



# UPDATE ON WORK OF WELLBEING AND SUSTAINABILITY TASK TEAM

NATIONAL ACCOUNTS ANNUAL SEMINAR  
LATIN AMERICA AND THE CARIBBEAN

EMERGING ISSUES AND NEW CHALLENGES IN THE  
MEASUREMENT OF ECONOMIC STATISTICS: AN AGENDA FOR CHANGE  
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*SESSION 5: SNA-2025 UPDATE*

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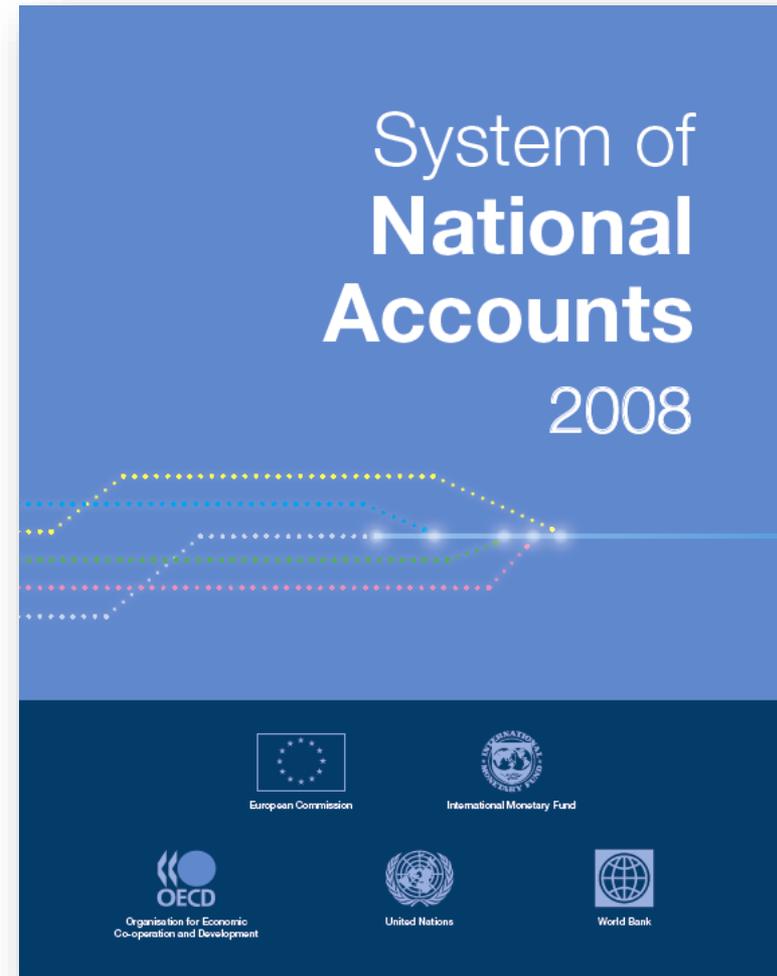
# Introduction





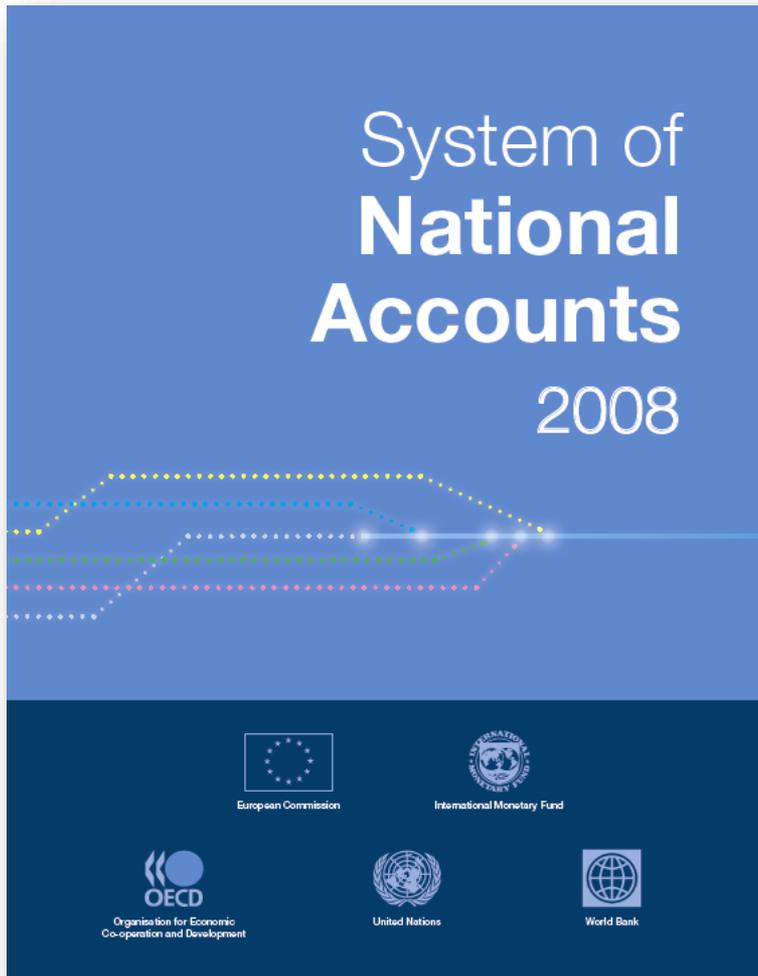
# Well-being and sustainability in the SNA (1)

- 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



# A pragmatic way forward

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- 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
- Modules focusing on indicators providing more insights into **current well-being** (e.g., unpaid household work, health care)
- Modules focusing on indicators providing more insights into **future well-being** (sustainability issue) (e.g., natural capital, human capital)
- Additional indicators providing more insights into the **distribution** of well-being across different household groups
- **Flexibility** in frequency of compilation, integration of **non-monetary measures** as appropriate



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# Overview of all guidance notes



# Areas of interest

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1. **Distribution** of household income, consumption saving and wealth
2. **Unpaid household activities**
3. **Labour, education and human capital**
4. **Health and social conditions**
5. **Environmental-economic accounting**
  - Ownership and depletion of natural resources
  - Emission trading schemes
  - Biological Resources
  - Provisions
  - Valuation of mineral and energy resources
  - Renewable energy resources
  - Environmental Classifications
  - Distinction between a tax, a service and related transactions
6. Development of a **broader framework** to bring all of this work together



# Recommendations (1)

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- **Distributions for the household sector:** Increased granularity within the central framework; exploration of slightly adapted alternative concepts and classifications to facilitate micro-macro linkages.
- **Households' unpaid service work:** Extended alternative concepts as a complement to traditional measures; new granularity in time units and demographics.
- **Health and social conditions:** Increased prominence of the health care sector, rethink of existing classifications and increased detail; refinement of real measures.
- **Labour, education and human capital:** New labour accounts in physical units, new detail on education and training, extended alternative human capital assets.



## Recommendations (2)

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- **Environmental-economic accounting:**
  - **Ownership and depletion of natural resources:** Increased emphasis on depletion-adjusted net measures, sectored according to SNA economic ownership principles.
  - **Accounting for biological resources:** Rethink the SNA production and asset boundary, for example in relation to cultivated assets, to better align with the SEEA.
  - **Treatment of emissions permits:** Consideration of the atmosphere as an asset, with implications for both the SNA and the SEEA.
  - **Accounting for renewable energy resources:** How to derive the economic value of these resources?
  - **Valuation of natural resources:** Clarification on issues in application of NPV method to derive estimates for mineral and energy resources
  - **Recording of provisions:** Impact of provisions on value of natural resource assets; Proposal for supplementary table on provisions
  - **Environmental classifications:** Provide overview of (new) breakdowns in ISIC, CPC, SNA, etc. related to environmental-economic accounting
  - **Distinction between tax and service:** Provide clarity on recording of transactions with same objective, but achieved in different ways



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# Broader framework



# Development of a broader framework (1)

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## Proposals may have various implications:

- More granular **product** breakdowns, e.g., specific health care, education and environmental services
- More granular **industry** breakdowns, e.g., health care providers
- More granular **asset** breakdowns, e.g., health care related assets
- More granular **sector** breakdowns, e.g., distributional information
- Supplementary **non-monetary information**, e.g., hours worked, Co2 emissions
- Further breakdowns into **socio-demographic groups**, e.g., age group, gender, education status, employment status
- Extension of **production boundary**, e.g., unpaid household activities, ecosystem services
- Extension of **asset boundary**, e.g., consumer durables, natural resources
- Creation of **new tables**, e.g., full fledged labour accounts, tables on education and training, table on human capital, table on full time-use accounting



## Development of a broader framework (2)

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### **Important links between areas that need to be considered:**

- Health care and education may be provided in the form of unpaid household activities
- Labour accounts and distributional information would benefit from extension to include unpaid household activities
- Environmental-economic issues may affect health (care)
- Changes in health (care) may affect human capital
- All groups aim to have breakdowns by socio-demographic groups
- ...

These links need to be considered in developing the broader framework: **how to best combine all this information?**



# Development of a broader framework (3)

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## Main challenges:

- **How to align** the various proposals?
  - Alignment is needed where area groups propose similar types of breakdowns, e.g., socio-demographic groups
- **How to combine** the various proposals in core tables?
  - Combining all additional breakdowns would lead to very useful information, but is not considered feasible
  - Choices will need to be made what breakdowns to include in the core tables and what in supplementary tables
- **How to present** information?
  - Creating new indicators on well-being and sustainability combining different types of information



# Development of a broader framework (4)

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## Next steps:

- Assessment of new **classification** breakdowns
- Assessment of **links** between five subdomains
- Drafting **proposal** on how to combine this information in core and supplementary tables and define new indicators



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**Thank you for your attention!**

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