



# The 2025 SNA and measuring well-being and sustainability

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# The SNA is more than GDP!

## Lots of criticism on GDP in providing inadequate guidance for policy:

Does not appropriately measure **well-being** (including its distribution), or progress of society more generally

Does not address **environmental issues** and ecological boundaries

**GDP  $\neq$  (sustainable) well-being**

**GDP  $\approx$  summary measure of economic activity**

**HOWEVER:** GDP is just **one component** of the **system** of national accounts

The SNA provides a **comprehensive statistical framework** for the organization of data to provide **credible, comparable and authoritative data** on **economic activity** suitable for all countries



# The SNA and measuring well-being and sustainability

- The SNA **can contribute appropriately** to the wider objective of measuring **well-being and sustainability**
  - There are a wide range of data and aggregate measures **within the SNA's sequence of accounts** that can be used to inform discussion of important aspects of (material) well-being and sustainability
    - For example: household (adjusted) disposable income, final consumption expenditure and wealth; government impact on distribution of income, etc.
  - The accounting rules and structures underpinning the SNA can be **extended and adapted to organize data on the social and environmental dimensions** of wellbeing and sustainability
    - For example: the System of Environmental-Economic Accounting (SEEA), which is a complementary system to the SNA
- The 2025 SNA has been **significantly strengthened** regarding the contribution of the SNA to measuring well-being and sustainability
- It is acknowledged, though, that to enable a comprehensive assessment of well-being and sustainability always requires **additional measures than those in the SNA**
  - For example: measures relating to safety, governance, etc.

**The first step Beyond GDP is well inside the 2025 SNA!**

# Background to the update of the 2008 SNA

- It has been **17 years** since the SNA was last updated
- During this time, there has been **striking changes** in the way that economies operate
  - **Digitalization and globalization** in particular have had a profound impact
  - Furthermore, there is increasing concern that that economic decisions need to be considered within a broader framework of **wellbeing and sustainability**, including **environmental sustainability**
    - E.g., recommendations made in the **Stiglitz-Sen-Fitoussi Report**, in respect of macro-economic statistics, by putting people at the centre
- It could be expected that there should be **substantive change to the SNA** to reflect these issues
  - It is essential that the national accounts **remain relevant** in a changing world
  - This will ensure that national accounts **are credible** in the eyes of policy makers and the broader community

# Updating the 2008 SNA in a consultative and transparent way

- The **agile process** leading to the development of the 2025 SNA involved **active engagement** with the global statistical community, ensuring inclusive contributions and a **transparent review**
- The recommendations for changing and clarifying the 2008 SNA have arrived at after **substantial technical research and a broad consultation**
- The update was notable for being **country and user-centric**, ensuring **coordination across various statistical domains**, and advancing **a statistical measurement framework in support of sustainable development**
- The update took account of **differences in countries' perspectives and capacities**
- It involved a **pragmatic approach** using areas which have gained prominence, also by way of practical experience, in the recent past
- There is the potential to introduce **further extensions** in the future, based on user demands and practical experience

# Key changes in the 2025 SNA on accounting for sustainability

## Within the sequence of economic accounts

- **Enhanced focus on net measures**, such as NDP and NNI
- Recognition of **depletion as a cost of production**, affecting these net measures
- Recognition of **natural capital as a separate class of assets**
- Explicit recognition of **renewable energy resources** (wind, solar, etc.)
- More attention to accounting for **non-renewable energy resources**:
  - Split-asset approach, in line with SEEA
  - More guidance on measurement
- More explicit guidance on accounting for **biological resources yielding once-only products** (timber, fish, etc.)
- Explicit guidance provided on the treatment of **emission permits**
- Explicit guidance on accounting for **production of electricity and heating by households**, for sale and for own final use
- Additional data items relating to **ESG financing** and non-financial assets supporting the energy transition from the use of **non-renewable to renewable energy sources**

# Key changes in the 2025 SNA on accounting for sustainability

Beyond the sequence of economic accounts

- More explicit **referencing to SEEA Central Framework and SEEA Ecosystem Accounting**, which are complementary frameworks to account for issues related to environmental sustainability



# Key changes in the 2025 SNA on accounting for well-being

## Within the sequence of economic accounts

- More attention for **distributional issues**, by introducing **standard breakdowns of households by income decile** (and other criteria), in line with relevant aggregates, to better account for **distribution of income, consumption, saving and wealth**
- More elaborated set of **labour accounts**, providing more detailed information on various types of employment, closely aligned to resolutions of International Conference of Labour Statisticians (ICLS)

Key changes in  
the 2025 SNA on  
accounting for  
well-being

Beyond the  
sequence of  
economic  
accounts

- Encourage the development of a **suite of thematic and extended accounts**, to support analysis of well-being (and sustainability), as promoted via dashboards of indicators (e.g., SDGs):
  - Accounts for **unpaid household services**
  - Accounts for **health and social conditions**, in line with Satellite Health Accounts
  - Accounts for **education and training**, in line with relevant satellite accounts
  - Experimental measures of **human capital**, using income approach and costs-based approach

The 2025 SNA contains three new chapters dealing specifically with well-being and sustainability issues

- **Chapter 2: National accounts and its contribution to measuring well-being and sustainability**
  - A general discussion on the SNA and measures of well-being and sustainability
- **Chapter 34: Measuring well-being**
  - Discussion of the concept of well-being and various approaches/methods to measure it, and how extended accounts can support all of this
- **Chapter 35: Measuring the sustainability of well-being**
  - Discussion on monitoring sustainability using the capital approach, what the SNA does (and does not) measure, and SEEA as a complementary system to monitor environmental sustainability

# Implementing the 2025 SNA

- A target date of 2029-30 has been set for implementing the 2025 SNA
- It is recognised that the 2025 SNA may be **challenging to implement**
  - For this reason, the 2025 SNA is accompanied by **implementation strategy**, which provides guidance to support producing quality and internationally comparable statistics on a 2025 SNA basis
  - **Advocating** for the resources – both from within countries and where relevant from donors -- to make the requisite changes to the national accounts is critical
  - A **program of technical cooperation** led by international organizations and facilitating cooperation across countries will help underpin implementation
  - Another important element is the continued development of **compilation guidance** in key areas of concern and the development of **training materials**
    - For example, the OECD, in consultation with an Expert Group, has developed a “**Measuring natural resources in the national accounts: a compilation guide**”, which will be finalized later in 2025

A scenic photograph of a rocky coastline. In the foreground, large, grey, jagged rocks are visible. The middle ground shows a deep blue sea with a large, flat-topped island in the distance. The sky is a vibrant blue with scattered white clouds. The text "THANK YOU!" is overlaid in the upper right corner.

THANK YOU!