

## **The measurement of progress, development and well-being**

### *Reaction of the Dutch Social and Economic Council*

The Dutch Minister of Housing, Spatial Planning and Environment asked the Social and Economic Council (SER) of the Netherlands in June 2009 to advise the Dutch Government on its current policy of sustainable development. In May 2010 the SER released the advisory report *Making sustainable growth work* (Meer werken aan duurzame groei). Nature conservation and environmental organisations were represented in the preparatory committee; they support the recommendations given in this advisory report. The conclusions of the report are the basis of our reaction.

### **A) Progress of work on the topics of progress, development and well-being**

On 10 February 2009, the Netherlands Bureau for Economic Policy Analysis (CPB), the Netherlands Environmental Assessment Agency (PBL), the Netherlands Institute for Social Research (SCP) and Statistics Netherlands (CBS) presented the Sustainability Monitor for the Netherlands 2009. The authors of the Monitor have analysed the status of sustainable development in the Netherlands using the capital approach. The basic premise is that we can identify the available resources (natural capital, social capital, human capital and economic capital) that will be important to both present and future generations in their quest for prosperity.

The Monitor selected indicators for twelve different themes: Climate and energy; Biodiversity; Soil, air and water; Social participation; Trust; Utilisation of labour; Education; Health; Physical capital; Knowledge; Distribution and inequality; and an International dimension (the worldwide consequences of consumption in the Netherlands). Together, these themes give us an impression of the degree of sustainable development in the Netherlands.

According to the SER applying a set of indicators does more justice to the complex nature of sustainable development. The Council believes that the set of indicators in following editions of the Sustainability Monitor for the Netherlands should be more elaborated, e.g. to shed light on the progress of sustainability policies and corporate social responsibility. Next editions should also pay more attention to the Dutch achievements in an European and global perspective.

### **B) National interest in work in this field**

The financial and economic crisis and the crises that preceded it in food, energy and other natural resources are clear signs that global structural changes are needed. Sustainability must become a top priority. The Council believes that the crisis provides an excellent opportunity to reconfirm the importance of sustainable development (see box). Business-as-usual is not an option, and the structure of the entire economy will have to become sustainable. This will require much more effort. The Dutch Government recognises that a radically different approach is needed, and has indicated that it is working hard on the transition to a sustainable economy and society. The business community has already undertaken numerous initiatives to make the economy more sustainable.

#### **The Social and Economic Council's view of sustainable development**

Sustainable development can be realised if the broad concept of prosperity is applied. This concept implies more than material progress (higher standard of living, more purchasing power): it also encompasses social progress (well-being, social cohesion) and a good quality environment (spatial and environmental). What is

involved is not only achieving all three aspects “here and now” but also “elsewhere” (internationally, with a particular focus on developing countries) and “later” (for future generations).

Sustainable development has many different dimensions to it; it is also a long-term process, and that means it is fraught with uncertainties. It is unlikely that we will be able to meet the various criteria of sustainability all at once. We will have to choose, for example between the degree of environmental damage considered acceptable and the price that society is prepared to pay for this (ecological versus economic sustainability). A choice of this kind requires a political assessment. At its core, then, sustainable development is a socially driven process that involves searching, learning, weighing up the pros and cons, and commitment.

It is up to government to create an environment that enables, encourages and, if necessary, compels innovation and change in the direction of sustainability. It can intervene in a variety of different ways. These include creating a broad policy framework and providing adequate financing. As a result of the crisis, government must ensure that expenditure on achieving sustainability is as cost-effective as possible.

The Council has observed that various policy programmes focus mainly on economic and ecological themes, in particular with respect to energy, climate and environment. That is not surprising, considering the major issues involved. The Council nevertheless believes that the Government must guard against taking too narrow an approach to sustainable development. It is notable, for example, that the European sustainability policy also encompasses social issues, whereas the Dutch approach is limited to environment-related themes. Dutch policy should also put more emphasis on the social aspects of sustainability, for example employment, health and safety, and the employee as stakeholder. The quest for sustainable solutions should always take place within the broadest possible context, including the conflicts of interests and dilemmas that may be involved.

### **C) Proposals in relation to the future of work in the field of the measurement of progress, development and well-being**

Sustainable development requires us to choose between what are often conflicting interests. It is important to use the right indicators when making these choices. The emphasis in the political debate is traditionally on national income and economic growth. The Council believes that policy makers should also place greater emphasis on other environmental, social and economic indicators. Ultimately, there is a need to consider the relationship between the various indicators. Such a set of indicators should be used to make trade-offs between different interests visible.

The foregoing conclusions lead the Council to recommend inviting the authors of the Monitor to define an orderly set of indicators (a “dashboard”), in keeping with the EU’s approach. At relevant moments, this set of indicators should play a leading role in the political process, for example while the coalition agreement and the annual budget are being negotiated.