

The IN-STREAM project links economic indicators with measures of sustainability and well-being.

The project seeks to assist policymakers by improving the EU's ability to measure progress toward economic and sustainability goals.

Key IN-STREAM objectives:

- Evaluate key existing indicators and indicator efforts
- Evaluate institutional needs and opportunities
- Improve quantitative models linking indicators
- Assess the costs of reaching sustainability targets
- Recommend composite indicators and implementation strategies

To obtain further information about IN-STREAM, please visit the website or email contact@in-stream.eu

PROJECT OBJECTIVES

The IN-STREAM project is conducting qualitative and quantitative assessments to link key mainstream economic indicators with key well-being and sustainability indicators. The project has several central objectives:

Qualitative analysis objectives

Evaluate key existing indicators and indicator efforts. Research will result in a summary evaluation of mainstream economic indicators (especially GDP) as well as selected measures designed to incorporate sustainability concerns (especially environmental ones).

Evaluate institutional needs and opportunities. Central to the qualitative analysis will be an effort to understand the key drivers and obstacles to institutional adoption of the reviewed indicators.

Quantitative analysis objectives

Improve quantitative models linking indicators. The project will build on previous modelling and statistical work that has attempted to bridge the gap between macroeconomic indicators and sustainability measures, including the recent research efforts INDI-LINK (FP6) and EXIOPOL (FP6).

Assess the costs of reaching sustainability targets. Using the models developed in the project, future value estimates for selected Member States will be generated, using both partial and general equilibrium techniques.

Summary evaluation objectives

Recommend composite indicator approaches and implementation strategies. Based on the qualitative and quantitative analyses, recommendations for new indicator approaches will be proposed. Recommended indicators (and sets of indicators) will be those that perform best in terms of their robustness, feasibility and suitability to EU policy objectives.

EU POLICY CONTEXT

The EU is committed to enhancing the economic prospects and human well-being of Europe's people. Through the Lisbon Strategy, EU policymakers aim to increase the international competitiveness of the European economy and expand employment opportunities. To assist in this, key economic indicators of each Member State are closely watched as a means of assessing the performance, structure and growth of the market economy. Though mainstream economic measures such as GDP are useful measures with great influence on public and private decisions, they are flawed as measures of human welfare. In addition, they give little information as to whether the market is helping Europe make progress on its environmental goals and its commitment to sustainable development.



There is therefore a critical need in Europe for indicators and measurement systems that—working in conjunction with mainstream economic indicators—provide a useful measure of progress toward economic success, human well-being, environmental protection and long-term sustainability. The goal of IN-STREAM is to bridge the gap between these types of indicators and to disseminate the results to policy-makers, economists, and the public.

The IN-STREAM project will specifically take into account three central EU policy initiatives: the Lisbon Strategy, the revised Sustainable Development Strategy (SDS), and (to a lesser extent) the Maastricht criteria.

In 2000, the European Council agreed on the Lisbon Strategy, which aims at making the EU “the most dynamic and competitive knowledge-based economy” in the world. The Lisbon Strategy has two central targets to be achieved by 2010: 1) invest 3% of the EU’s GDP in research and development (R&D) activities and 2) reach an employment rate of 70%.

Following the adoption of the Lisbon Strategy, the Sustainable Development Strategy (SDS) was developed for the 2002 World Summit on Sustainable Development and was adopted as the environmental pillar of the Lisbon Strategy. It outlines seven key challenges with associated targets and actions for each, including: climate and energy; sustainable transport; sustainable consumption and production; conservation and management of natural resources; public health;

social inclusion; demography and migration; and global poverty and sustainable development challenges.

The Maastricht Treaty on European Union, adopted by the European Council in 1992, establishes an area of monetary stability through convergence criteria (commonly known as the Maastricht criteria), including: price stability, sound public finances, sustainable public finances, exchange rate stability, and durability of convergence.

To achieve the combined objectives of these three policy areas, mainstream indicators should indicate progress toward economic growth and sustainable development.

PROJECT TEAM

- Ecologic Institute (Germany; Project Co-ordinator)
- Fondazione Eni Enrico Mattei (Italy)
- University of Bath, Department of Economics and International Development (United Kingdom)
- Charles University Environment Center (Czech Republic)
- Institute for European Environmental Policy (United Kingdom)
- Universität Stuttgart: Institut für Energiewirtschaft und Rationell Energieanwendung (Germany)
- International Institute for Applied Systems Analysis (Austria)
- Zentrum für Europäische Wirtschaftsforschung (Germany)

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