Friends of the Chair Group on Economic Statistics - Update of system of economic statistics

• United Nations Statistics Division
• United Nations Committee of Experts on Business and Trade Statistics
• 11 -13 June 2019, United Nations, New York
New Economics for Sustainable Development

Need economic policies that support the 2030 Agenda and SDG goals

UN has established a Network of Economists to provide leadership

We also need new economic measurement to support this policy development and implementation
Managing Global Trends to Achieve SDGs

Technological breakthroughs
- Environmental degradation, climate change and resource scarcity

Demographic and social change
- Rapid Urbanisation
- Shift in global economic power

Technological for climate adaptation and mitigation, health care, education, digital and global trade, data, food security, digital access, ICT infrastructure

Ecosystem degradation, deforestation, decline in biodiversity, water scarcity, energy use, unsustainable production and consumption, food security, corporate sustainability

Population growth, ageing, migration, gender inequality, poverty and hunger, employment, retirement, healthcare

Government services (health, education, housing, transport, etc.) infrastructure

Industry, Trade and investment taxes and finance, public and corporate governance

Economic growth and productive employment, social protection, education and health care
Economic Measures And SDGs

- Poverty and hunger
- Health and education
- Work, gender, and economic growth
- Industry, innovation, and infrastructure
- Inequalities
- Cities
- Consumption and production
- Climate change and ecosystems
- Household and socio demographic Statistics
- Macro-economic statistics
- Business & Trade statistics
- Price statistics
- Water and energy
- Work, gender and economic growth
- Industry, innovation and infrastructure
- Peace, justice, institutions and partnerships
- Inequalities
- Subjective
- Macroeconomic statistics
  - National accounts
  - Balance of Payments
  - Government Finance Statistics
  - Money and Finance Statistics
  - Environmental economic Accounts
- Business & Trade statistics
  - Structural business statistics
  - Short term business statistics
  - Science, technology and innovation statistics
- Consumer prices
  - Producer prices
  - International trade prices
- Labour Force
  - Household
  - Production
  - Inequalities
  - Subjective
Economic circular flow integrated with SDGs

- Poverty and hunger
- Health and education
- Water and energy
- Work, gender, and economic growth
- Industry, innovation, and infrastructure
- Inequalities
- Cities
- Consumption and production
- Climate change and ecosystems
- Peace, justice, institutions, and partnerships
- Government
- Jobs, physical and financial capital, and natural resources
- Incomes and wealth transfers
- Factor market
- Production
- Income and wealth transfers
- Social transfers
- Product market
- Taxes
- Subsidies
Global Statistical Coordination and Standard Setting

United Nations Statistical Commission (UNSC), established in 1947, brings together the Chief Statisticians from member states from around the world.

Highest decision making body for international statistical activities especially the setting of statistical standards and their implementation.

UNSC address all statistical domains and establishes various types of groups to provide advice on the different statistical topics.

Business and trade statistics have to be better integrated with other statistical domains that are on the UNSC agenda: macroeconomic statistics, household statistics, socio-demographic statistics, price statistics, etc.
New Economics for Sustainable Development

The March 2019 UNSC meeting recognized a need for broad review of economic statistics driven by:

- an urgent **statistical update** to address the economic, social and environmental nexus if we are to truly depict and attain the 2030 Agenda of leaving no one behind, and having meaningful SDGs
- an urgent need for an **institutional update** whereby statistical agencies are transforming from principal producers of statistics to stewards of an evolving and complex data landscape
- the urgent need to revisit and **transform some of our long held practices to** meet the needs of policy makers and citizens

With the aim of ensuring a **relevant, responsive and robust system of economic statistics**
Statistical update

Urgent update to address the economic, social and environmental nexus if we are to truly depict and attain the 2030 Agenda of leaving no one behind, and having meaningful SDGs. This requires statistical agencies to:

• Maintain a coherent and consistent system of economic measures, including macroeconomic, business, trade and price statistics

• Better capture the impact of digitalization and globalization on production, consumption, employment, investment and financial flows.

• Move beyond GDP to include broader measures of progress including subjective measures of well-being such as life satisfaction, trust, economic insecurity, as well as measures of inequality in earnings, income, consumption and wealth and opportunity.

• Advance measurement of economic, natural, human and social capital.
Institutional update

Urgent need for an institutional update whereby statistical agencies are transforming from principal producers of statistics to stewards of an evolving and complex data landscape.

This requires statistical agencies to:

• Institutionalize ongoing dialogue between economists and statisticians to set strategic directions

• Increase the use of alternative and big data and their integration with survey and administrative data sources to provide more detailed and timely statistics and analysis

• Increase collaboration and develop partnerships with stakeholders including the private sector and academia
Transform practice of update

Transform practices of update to be responsive to emerging data needs. This requires statistical agencies to:

• Devise more flexible and more responsive procedures for standard setting, which now take decades to develop and implement

• Take calculated risks in releasing experimental “good enough or fit for purpose” standards and related statistics and indicators that can be iterative and be implemented quickly

• Seek a country led and more integrated governance structure building on a continuous dialogue between statisticians, economists and other users
Measures of Inequality

A range of different measures are required including:
- Macroeconomic measures
- Microeconomic measures
- Longitudinal Data
- Subjective measures

Relying on a range of data sources including:
- Administrative Data
- Household Surveys (including panel surveys)
- Enterprise Surveys

And provided in a range of ways:
- Linked micro datasets
- Integrated accounts
- Standardised indicators
System of National Accounts – Household Distributions

The SNA describes a coherent, consistent and integrated set of macroeconomic accounts in the context of a set of internationally agreed concepts, definitions, classifications and accounting rules.

Building measures of household distribution into the System of National Accounts (SNA) is clearly an important area of focus within the field of inequality measurement

- What is the process for updating the SNA?
- And where does the topic of household distributions sit within the update process of business and trade statistics?
Human Capital

Financial & Produced Capital (SNA)

Social Capital

Environmental Capital (SEEA)

Reduced Inequalities

1. No Poverty

2. No Hunger

3. Good Health and Well-Being

4. Quality Education

5. Gender Equality

6. Clean Water and Sanitation

7. Affordable and Clean Energy

8. Decent Work and Economic Growth

9. Industry, Innovation, and Infrastructure

10. Reduced Inequalities

11. Sustainable Cities and Communities

12. Responsible Consumption and Production

13. Climate Action

14. Life Below Water

15. Life on Land

16. Peace, Justice, and Strong Institutions
Microdata – integrated business statistics – linking business data to society and environment

Environment Data
- Water use
- Household energy consumption
- Waste disposal
- Farming boundaries
- Housing density
- Land value

Social Data
- Education
  - Student assessment
  - Attendance
  - Participation
  - Outcomes
- Higher education and VET
  - Enrolments
  - Graduate outcomes

Economic Data
- Employment
  - Earnings
  - Occupation
  - Income
  - Employer
  - Retirement
  - Superannuation
- Environmental Statistics
  - Water use
  - Household energy consumption
  - Waste disposal
- Geospatial
  - Addresses
  - Road networks
  - Maps
  - Logistics

Families and households
- Troubled families
- Multi-family households

Payments
- Disability support
- Unemployment benefits
- Family/Tax Benefits

Health and hospitals
- Hospital admissions
- Medicare services
- Health risk factors
- Outcomes

Travel and migration
- VISA type
- Interstate movements
- Employment outcomes

Census
- Demographics
- Indigenous communities
- Regional data
Multi-Agency Data Integration Project (MADIP)

Connecting nationally important datasets to maximise the value of existing public data for policy analysis, research, and statistical purposes.

MADIP Data
- Education
- Income & Taxation
- Health
- Migrants
- Social Support
- Families & Households

Value for Australia
- MADIP has demonstrated the feasibility of linking existing public data to develop a more comprehensive picture of Australia and its people.
- Approved researchers and analysts can make better use of the integrated data for policy analysis, research, and statistical purposes, helping improve our lives and economy.
- The project has shown agencies how existing data can be used to provide insight into the effectiveness of government policies, programs, and services to ensure they are delivering value to the Australian public.
- Now in an evaluation phase, MADIP has shown the potential of linked information to inform better targeting of services — such as healthcare and early childhood services — to people and communities who need them.

Data Security
- There are strong legislative protections in place to safeguard privacy, including the Privacy Act 1988.
- Data can only be accessed via highly secure systems, by approved researchers and analysts.
- MADIP is for policy analysis, research, and statistical purposes only. It cannot be used for compliance purposes.
- Approved researchers looking for patterns and trends in the data can only see confidentialised information. No individual person can be identified.

Find out more www.abs.gov.au/dataintegration
Subjective measures & outcomes – Business sentiments and consumer confidence surveys
The existing pressures on statistical agencies are considerable and mounting.

Statistical programs are struggling to meet the ever-increasing demands of users domestically and internationally.

To remain relevant requires a statistical system that is more nimble in the process for setting “official standards” and more efficient.

Collective efforts must be better aligned and focused, avoiding duplication of efforts, to better connect and coordinate the efforts underway.
To take this review forward the UNSC established a Friends of the Chair Group on Economic Statistics

- Consisting of both economists and statisticians
- Consulting globally across regions and sectors

The Friends of the Chair Group has been tasked to undertake:

- Review of relevance and responsiveness of the system of economic statistics
- A stock-take of existing initiatives and recommendations to take these forwards in an update of statistical infrastructure and institutional arrangements of the system of economic statistics
- Progress issues of the statistical development that have already reached a high level of maturity
- An assessment on the efficiency, effectiveness and responsiveness of the governance of the current system
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<th>New Economics for Sustainable Development</th>
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<td><strong>First meeting of the Friends of the Chair Group (FOCG) will take place in late May</strong></td>
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<td><strong>A series of regional consultation seminars through 2019 (African, Asia-Pacific, Latin-America and Caribbean an West Asia region)</strong></td>
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<td><strong>UN Global Forum on Economic Statistics in 2020</strong></td>
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<td><strong>Report back to UNSC in March 2020</strong></td>
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<td><strong>Enduring dialogue between the broader community of economists and statisticians to set global and regional priorities for the update of the system of economic statistics</strong></td>
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<td><strong>Undertaking pilot testing in countries for topics that are relevant, conceptually mature and practically feasible, such as INEQUALITY MEASURES based on priority setting</strong></td>
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<td><strong>Seeking collaborators to take the country pilot testing forward</strong></td>
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