



Towards the 2025 SNA

**Twenty-first meeting of the Executive Committee of the
Statistical Conference of the Americas of the
Economic Commission for Latin America and the Caribbean
24 August 2022**

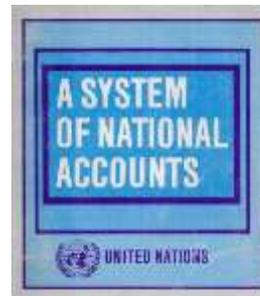
*Stefan Schweinfest, Director
United Nations Statistics Division*

Updating Macroeconomic Accounting Standards

- Macroeconomic Accounting Standards (i.e., the System of National Accounts, Balance of Payments, Government Finance Statistics Manual, Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG), System of Environmental Economic Accounts (SEEA)) are regularly updated to reflect changes in the economy.
- The “updates” can be categorized into three main groups:
 1. Conceptual Updates (i.e., change in what is measured)
 2. Methodological Updates (i.e., change in how activities are measured)
 3. Presentational Updates (i.e., change in how the statistics are presented)



1953 SNA



1968 SNA



1993 SNA



2008 SNA

Updating Macroeconomic Accounting Standards (2)

- In the past, the updating of the manuals was done somewhat independently with a ‘reconciliation’ occurring towards the end of the process.
- Key principles this round include **coordination**, **cooperation** and **consistency**.
- This should ensure a **coherent set of manuals**, reduce duplication of effort, and lead to optimal outcomes given a broader range of consultation.



The modern economy is a complex entity

- Subject to a continuous process of change and development

Rapid quality improvements and product innovations

- Presents a number of measurement challenges

Drivers

- Globalization
- Technological innovation - Digitalization

Wellbeing and sustainability

- Urgent need to account for the economic wellbeing of people and the sustainability of the environment – beyond GDP

Updating the SNA



Technical research

- ✓ Over 300 experts across 10 Task Teams

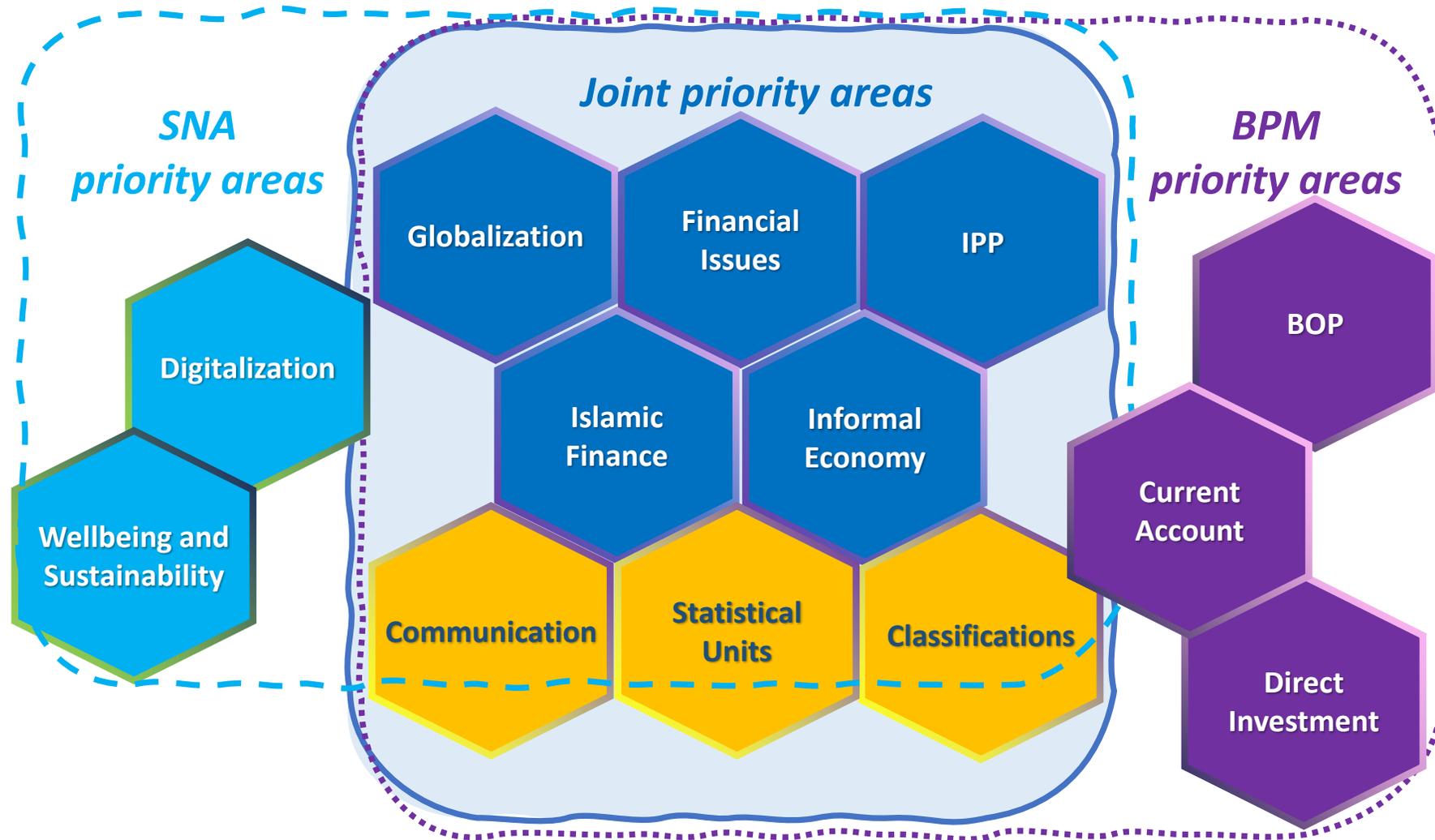
Broad consultation

- ✓ Outreach through regional meetings
- ✓ Circulate papers for review by compilers and users

Overall consistency

- ✓ Coordinated update of international statistical standards – BPM, GFS, SEEA, etc.

Priority areas



Well-being and sustainability in the SNA (1)

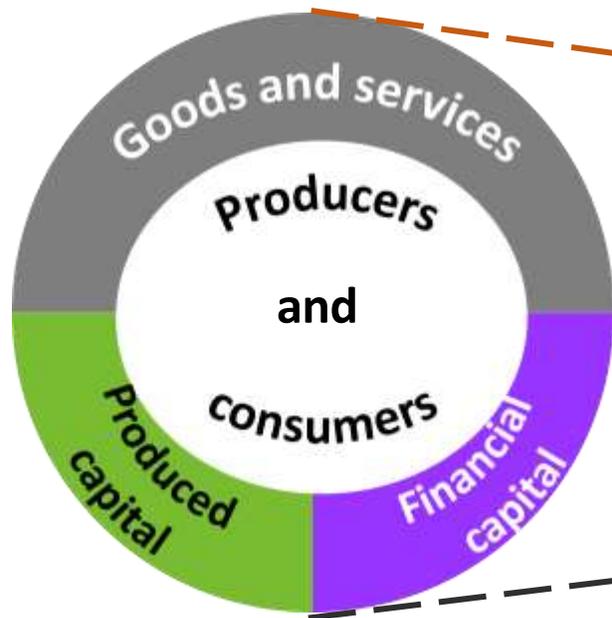
- As the overarching macroeconomic measurement framework, the boundaries of the System of National Accounts define what we know as **the economy**
- This has real world impacts on decision making, shaping narrative on what's counted as progress
- While not designed for this purpose, its headline indicator, the Gross Domestic Product, is **often misused** to represent societal progress
- Proliferation of alternatives over decades modify/expand these measures to address **wellbeing, sustainability and the negative externalities** of economic activity

Well-being and sustainability in the SNA (2)

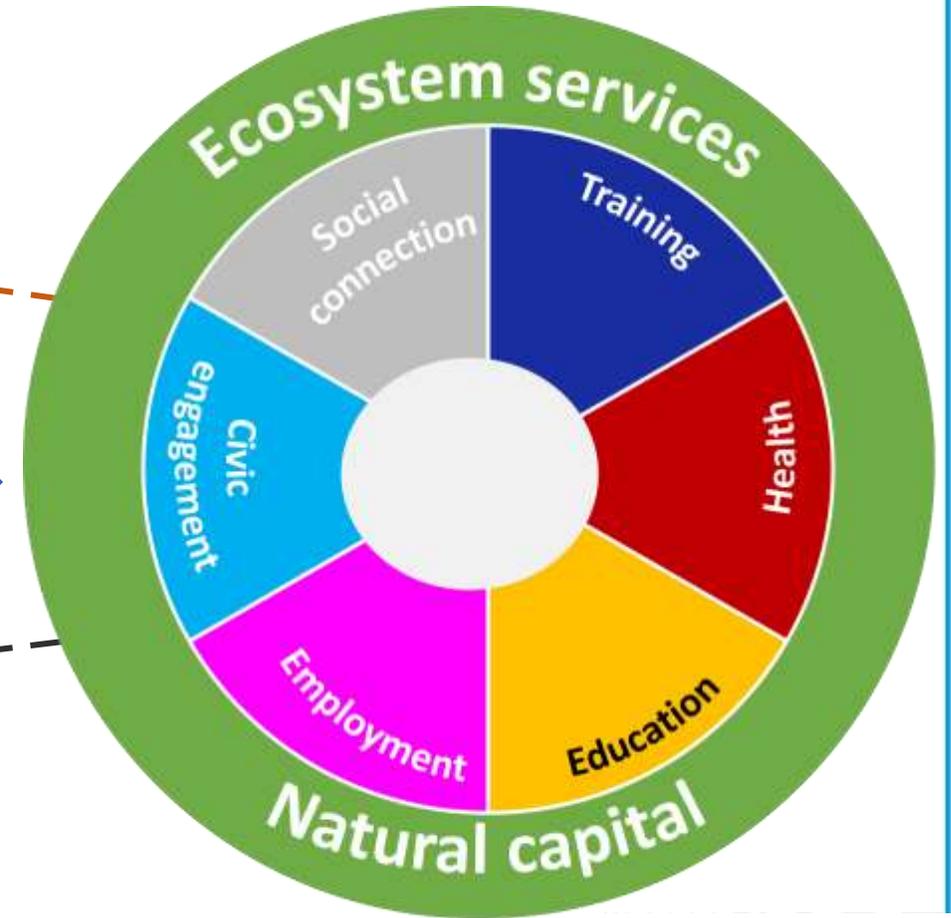
- Recent discussions reflect widely-held view: wellbeing and sustainability are complex **multidimensional** phenomena
- Measurement warrants a broader framework to analyze **interrelations**, **tradeoffs** and **win-wins**
- Facing a new economic reality with globalization and digitalization
- Production aggregates less indicative of the wellbeing of households
- Increasing polarization of income, consumption and wealth, need for distributions consistent with national accounts

Towards a wellbeing and sustainability approach

Traditional approach



NEW PARADIGM
Incorporates the measurement of environmental assets and well-being



Proposed guidance: A pragmatic way forward

- Elaborate overarching framework with linkages to microdata would be **desirable**, but **not achievable** for next SNA update
- More realistic goal is regular compilation of **extended modules**, drawing on body of guidance already available
- **Flexibility** in frequency of compilation, integration of **non-monetary measures** as appropriate

Five areas of consideration

1. Distribution of household income, consumption saving and wealth
2. Unpaid household service work
3. Labour, education and human capital
4. Health and social conditions
5. Environmental-economic accounting

Important to combine this information in a **broader framework**

SNA update website

<https://unstats.un.org/unsd/nationalaccount/towards2025.asp>



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Towards the 2025 SNA

About the updating process

The **Intersecretariat Working Group on National Accounts (ISWGNA)**, assisted by the **Advisory Expert Group on National Accounts (AEG)**, oversees the overall 2008 SNA update programme.

The **Project Management** page contains all documents (workprogramme, governance arrangements, progress reports of the project manager, reports to the UNSC, minutes of ISWGNA meetings, etc.) relevant to the management of the update project.

A three-pronged approach is envisaged for the update of the 2008 SNA:

A. Undertaking technical research in prioritized and other national accounts issues and experimentation and testing of selected recommendations.

To address the issues a series of **Guidance Notes** are being developed. This list is based on the consolidated SNA research agenda and an **initial list of issues** considered for updating the 2008 SNA which was identified in July 2020.

A novel key feature within the research component of the update of the 2008 SNA work programme is the explicit inclusion of an **experimental estimation / early implementation** component for some recommendations in the guidance notes.

Dedicated task teams were established to undertake the technical research and draft guidance notes.

B. Engaging in a broad consultation on the issues related to the thematic areas.

The Broad Consultation component of the SNA update constitutes several rounds of interactions with various groups of stakeholders such as compilers, policymakers, academia, and the private sector. Among the instruments used to broadcast the update and collect feedback are online **Global Consultations** on the guidance notes and **Outreach** activities through global and regional webinars and forums.

C. Ensuring overall consistency with other statistical standards in the system of economic statistics.

For overlapping issues in the research agendas identified for the SNA, BPM, GFS, MFSM, SEEA, ISIC and CPC etc., the Task Teams were established consisting of subject matter experts from relevant Committees of Experts and other groups.

As of March 2022, of specific note is the historically close collaboration of the work on the **update of the BPM6** and the 2008 SNA and the efforts to align the two standards, as well as the engagement of the **Government Finance Statistics Community** in the update programme.

List of Task Teams



Digitalization Task Team



Wellbeing and Sustainability Task Team



Joint Globalization Task Team



Joint Communication Task Team



Joint Financial and Payment Systems Task Team



Joint Informal Economy Task Team



Joint Islamic Finance Task Team



BPM Balance of Payments Task Team



BPM Current Account Task Team



BPM Direct Investment Task Team



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Thank you

United Nations Statistics Division

<http://unstats.un.org/unsd/nationalaccount/default.asp>

<https://unstats.un.org/unsd/nationalaccount/towards2025.asp>

SNA@un.org