 1.8 t/cap in order to operate private cars and to heat their flats. The imports into the EU (e.g. Argentinian beef) are estimated to embody 1.5 t/cap. The consumption perspective (right bar) shows CO_2 embodied in final use of products. Exports out of the EU, which are part of final use, are estimated to embody ca. 1.4 t/cap. The CO_2 associated with final consumption in EU (e.g. ready beef steaks from domestic production or imported) amounts to 5.0 t/cap. Some 1.2 t/cap of CO_2 are embodied in investments (machinery and equipment). When the emissions on the territory (on left side) are significantly smaller that the consumption (on right side), this means that there is a shift of environmental pollution from the territory to distant land. For the EU, emissions are of the same magnitude as consumption, which corresponds to a fair carbon consumption.

Where to find data?

Data can be found in the *Eurostat on-line database* under the following headings:



Both the indicator and the accounting approaches can consequently be used to monitor progress related to the environmental sustainability.

What is coming soon?

EU Regulation – a second regulation is expected to be adopted at the beginning of 2014, and will cover environmental goods and services, environmental protection expenditure and energy accounts.

For more information:

Websites

Eurostat website http://ec.europa.eu/eurostat

Eurostat dedicated GDP and Beyond website http://epp.eurostat.ec.europa.eu/portal/page/portal/gdp_and_beyond/introduction

European Statistical System (ESS) website http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/about_ess/measuring_progress

European Commission website http://www.beyond-gdp.eu

The website of the EU FP7 project e-Frame (European Framework for Measuring Progress) fostering the on-going debate on the measurement of well-being and the progress of societies among all relevant stakeholders and supporting ESS measurement initiatives in this area http://www.eframeproject.eu

Documents and publications

The ESS leaflet on 'Measuring Progress, Well-being and Sustainable Development' http://epp.eurostat.ec.europa.eu/portal/page/portal/pgp_ess/0_DOCS/estat/Measuring_Progress_Well_being_sustainable development.pdf

The Stiglitz-Sen-Fitoussi Commission report http://www.stiglitz-sen-fitoussi.fr

The Communication from the Commission to the Council and the European Parliament on 'GDP and beyond: Measuring progress in a changing world' http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=com:2009:0433:FIN:EN:PDF

The Commission staff working document on 'GDP and beyond' containing a general overview of all Commission initiatives and achievements in the period 2009-2013 http://ec.europa.eu/environment/enveco/pdf/SWD_2013_303.pdf

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Is our society progressing towards more well-being, prosperity and sustainability?

The response of the European Statistical System

EUROPEAN STATISTICAL SYSTEM

eurostat EUROPEAN COMMISSION

INTRODUCTION

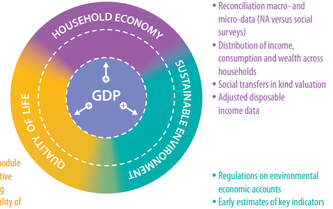
Traditionally official statistics describes economic developments by using indicators such as Gross Domestic Product (GDP). However GDP alone does not tell how well (or bad) people and our environment are doing. Hence, the statistical gaps need to be filled in order to **complement GDP with indicators that monitor social and environmental progress**.

In 2011, The European Statistical System Committee (ESSC) adopted a report, on *Measuring Progress, Well-being and Sustainable Development* prepared by the Sponsorship Group, co-chaired by Eurostat and INSEE (France). The report summarises 50 specific actions, to be taken by the European Statistical System (ESS), to implement certain previous recommendations[1]. The ESSC decided to work further on the following priority pillars:

- Household perspective and distributional aspects of income, consumption and wealth;
- Multidimensional measurement of the quality of life;
- Environmental sustainability.

The pillars are interlinked and sometimes overlap. For instance, households' disposable income affects their consumption pattern, which affects the environment, which affects people well-being.

This leaflet gives a general overview of achievements in terms of 'measurement' capacities on complementing GDP within the ESS. It presents improvements in existing methods **as how to better measure the society's well-being, prosperity and progress whilst maintaining environmental sustainability**.



1 From the *Stiglitz-Sen-Fitoussi Commission report* and the *European Commission's Communication 'GDP and beyond'*.

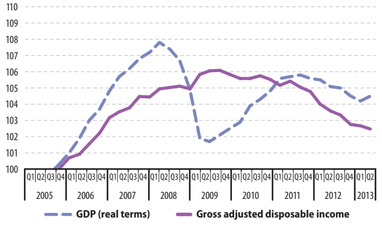
HOUSEHOLD ECONOMY

How well (or not) do households cope on a day to day basis? Does the household economy mirror the economic growth in a society? GDP, the most recognised and commonly used aggregate in the National Accounts (NA), does not always capture changes in the material well-being of households, but the ESS is now exploiting and complementing the NA data to provide more accurate indicators on household income, consumption and wealth.

What is new on measurement?

- **Quarterly adjusted household income and consumption per capita** are published since October 2012. The adjustment consists of taking into account the value of goods and services (e.g. in education and health) provided, as social transfers in kind, to households - free or at reduced prices - by government or non-profit institutions. Using quarterly adjusted data improves both frequency and comparability of household income across countries.
- **Annual adjusted household disposable income per capita in purchasing power standards (PPS)** *(Statistics in Focus 35/2012)* is now used to analyse household income, consumption and investment in the EU. Adjusted income data expressed in PPS offsets differences in price levels across countries.
- **Income distribution by household groups at EU level** has been measured by Eurostat through an exercise matching NA household account data with micro information available for all Member States (*'a- minima exercise'*).
- **Distribution of income, consuption and wealth by household groups at national level**, consistent with NA definitions and totals, has been studied by the national members of the joint OECD/Eurostat Expert Group on Disparities in a National Accounts framework (EGDNA). The first working paper, *Distributional measures across household groups in a National Accounts framework*, presents results using all detailed micro and macro information available at national level, while the second one, *A cross-country comparison of household income, consumption and wealth between micro sources and National Accounts aggregates*, presents the extent to which statistical information derived from micro sources can be aligned to the NA aggregates.

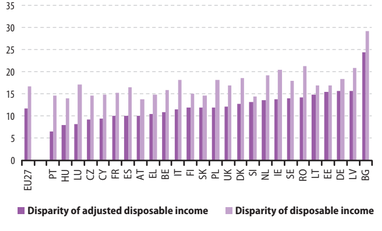
Gross adjusted disposable income of households in comparison to GDP (in volume/real terms, seasonally adjusted), Euro area, 2005q1-2013q2 (2005=100)



Source: Eurostat (online data codes namq_gdp_k and nasq_nf_tr)

Reading note: Complementary data on household income is important as this does not mirror movements in GDP. Although GDP declined in 2008-09, the household income benefited particularly from two factors. First, low interest rates resulted in smaller mortgage payments. Second, incomes were supported by rising social benefit payments and lower taxes due to the operation of the automatic fiscal stabilisers.

Disparity in average disposable income and adjusted disposable income (after social transfers in kind) between the best-off and worst-off household types, by country, 2008 (%)



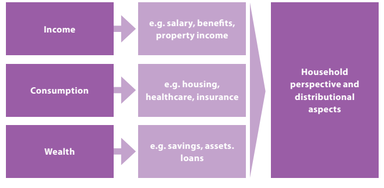
Source: Eurostat calculation using NA and EU-SILC (income reference year = 2008)

Reading note: Adding social transfers in kind to the income leads to disparity reduction, to a greater or lesser extent in the different countries. The gap between average adjusted income of the best-off and worst-off household types is the smallest in Portugal and the biggest in Bulgaria.

Where to find data?

European sector accounts can be found on the *Eurostat on-line database*, under National Accounts data as illustrated below. They show detailed economic developments by sector: households, governments and industries. They also provide specific information for the whole households sector, such as income, consumption, savings and assets.

The image below illustrates factors influencing the financial situation of a household:



What is coming soon?

As social transfers in kind may have a redistributive impact on household income, a Eurostat 2-year project was conducted to assess how these social transfers might be valued in household surveys in a harmonised way across the EU. As the project is coming to its end, a study report will present ways and methods to take account of redistributive effects in household statistics.

Another output of the project is the inclusion of additional questions on social transfers in kind, as received by households, in the EU Statistics on Income and Living Conditions (EU-SILC) from 2016 onwards.

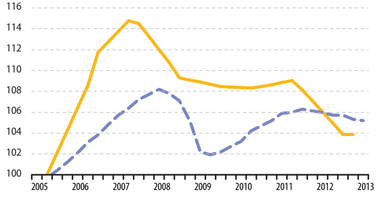
QUALITY OF LIFE

In order to measure the population well-being, indicators for various dimensions that contribute to peoples' quality of life (QoL) and using the EU-SILC survey as a core data source have been (and some are still being) developed.

What is new on measurement?

- **A first set of QoL indicators**[2], building mainly on existing data in the ESS, was published on the Eurostat *QoL dedicated website* in May 2013.
- **An ad-hoc module on subjective well-being** was implemented in the EU-SILC 2013. This *module* contains subjective questions (e.g. How satisfied are you with your life these days?) which complement the mostly objective indicators from existing data collections and social surveys.

People living in households making ends meet easily (i.e. very easily, easily or fairly easily) in comparison to GDP, EU-27, 2005-2012 (2005=100)



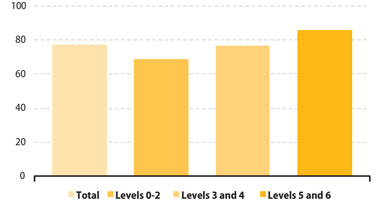
Source: Eurostat (online data codes: icl_mdes_09 and namq_gdp_k)
Ability to make ends meet: estimate for 2012 (AT, BE and IE 2012 data not yet available)

2 *Decision taken by the ESSC/Directors of Social Statistics, based on recommendations and proposal made by an Expert Group which was set up in early 2012.*

Reading note: Peoples' perception on their ability to make ends meet easily (i.e. very easily, easily or fairly easily) knew variations, from 2005 onwards, somehow linked to the GDP. The GDP growth in 2006 and 2007 corresponds to an increase over the same period of the percentage of people considering that their household was able to make ends meet easily. The 2008-2009 crisis was felt hard by the households whose percentage 'able to make ends meet easily' decreased sharply. While GDP rose up again in 2009, peoples' perception on their ability to make ends meet continued to decrease, but nevertheless to a lesser extent. The situation slightly improved in 2010 and 2011 for the households while the GDP grew significantly. But then, the slight GDP decline in 2012 corresponds to another fall in the rate of households able to make ends meet easily.

Examining micro-data on households and individuals allows for a deeper analysis, like finding patterns by household type or by educational level for example.

Self-perceived health, as very good and good, by educational level, for people aged 16-64, EU-27, 2011 (%)



Source: Eurostat (online data codes: hlth_silc_02)

Reading note: The graph shows that the percentage of people (aged 16-64) considering themselves in good or very good health increases with the level of education. Among people with pre-primary, primary and lower secondary education (levels 0-2) the rate in good or very good health is lower than among people with upper secondary and post-secondary non-tertiary education (levels 3 and 4); and both rates are lower than the one among people with first and second stage of tertiary education (levels 5 and 6).