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# Is the EU on a Sustainable Development Path?

## Highlights of the 2011 Monitoring Report of the EU Sustainable Development Strategy

**Every two years Eurostat reports on progress towards the objectives of the EU Sustainable Development Strategy, drawing on the set of sustainable development indicators available on the Eurostat website. Sustainable development in the European Union — 2011 monitoring report of the EU Sustainable Development Strategy will shortly be published. The report covers 111 indicators arranged in 10 chapters, which are linked to the key challenges and objectives of the Sustainable Development Strategy. This Statistics in Focus presents some of the main developments since the year 2000.**

**In looking at the 11 headline indicators in table 1, it is apparent that progress has been mixed. There have been favourable developments in reducing the numbers of people at risk of poverty or social exclusion, as well as for the emissions of greenhouse gases and the consumption of renewable energy. However, there have been clearly unfavourable changes in the production of wealth from use of natural resources, the employment of older workers, breaking the strong link between the energy consumed by transport and economic growth, the over-exploitation of fish stocks, and official development aid.**

**Considering that nearly half of the headline indicators are moving in a moderately unfavourable direction, it cannot yet be concluded that the EU is on a pathway to sustainable development. Nevertheless, it should be borne in mind that the current situation has been complicated by the influence of the recent economic and financial crisis, the impacts of which reach far beyond the economy.**

**Table 1: 2011 Evaluation of changes in the EU SDI headline indicators (EU-27, from 2000)**

| SDI theme | Headline indicator | Evaluation |
|---|---|---|
| Socioeconomic development | Real GDP per capita | |
| Sustainable consumption and production | Resource productivity | |
| Social inclusion | Risk of poverty or exclusion (from 2008) | |
| Demographic changes | Employment rate of older workers | |
| Public health | Life expectancy and healthy life years (from 2002) | |
| Climate change and energy | Greenhouse gas emissions | |
| | Consumption of renewables (from 2006) | |
| Sustainable transport | Energy consumption of transport relative to GDP | |
| Natural resources | Abundance of common birds (special EU aggregate) | |
| | Conservation of fish stocks | |
| Global partnership | Official development assistance | |
| Good governance | *[No headline indicator]* | : |

clearly favourable change/on target path

no or moderately favourable change/close to target path

moderately unfavourable change/far from target path

clearly unfavourable change/moving away from target path

: insufficient data/EU aggregate not available

## Socio-economic development

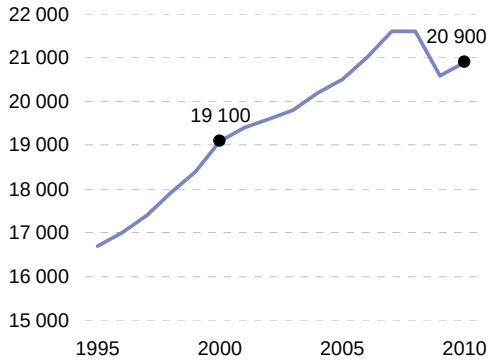
*'To promote a prosperous, innovative, knowledge-rich, competitive and eco-efficient economy, which provides high living standards and full and high-quality employment throughout the EU'. (key objective of the EU Sustainable Development Strategy concerning 'economic prosperity')*

Many of the long-term trends in the socioeconomic development theme - represented by 11 indicators in the Monitoring Report - have been influenced by the recent global economic and financial crisis. In this respect, trends have deteriorated in the short term in particular in investment, employment and unemployment, as well as in real GDP per capita and labour productivity, even if these last two have started to pick up again. On the other hand, improvements have been seen in R&D expenditure and energy intensity, and briefly in household saving. Headline indicator:

### *Real GDP per capita*

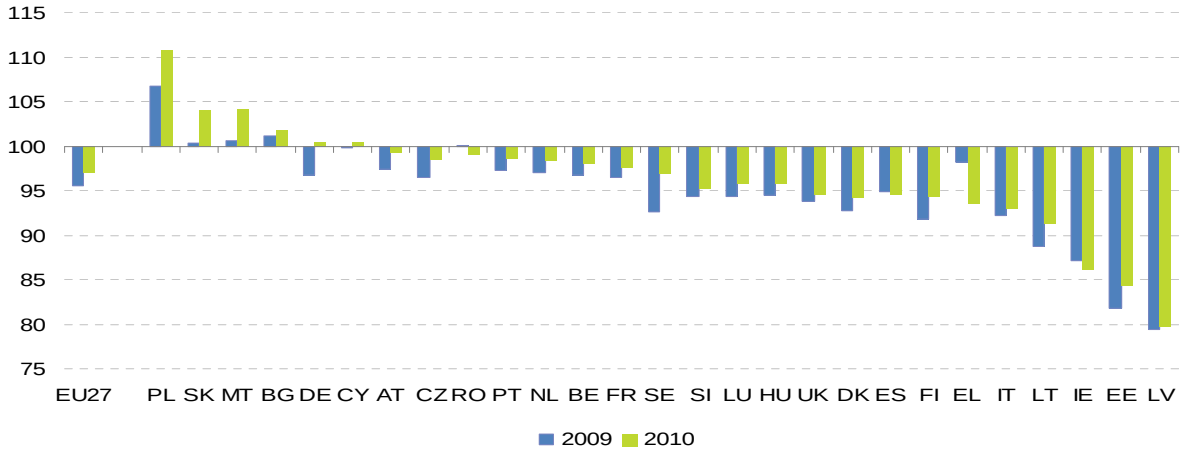
Real GDP per capita grew every year from 2000 to 2007 until the onset of the economic crisis. After the economic peak of 2000, during the economic downturn between 2000 and 2003, GDP per capita grew more slowly, with growth rates increasing again until 2007. The 2007 peak in economic growth was not as amplified as that of the previous upturn of 1997 to 2000. During the recent economic crisis, GDP per capita grew by only 0.1 % in 2008 and fell by 4.6 % during the 2009 recession to a level similar to that of 2005. In the third and fourth quarters of 2009, the reductions of GDP per capita became smaller and it started to grow again in the first quarter of 2010, reaching a growth rate of 1.6 % by the end of the year. According to the spring 2011 forecast of European Commission[1] the EU GDP growth in 2011 is expected to gather pace, supported by better prospects for the global economy and by upbeat EU industrial sentiment. However, the deterioration of the EU economic sentiment during the second and third quarter of 2011 and the deepening crisis in the euro area make the prospects of favourable socio-economic development highly improbable in the short-run.

**Figure 1: Real GDP per capita, EU-27 (EUR)**




*Source*: Eurostat (online data code: tsdec100)

**Figure 2: Real GDP per capita (index 2007=100)**




*Source*: Eurostat (online data code: tsdec100)

[1] *European Economic Forecast - Spring 2011. European Economy. 1 May 2011. Brussels*

## Sustainable consumption and production

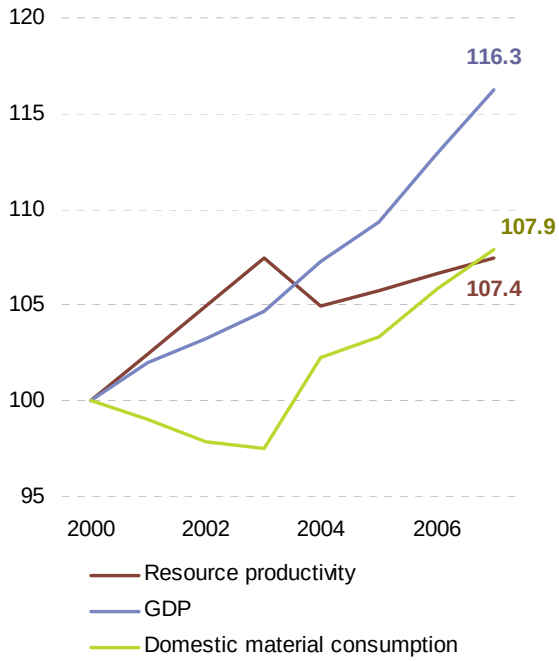
*'To promote sustainable consumption and production patterns' (overall objective of the EU Sustainable Development Strategy for the key challenge 'sustainable consumption and production')*

Changes in this domain since 2000 show some highly unfavourable but also some highly favourable trends. On the one hand, consumption of materials and electricity, as well as the generation of hazardous waste, are still increasing. On the other hand, the final energy consumption and the amount of non-mineral waste generated in the EU have declined, and the share of waste recycled or composted has increased. Moreover, there have been substantial reductions in the emissions of important air pollutants, and there has been progress related to production patterns regarding the ecological dimension of corporate social responsibility and towards more environmentally friendly agricultural practices. Headline indicator:

### *Resource productivity **

Developments in resource productivity, measured as the ratio between GDP and domestic material consumption (DMC), have been moderately unfavourable for the period 2000 to 2007. In 2007, resource productivity in the EU increased from EUR 1.21 per kg in 2000 to EUR 1.30 per kg. The increase was particularly strong during the economic downturn between 2000 and 2003, when DMC experienced a declining trend. This development was reversed in 2004 (DMC growing faster than GDP), followed by a period of relative decoupling from 2005 to 2007, during which GDP grew at a slightly higher rate than DMC. Overall, during the period of 2000 to 2007 DMC increased at about half the growth rate of GDP (with the associated environmental pressures), indicating that the increase in resource productivity was the result of a relative decoupling of resource use from economic growth.

**Figure 3: Resource Productivity, EU-27( Index 2000=100)**

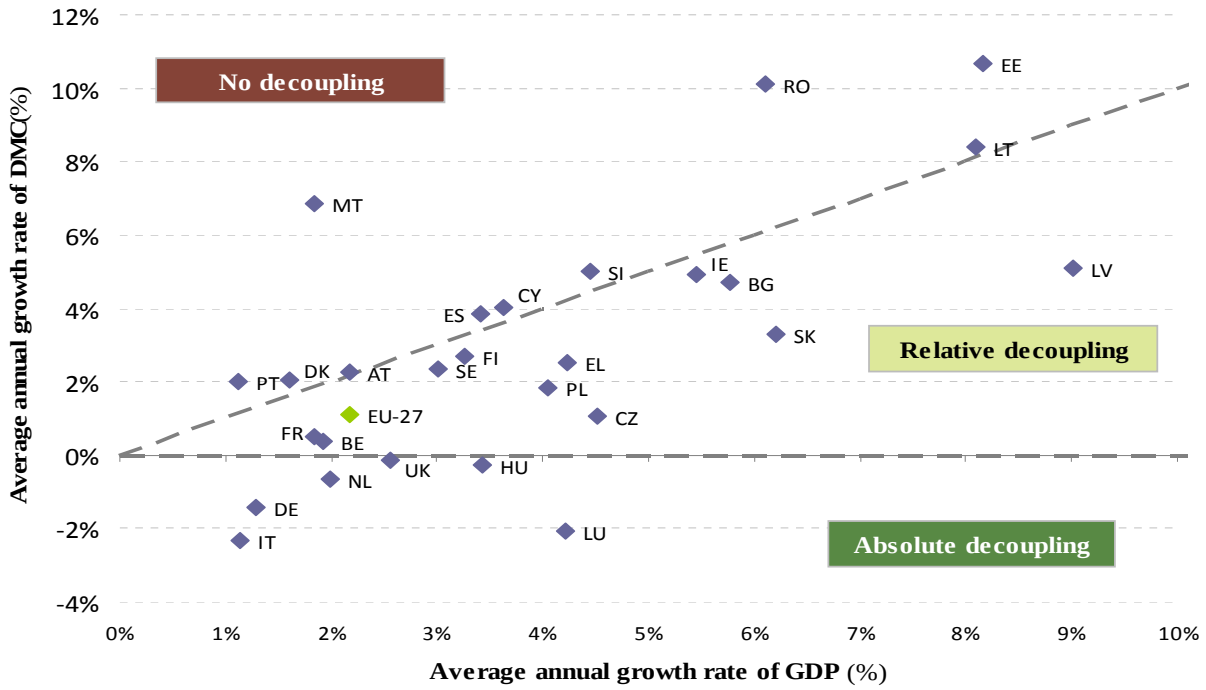



*Source*: Eurostat (online data codes: tsdpc100, tsdpc230, nama_gdp_k)

In 2007 resource productivity varied by a factor of more than 30 across the EU Member States. Plotting the Member States' annual DMC growth rates against GDP growth rates for the period 2000 to 2007 shows that a stable or decreasing DMC is associated with relatively low GDP growth rates only, whereas high GDP growth rates tend to be associated with moderate or high increases of DMC. Between 2000 and 2007, absolute decoupling only occurred in six countries.

Production and consumption of goods and services contributes to human well-being through the satisfaction of different needs such as food, clothing and accommodation and everything else that influences today's quality of life. However, current consumption and production patterns at the same time impact negatively on the natural environment and human well-being itself, in particular by depleting the earth's natural resources and by damaging ecosystems.

**Figure 4: Domestic material consumption and GDP, by country, (average annual growth rates 2000-2007)**




*Source*: Eurostat (online data codes : tsdpc230, nama_gdp_k)

## Social inclusion **

*'To create a socially inclusive society by taking into account solidarity between and within generations and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being' (overall objective of the EU Sustainable Development Strategy for the key challenge 'social inclusion, demography and migration')*

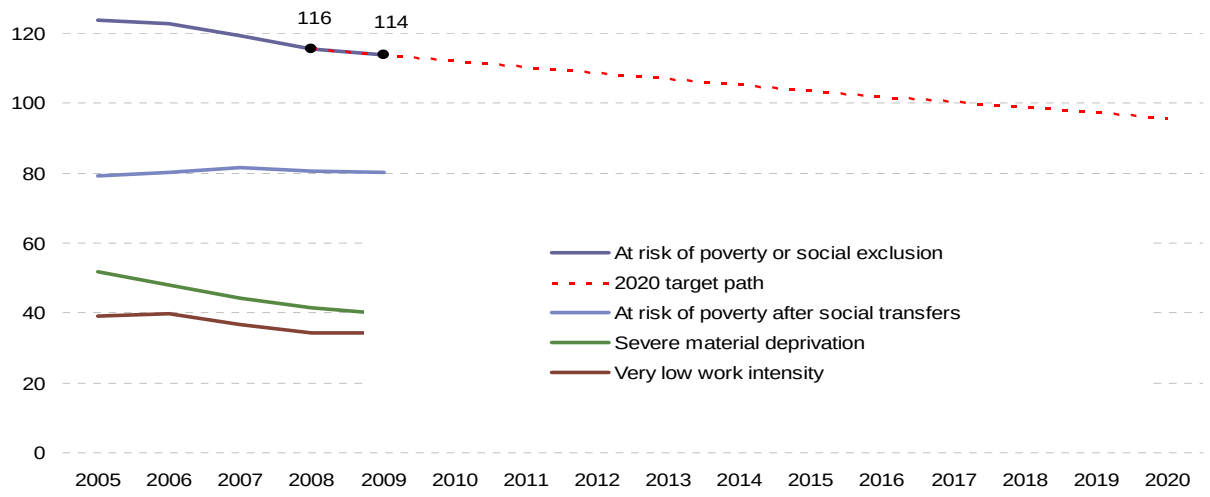
The trends observed in this field since 2000 - represented by 13 indicators in this chapter of the Monitoring Report - are to some extent encouraging. There has been a favourable development in the overall risk of poverty or social exclusion. This is reflected in particular in the number of people at risk of severe material deprivation and the number of people living in households with very low work intensity. There has also been a favourable development in reducing the number of adults with low educational attainment and the difference between men's and women's wages (gender pay gap). Furthermore, there has been a moderately favourable development in the risk of monetary poverty, the intensity of poverty, income inequalities and long-term unemployment. However, there have also been several unfavourable developments. The share of working poor has risen, participation in life-long learning has declined, missing the target set for 2010, and further progress is necessary in reducing the share of early school leavers and low reading literacy of pupils. Headline indicator:

### *At risk of poverty or social exclusion*

The 'at risk of poverty or social exclusion' is the headline indicator for the social inclusion dimension of the Europe 2020 Strategy, which aims at lifting at least 20 million people out of risk of poverty or social exclusion. Whereas the Social Inclusion headline indicator of the 2009 Monitoring Report - 'at risk of poverty after social transfers', captures only monetary poverty, the 'at risk of poverty or social exclusion' in the current report unites three dimensions: monetary poverty, material deprivation and lack of access to the labour market. In 2009, 114 million persons or 23.1 % of the EU population were at risk of poverty or social exclusion, compared with 116 million in 2008. This reduction continues the trend of the previous four years during which the number of people at risk of poverty or social exclusion decreased on average by approximately 2 million

per year. Although this decrease appears encouraging in terms of the possibility of achieving the 2020 target, it is not clear whether the trend can be sustained. In particular, the decrease between 2005 and 2009 has been driven mainly by a reduction in the people suffering from severe material deprivation, which is not the dominant component of the multidimensional indicator. It is uncertain whether the reduction in material deprivation can continue at the same pace over the coming years or whether there can be a sharper decrease in the number of people at risk of poverty after social transfers. The economic and financial crisis may also introduce a lag effect that has not yet influenced the development of the indicator. There is large variation in poverty risk between Member States. In 2009 the share of the population at risk of poverty or social exclusion ranged from 14 % to 46.2 % in the EU.

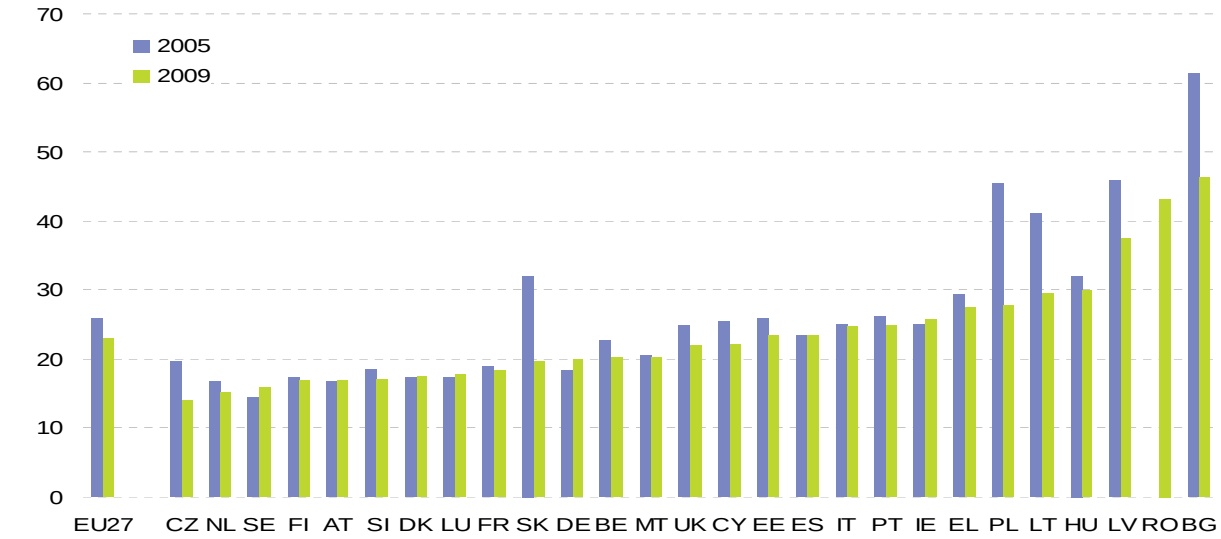
**Figure 5: People at risk of poverty or social exclusion, EU-27 (million persons)**




*Source*: Eurostat (online data code: tsdsc100)

Social inclusion and exclusion are at the core of EU social policy focus providing for the distinctiveness of the European social model. According to EU definitions both concepts encompass multidimensional and cumulative processes which are affected by a spectrum of different factors like poverty and access to labour markets, education, decision making, social and community networks. Improving situations in each of these areas mutually reinforce positive effects on sustainable development.

**Figure 6: People at risk of poverty or social exclusion, by country (% of population)**




*Source*: Eurostat (online data code: tsdsc100)

## Demographic changes

*'To create a socially inclusive society by taking into account solidarity between and within generations, and to secure and increase the quality of life of citizens as a precondition for lasting individual well-being.' (Overall objective of the EU Sustainable Development Strategy for the key challenge 'social inclusion, demography and migration')*

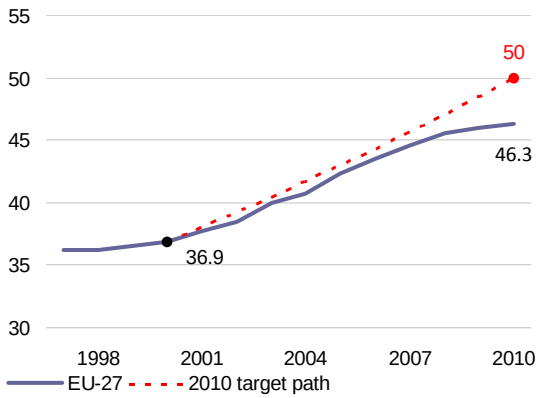
Twelve indicators represent this field in the Monitoring Report. Indicators on life expectancy and fertility, as well as those related to the adequacy of income in old age, have been developing favourably. However, indicators monitoring the sustainability of public finances have developed unfavourably. Levels of public debt, for example, rose on average within the EU from 62.3 % in 2008 to 80.2 % in 2010 and there has been only a slow progress in increasing the average age of retirement. Headline indicator:

### *Employment rate of older workers*

The Stockholm target of having half of older workers employed was not reached in 2010. Nevertheless, from 2000 to 2010 the participation of older workers in the labour market increased and this will help dampening the demand for expenditure on pensions. There is a considerable variation between Member States. Nine Member States have achieved the EU's 50 % target. Countries that had the largest percentage point increase from 2000 levels include Bulgaria, Germany and Slovakia. Two countries (Romania and Portugal) had lower levels of older worker employment in 2010 than in 2000.

The discrepancy between countries may be attributed to a number of industrial and policy factors within individual Member States, such as different employment sectors, retirement ages and policy initiatives, including life-long learning to acquire new labour skills, whilst other countries subsidise their pension schemes to cover the additional costs of early retirement. In addition, work types – part-time or full-time employment – may also vary amongst Member States.

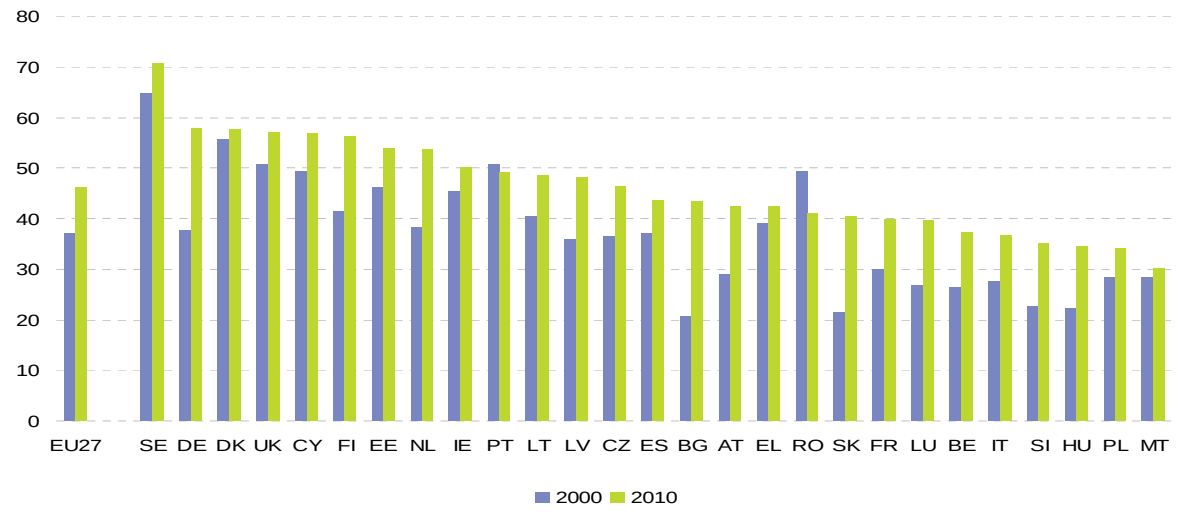
**Figure 7: Employment rate of older workers EU-27 (%)**




*Source*: Eurostat (online data code: tsdde100)

The dynamics of population change exert a strong influence on the path towards sustainable development. These changes affect all aspects of sustainability, including those that pertain to the environment, consumption, public health and fiscal policy.

**Figure 8: Employment rate of older workers , by country (%)**




*Source*: Eurostat (online data code: tsdde100)

## Public health

*'To promote good public health on equal conditions and improve protection against health threats'. (overall objective of the EU Sustainable Development Strategy for the key challenge 'public health')*

The nine indicators in this chapter of the Monitoring Report present a generally favourable picture since 2000. Improvements are visible in the reduction of deaths due to chronic diseases, suicides, the production of toxic chemicals, annoyance by noise, and serious accidents at work. On the other hand, not all have benefitted from the improvements and there are still important inequalities in health and access to healthcare. Furthermore there remain challenges related to the environmental determinants of health. Since 2000, people in the EU have been more exposed to ozone as well as to particulate matter. Headline indicator:

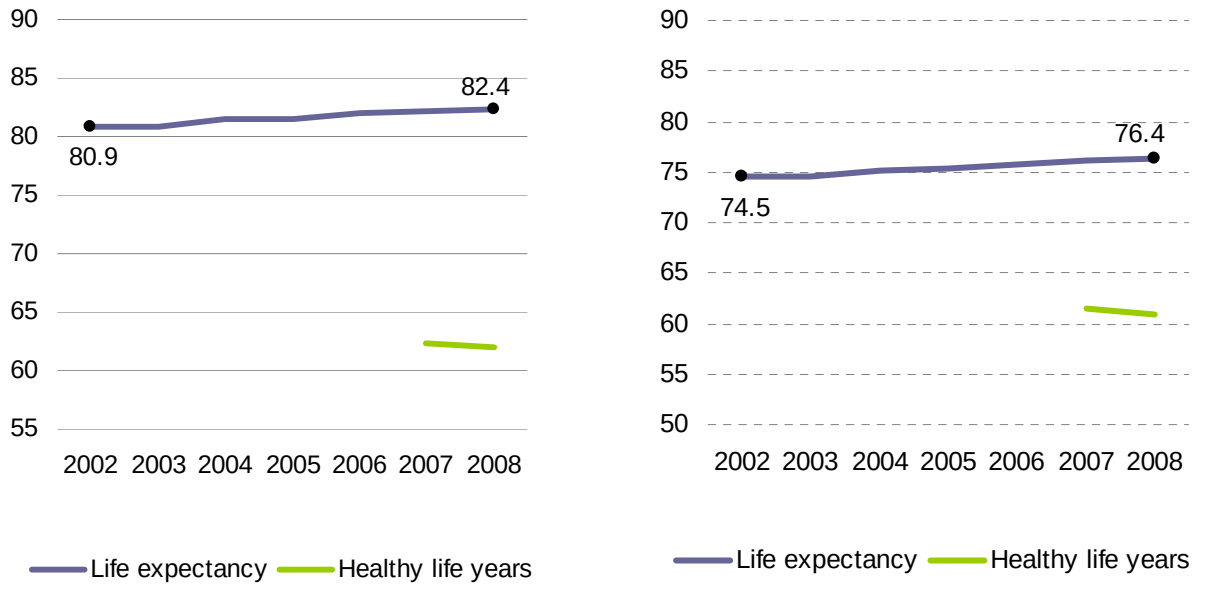
### *Life expectancy and healthy life years*

Between 2002 and 2008 life expectancy at birth of women and men in the EU rose moderately. Average life expectancy at birth in the EU is some six years higher for women than for men. A girl born in 2008 is expected to live 82.4 years on average; a boy 76.4 years. For 65-year-olds, in 2008 there was an expectation of a further 20.7 years for women and 17.2 years for men.

Growing life expectancy reflects improved living conditions in the EU in terms of economic welfare, social security and health care resources. Nevertheless, there are differences between Member States. Some of the Central and Eastern European Member States tend to have shorter life expectancies mostly due to poorer socio-economic conditions in these countries.

Health constitutes a key goal of sustainable development. It is related to many issues and requires integrated approaches. While life expectancy constitutes a conventional and solid indicator to reflect general health and health care conditions in different countries, the indicator of healthy life years adds complementary information on the of quality of life. The indicator combines information on both the quality and length of life for newly born populations as well as elderly populations. Therefore, it reflects that the emphasis has shifted from seeing health simply in terms of longevity to also considering well-being in terms of the absence of morbidity.

**Figure 9: Healthy life years and life expectancy at birth for females (left hand figure) and males (right hand figure), EU-27 (years)**




*Source*: Eurostat (online data code tsdph100 )

## Climate change and energy

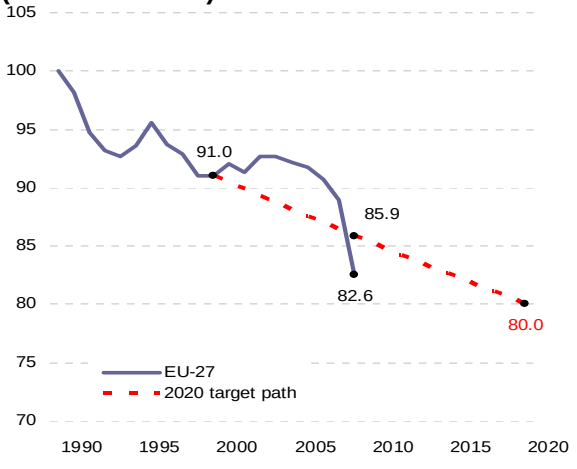
*'To limit climate change and its costs and negative effects to society and the environment.' (overall objective of the EU Sustainable Development Strategy for the key challenge 'climate change and clean energy')*

For the majority of the 11 climate change and energy indicators progress since 2000 has been good, particularly in the second half of the decade. Although the transformation to a low-carbon economy is already reflected in some indicators, the economy of the EU remains energy- and carbon-intensive and most indicators in this theme are closely linked to economic growth. The developments over 2008 and 2009 are not the result of profound, structural changes but rather a temporary interruption of longer term trends due to the cyclical economic downturn during this period. Headline indicators:

### *Greenhouse gas emissions*

Between 2000 and 2009 EU-27 greenhouse gas emissions declined. This reduction puts the EU below the target path towards a reduction of 20 % below 1990 levels by 2020. In 2009 EU-27 greenhouse gas emissions were 17.4 % below 1990 levels, that is a net reduction of 974 million tonnes of $CO_2$ equivalent, 355 million tonnes were reduced in 2009.

**Figure 10: Greenhouse gas emission, EU-27 (index 1990=100)**



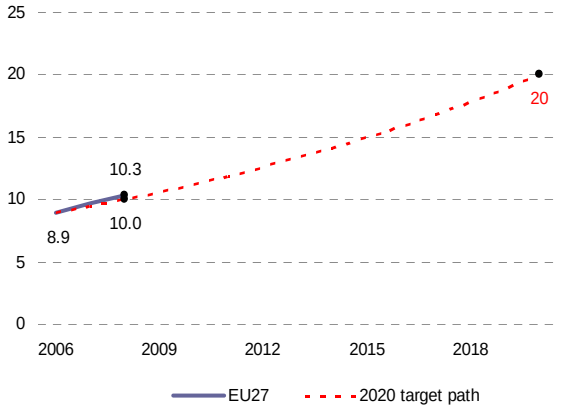

*Source*: Eurostat (online data code : tsdcc100)

Major reductions were achieved in the 1990s. Emissions began to rise again in the first half of the 2000s, but this trend was reversed in 2004. The reductions achieved between 2000 and 2008 result from more efficient use of energy switching to fuels with lower carbon content. Lower carbon intensity allowed emissions to fall despite rising energy consumption and transport volumes. Significant reductions were also achieved in the waste and agriculture sectors, which are responsible for the majority of non-$CO_2$ greenhouse gas emissions such as methane and nitrous oxide. Large part of these reductions is due to the impacts of the economic crisis, and estimates of energy-related $CO_2$ emissions from the International Energy Agency indicate that emissions increased again in 2010[2]. Furthermore, even with the average rate of decline between 2000 and 2009 the EU is not yet on track to meet its long-term commitment to reduce greenhouse gas emissions by 80-95 % by 2050 compared to 1990.

### *Consumption of renewables*

In 2008, the share of renewables in gross final energy consumption reached 10.3 %, up from 8.9 % in 2006. The available data only covers a three year period which makes extrapolation difficult. However, if this pace of growth could be sustained, the EU would exceed its target of covering 20 % of final energy consumption from renewable sources by 2020.

**Figure 11: Share of renewable energy in gross final energy consumption, EU-27 (%)**



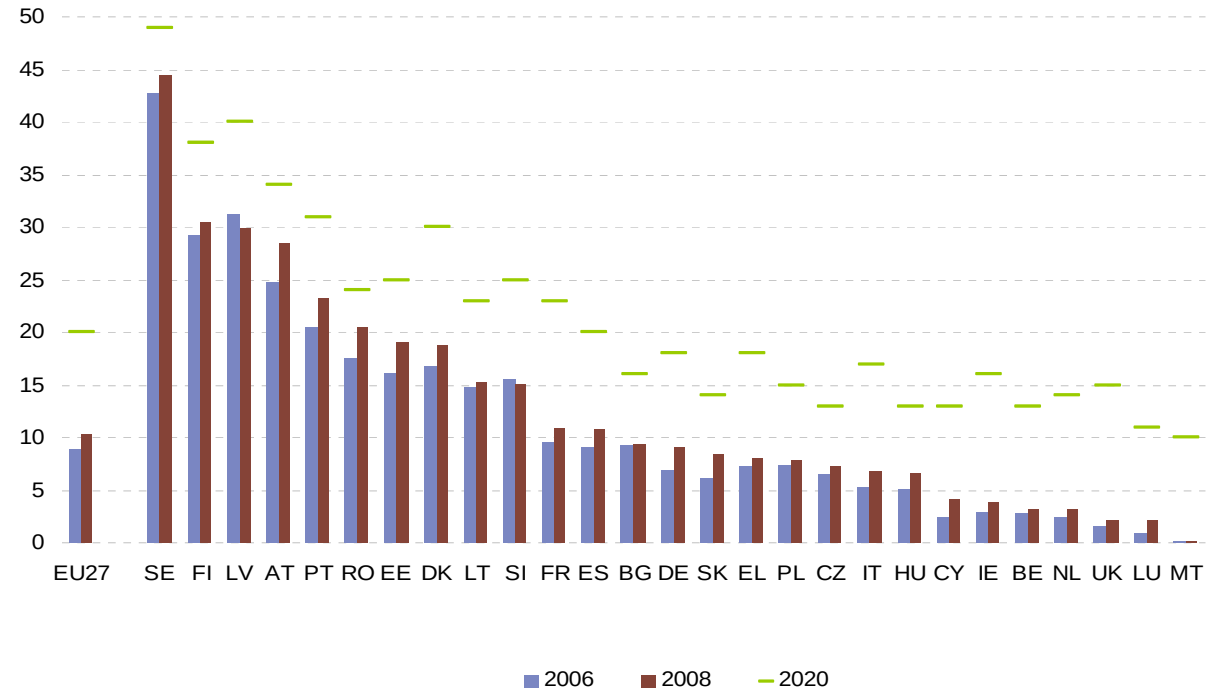

*Source*: Eurostat (online data code : tsdcc110)

[2] *Prospect of limiting the global increase in temperature to 2ºC is getting bleaker. International Energy Agency. 30/05/2001*

The share of energy from renewable sources is highest in electricity generation, where renewables accounted for 16.7 % of gross consumption in 2008. In final energy consumption for heating, the share of renewables stood at 11.9 % while it reached only 3.5 % in fuel consumption for transport. The increase in the share of renewables is driven by two main trends. Installed capacity for renewable electricity and heat generation has been growing steadily since 1990, as has the use of biofuels between 2004 and 2008. This growth is in major parts a result of promotion policies, including feed-in tariffs, grants, tax credits and quota systems. Moreover, total gross final energy consumption was lower in 2008 compared with 2006, thereby increasing the relative contribution of renewable energy. Measures such as energy savings and improving energy efficiency are expected to further reduce energy consumption and influence the average annual growth rate of renewables.

Since energy is used in virtually every economic activity, climate change and energy policies have an impact on a wide range of economic activities, from transport to production and consumption. Thereby, many climate change mitigation measures can create benefits for other areas of sustainable development, for example, by creating health benefits through reduced air pollution. Moreover, adaptation to climate change will alter infrastructure and city planning as well as management of forests, waters and coasts. Most notably, it will affect decision-making in development assistance since climate change will hit many developing countries harder and earlier than Europe. Transformation of the energy sector is at the center of mitigation efforts.

**Figure 12: Share of renewables in gross inland energy consumption,by country (%)**




*Source*: Eurostat (online data code : tsdcc110)

## Sustainable transport

*'To ensure that our transport systems meet society's economic, social and environmental needs whilst minimising their undesirable impacts on the economy, society and the environment'(overall objective of the EU Sustainable Development Strategy for the key challenge 'sustainable transport')*

Overall, the changes since 2000 concerning sustainable transport – represented by 12 indicators in the Monitoring Report- show a rather unfavourable picture although with some favourable trends. The picture presented here is less harsh than that from the 2009 Monitoring

Report, largely due to the tempering effect of the economic crisis, which has had the effect of reducing the demand for transport and its negative impacts.

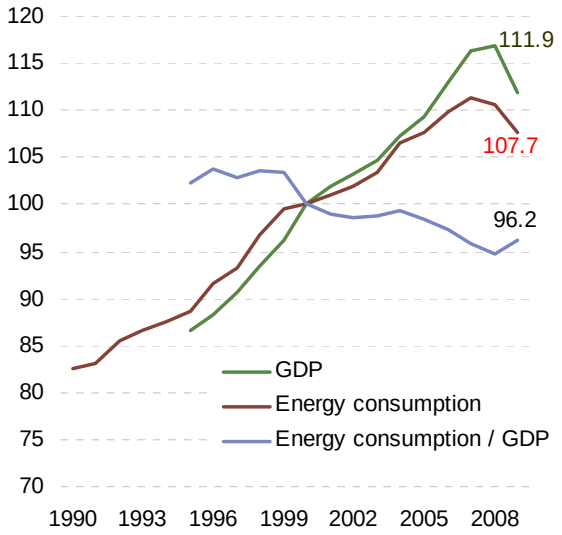
Reductions in energy consumption and greenhouse gas emissions between 2007 and 2008 are a consequence of the economic crisis rather than a steady long run trend towards absolute decoupling. Even if there has been progress in decoupling transport and its energy consumption from economic development, it has been only relative. Furthermore, neither freight nor passenger transport has shown any shift towards modes with lower environmental impacts. On the positive note, there have been substantial decreases in the average $CO_2$ emissions of new cars and in road accident fatalities even if the objective of halving fatalities between 2001 and 2010 is unlikely to be achieved. The continuing downward trend in emissions of nitrogen oxides and particulate matter since 2000 has even accelerated. Headline indicator:

### *Energy consumption of transport relative to GDP **

Between 2000 and 2009, the energy consumption of transport in the EU increased by 8 %, whereas GDP grew at the somewhat faster rate of 12 %. As a result, the energy consumption of transport per unit of GDP decreased by an average of 0.4 % per year, indicating a small relative decoupling. The reduction in energy consumption in 2008 and, especially, 2009 is evidently a consequence of the economic crisis and corresponding slowdown in economic activity as reflected in GDP. Even if 2010 has seen a small upturn in GDP, short-term data on sales of transport fuels indicate that consumption of energy by transport continued to fall in 2010.

Road transport accounted for 82.5 % of the 365 million tonnes of oil equivalent consumed in the EU in 2009, followed by air transport with a share of 13.8 %. Thus the two modes were mainly responsible for the largest share of total energy consumption in 2009. The energy consumption of all modes of transport fell in 2009. Only three EU Member States (Germany, France and Italy) reported an absolute decoupling of energy consumption of transport and GDP growth.

**Figure 13: Energy consumption of transport relative to GDP, EU-27 (Index 2000=100)**

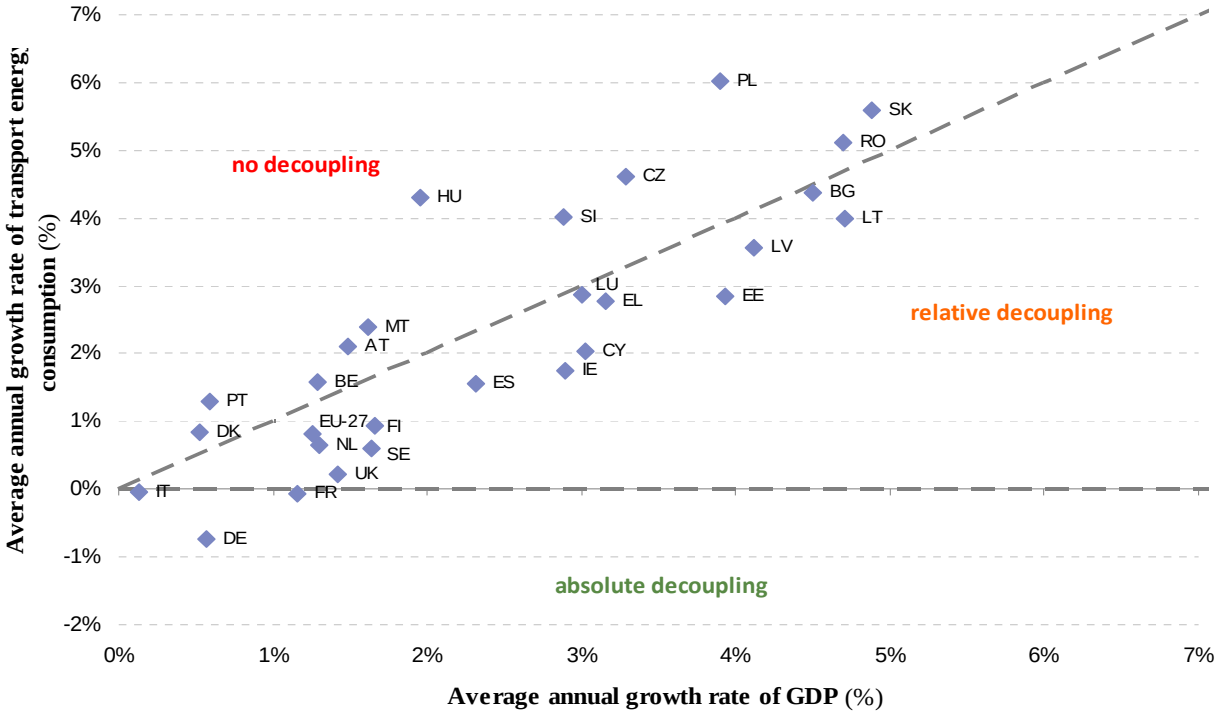



*Source*: Eurostat (online data code: tsdtr250)

Many countries exhibit lower growth rates for transport energy consumption than for GDP which is described as relative decoupling. At the other end of the scale, for Poland, Hungary, Slovenia and the Czech Republic, the average annual growth rates of energy consumption substantially exceeded GDP growth rates between 2000 and 2009. In some cases this may be due to high shares of transit transport, or lower fuel prices compared to neighbouring countries, international trade and passenger flows build on a performing transport system.

Transport systems form the backbone of today's economy and are important for economic growth. Beside the positive impacts growing transport flows come together with direct negative impacts on various aspects of sustainable development. Minimising the undesirable impacts of transport is the overall objective of sustainable transport.

**Figure 14: Energy consumption of transport relative to GDP, by country (average annual growth rates 2000-2009, %)**




*Source*: Eurostat (online data code: tsdtr250, nama_gdp_k)

## Natural resources

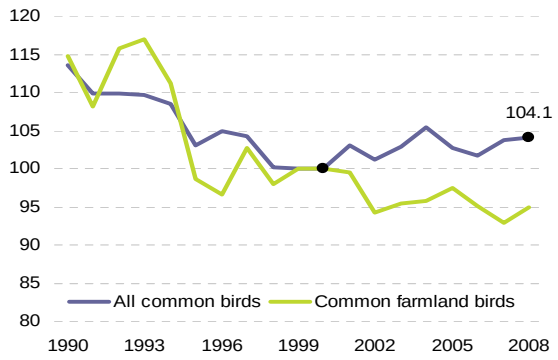
*'To improve management and avoid overexploitation of natural resources, recognising the value of ecosystem services'(overall objective of the EU Sustainable Development Strategy for the key challenge 'conservation and management of natural resources')*

Changes in this theme since 2000 show both favourable and unfavourable trends. On the one hand, there has been a continued progress in the designation of protected areas and in water quality, and the harvesting of wood from forests remains sustainable. The abundance and diversity of common birds have stabilised, albeit in a substantially poorer state than they were in 1990 and previous decades. On the other hand, marine fish stocks remain under threat and built-up land continues to increase at the expense of areas of semi-natural land. Headline indicators:

### *Abundance of common birds*

The EU index for all common birds has stabilised between 2000 and 2008, after experiencing sharp decreases between 1990 and 2000.

**Figure 15: Common bird index, EU-27 (Index 2000=100)**



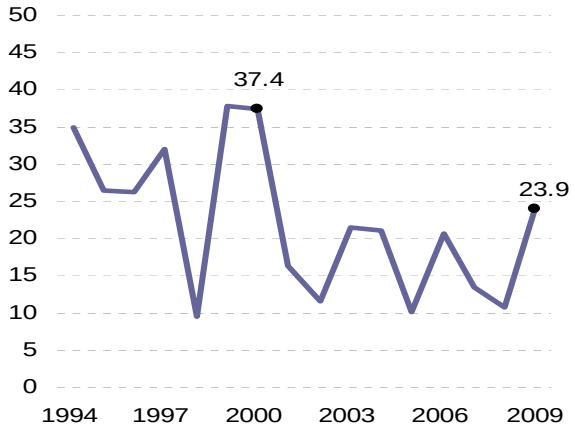

*Source*: Eurostat (online data code: tsdnr100)

Since 2000 there have been signs of recovery. Observed common bird population diversity and abundance during that period has been growing by an average of 0.5 % yearly. Recovery has been particularly evident in habitat generalists and forest species. On the other hand, common farmland bird populations are still on the decline.

### *Conservation of fish stocks*

Between 2000 and 2009 the proportion of total fish catches taken from North East Atlantic stocks outside safe biological limits declined moderately. Despite temporary improvements in 2002 and 2005, 23.9 % of total fish catches in 2009 were from stocks outside safe biological limits, and catches of all categories of non - industrial fish considerably exceeded sustainable levels of exploitation. Total fish stocks remain threatened by overfishing in the North East Atlantic.

**Figure 16 : Fish catches taken from stocks outside safe biological limits (%)**




*Source*: Eurostat (online data code: tsdnr110)

Humanity is strongly dependant on well-functioning ecosystems, the over-exploitation of natural capital inevitably puts livelihoods at risk. Diminishing resources, in quantity and quality, can result in severe losses to human welfare as has already been experienced in many parts of the world, especially in rural areas where desertification, exacerbated by climate change, and land degradation has led to abandonment of land that was used for agriculture. On the other hand, the use and consumption of natural resources is also the backbone of human welfare and economic growth.

## Global partnership

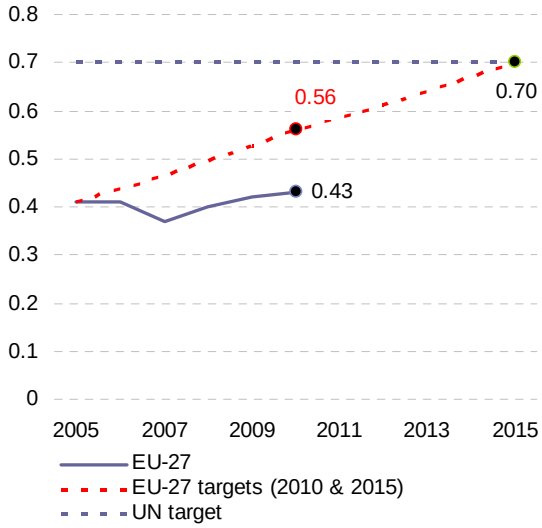
*'To promote sustainable development actively worldwide and ensure that the European Union's internal and external policies are consistent with global sustainable development and the EU's international commitments' (overall objective of the EU Sustainable Development Strategy for the key challenge 'global poverty and sustainable development challenges')*

The overall picture - presented by the 12 indicators - in the global partnership theme is rather favourable. Most of the indicators have shown a favourable tendency since 2000, in particular those on trade flows, financing for sustainable development and natural resource management. However, the EU is not on track for the headline indicator, which measures the share of gross national income dedicated to official development assistance (ODA) to developing countries. Furthermore, many indicators developed unfavourably over the period 2007 to 2009, in parallel with the global economic crisis. Headline indicator:

### *Official development assistance*

In 2005 the EU established time frames for achieving a contribution of 0.7 % of GNI to ODA by 2015, consistent with a longstanding UN target. It also set an intermediate target of 0.56 % of GNI on ODA by 2010. In 2010 the EU spent 0.43 % of its GNI on ODA, 0.02 percentage points more than in 2005. Thus despite this increase it did not reach the intermediate target. It also seems unlikely that the EU will achieve its 2015 target. At current growth rates, it would only happen around 2040.

**Figure 17: Official development assistance as share of gross national income (%)**



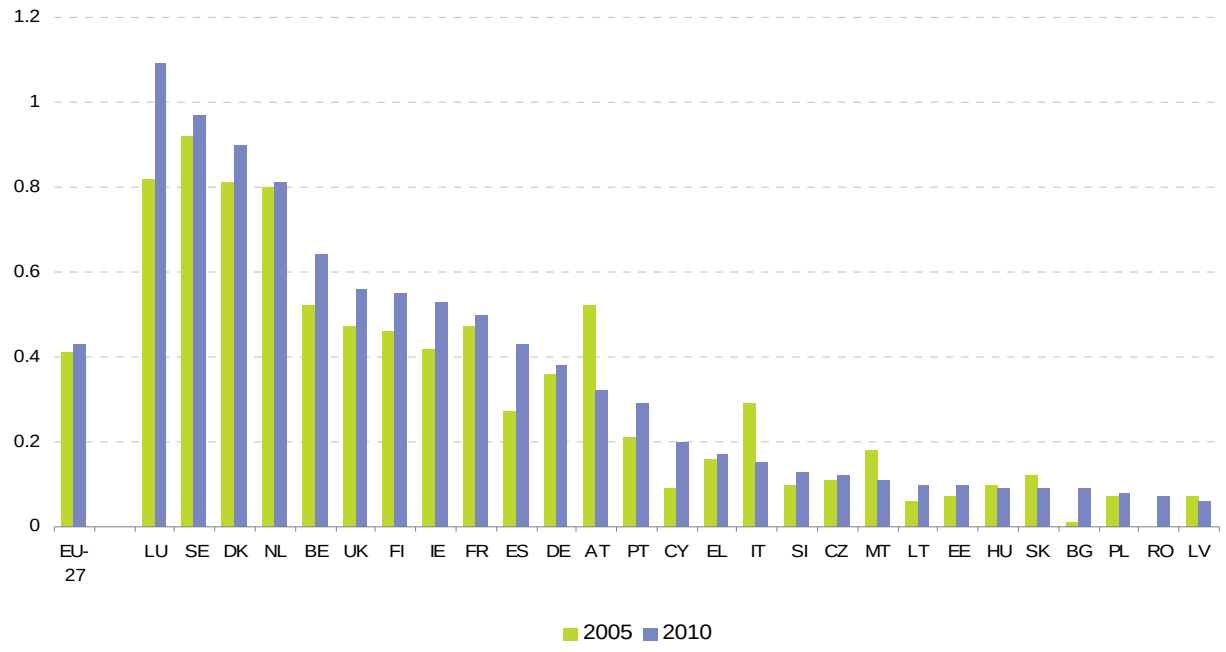

*Source*: Eurostat (online data code: tsdgp100)

Contributions varied considerably between Member States in 2010, ,ranging from 0.06 % of GNI spent for ODA purposes by Latvia, to 1.09 % of GNI dedicated to it by Luxembourg.

Belgium, Denmark, Luxembourg, Sweden, the UK and the Netherlands met the 0.56 % target in 2010. From 2005 to 2010, major increase both in absolute and relative terms was achieved by Spain. Increases in other Member States were low in absolute terms – less than 0.1 percentage points – but high in relative terms. For example, Bulgaria provided nine times more assistance in 2010 than in 2005 (0.09 % vs. 0.01 %).

Global Partnership was embraced by the European Commission as an important component of sustainable development in 2002. Ever since, the concept of global partnership has been an important element in EU policy making. The rationale for endorsing global partnership stems from the acknowledgement that today's ever-globalising world is economically, socially and environmentally strongly intertwined and that Sustainable Development cannot succeed if pursued by the EU in isolation from other countries.

**Figure 18: Official development assistance , by country (% of gross national income)**




*Source*: Eurostat (online data code: tsdgp100)

## Good Governance

*'To promote coherence between all European Union policies and coherence between local, regional, national and global actions in order to enhance their contribution to sustainable development' (policy guiding principle of the EU Sustainable Development Strategy concerning 'policy coherence and governance')*

The trends observed in the good governance theme since 2000 have been mixed. There have been favourable trends as regards e-government availability and usage as well as infringement cases (total number of new actions brought before the European Court of Justice for failure of a Member State to fulfil its obligations) . In addition, the transposition of EU law into national law has been above the target rate. There have, however, been negative trends with regard to voter turnout in national parliamentary elections, which is generally falling. Trust levels for the main EU institutions also dropped. Moreover, trends in the ratio of environmental to labour taxes show that a general shift towards a higher share of environmental taxes in total tax revenues has not been achieved. No headline indicator was identified for this theme.

Governance mechanisms are crucial for achieving sustainable development. These include the integration of the economic, social and environmental dimensions of policy making in a coherent manner; enhancing the participation of civil society and strengthening the educational and informational initiatives for sustainable development at all political levels. Sustainable development can be understood as governance reform agenda. The United Nations Conference on Sustainable Development in June 2012 (Rio+20) is focused mainly on this issue of governance and institutional frameworks for sustainable development.

## REMARKS

### *Decoupling

The term ‘decoupling’ refers to the breaking of the link between two variables – often referred to as driving force (mainly economic growth expressed in terms of GDP) and environmental pressures (such as genera-tion of waste, emission of pollutants to air or water, use of natural resources such as materials, energy or land). The purpose of decoupling indicators is to illustrate the interdependence between two different spheres (e.g. economic and environmental). Decoupling occurs when the growth rate of the driving force (e.g. GDP) exceeds the growth rate of the environmental pressure over a certain timeframe. Decoupling can be either absolute or relative. Absolute decoupling implies that the relevant environmental pressure is stable or decreasing while the economic driving force is growing. Decoupling is relative when the growth rate of the environmentally relevant variable is positive, but less than the growth rate of the economic variable. Among the 11 headlines indicators 2 are designed to monitor the extent of decoupling between economic growth and environmental pressures. These are 'resource productivity' and 'energy consumption of transport relative to GDP'. While the former monitors the amount of gross value added (measured as GDP) an economy generates by using one unit of material (measured as domestic material consumption), the latter compares the growth of transport energy consumption with the growth of GDP.

### **Social Exclusion/ Inclusion:

According to the EC Joint Report on Social Inclusion[3] the social exclusion/inclusion are defined as follows: social exclusion is ‘a process whereby certain individuals are pushed to the edge of society and prevented from participating fully by virtue of their poverty, or lack of basic competencies and lifelong learning opportunities, or as a result of discrimination. This distances them from job, income and education and training opportunities, as well as social and community networks and activities. They have little access to power and decision-making bodies and thus often feel powerless and unable to take control over the decisions that affect their day to day lives’. Social inclusion is ‘a process which ensures that those at risk of poverty and social exclusion gain the opportunities and resources necessary to participate fully in economic, social and cultural life and enjoy a standard of living and well-being that is considered normal in the society in which they live. It ensures that they have a greater participation in decision making which affects their lives and access to their fundamental rights’. Out of this complex range of different factors the Social Inclusion indicators set of the 2011 Monitoring Report captures three dimensions: poverty, access to labour market and access to education. The headline indicator ‘at risk of poverty or social exclusion’ itself is focused on economic resources for participation in society (income, access to labour market and material standard of living).

[3] *European Commission. (2004) Joint Report on Social Inclusion. Brussels.*

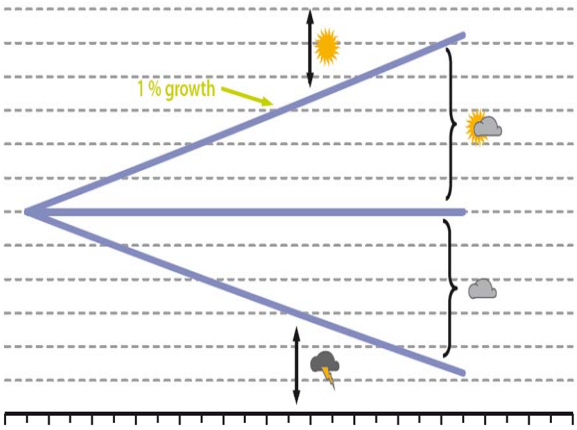
## METHODOLOGICAL NOTES

Detailed methodological notes on the indicators used in this publication can be found on the Eurostat sustainable development indicator web pages: http://ec.europa.eu/eurostat/sustainabledevelopment

### EVALUATION METHOD

The Monitoring Report of the EU Sustainable Development Strategy evaluates progress by means of four categories depending on how favourable or unfavourable the developments have been. Categories are represented visually by weather icons. It is the purpose of this publication to assess the progress of the EU as a whole since the adoption of the first EU SDS. The evaluation is therefore based, as far as possible, on the evolution of the indicator between 2000 and the latest year of data available for the EU-27. Evaluations do not include future projections. Depending on the type of indicator and the presence or absence of a quantitative target, three different calculation methods have been applied

**Figure 19: Evaluation- Indicators without target**

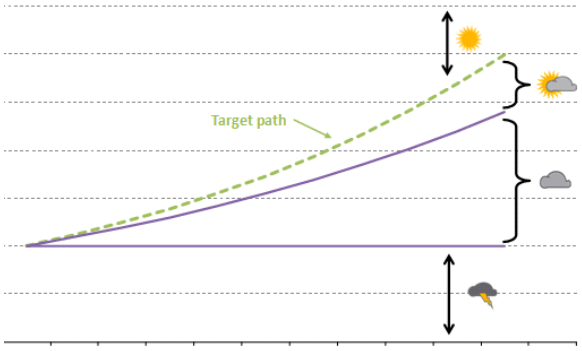



*Source*: Eurostat

For indicators without target the average annual growth rate, in percentage terms, between 2000 and the latest year for which data are available is calculated. A change is supposed to be significant (clearly favourable or unfavourable) if this growth rate is greater than 1 % (in absolute terms). If it is between 0 % and 1 %, it is supposed that no significant change has occurred, which is evaluated as moderately favourable or unfavourable. The direction of change (favourable or unfavourable) is of course considered for the evaluation.

When there is a clear quantitative target associated with a policy objective, the evolution of the indicator is assessed in relation to the theoretical 'path' leading to the target. The assessment is based on the deviation of the actual evolution from the theoretical 'target path' as follows: the average annual growth rate, in percentage terms, between 2000 and the latest year for which data are available is calculated as a proportion of the theoretical average annual growth rate that would be required to meet the target in the

**Figure 20: Evaluation- Indicators with target**

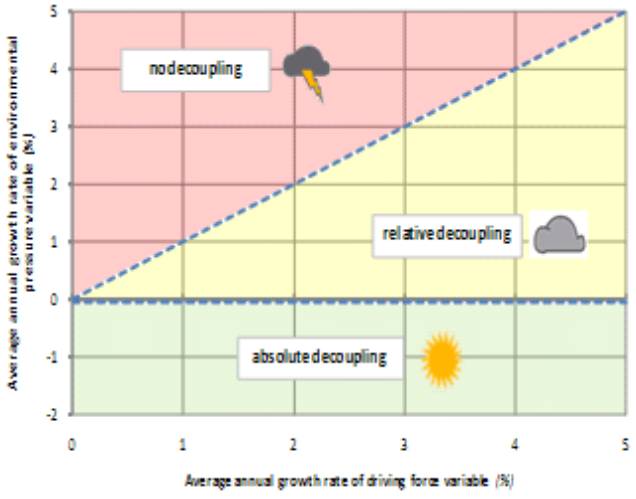



*Source*: Eurostat

target year. 100 % or above is evaluated as 'on target path (clearly favourable),between 80 and 100 % is evaluated as 'close to target path' (moderately favourable), and under 80 % is evaluated as 'far from the target path' (moderately unfavourable). In addition, changes are evaluated as clearly unfavourable if they are moving in the wrong direction, i.e. away from the target path.

Indicators intended to measure decoupling are evaluated according to the extent to which decoupling has occurred 'Absolute decoupling' is the situation where the pressure on the environment decreases, even if the economy is growing, and is evaluated as 'clearly favourable'. Two other situations are interpreted as unfavourable trends as they both refer to an increase in the pressure on the environment.

**Figure 21: Evaluation- Decoupling indicators**




*Source*: Eurostat

# Further information

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

Data on “Sustainable Development Indicators”
http://epp.eurostat.ec.europa.eu/portal/page/portal/sdi/indicators

Further information on “Sustainable Development”
http://epp.eurostat.ec.europa.eu/portal/page/portal/sdi/context

**More information**

Eurostat, (2011), Sustainable development in the European Union - 2011 monitoring report on the EU sustainable development strategy – to be published in November 2011

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