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


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)
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

Research topics:
- Globalization
- Digitalization
- Well-being and sustainability
- Cross-cutting issues
- Other issues
- Communications
- Financial issues

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

**SNA priority areas**
- Digitalization
- Wellbeing and Sustainability

**Joint priority areas**
- Globalization
- Financial Issues
- IPP
- Islamic Finance
- Informal Economy
- Communication
- Statistical Units
- Classifications

**BPM priority areas**
- BOP
- Current Account
- Direct Investment

**Statistics Division**
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
Towards the 2025 SNA

About the updating process

The Intersecretariat Working Group on National Accounts (ISWNGA), 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 UNSG, minutes of ISWNGA 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 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 of 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, CCS, MFN, SEE, 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
Thank you
United Nations Statistics Division

SNA@un.org