

**12th Meeting of the Advisory Expert Group on National Accounts,
27-29 November 2018, Luxembourg**

Agenda item: 4.c

A statistical information system for capturing well-being and sustainability

Introduction

GDP is the most widely used indicator from the system of national accounts. Although often interpreted as an indicator for economic welfare, it first and foremost monitors economic activity, and falls short of reflecting broader measures which try to capture well-being of people and sustainability. In 2009, the Stiglitz-Sen-Fitoussi Commission, in its Report on the Measurement of Economic Performance and Social Progress, has put forward a number of recommendations to address this apparent disconnect. The report has been an important driver of the statistical agenda of current initiatives to capture a broader picture of societal developments, not only at the OECD but also in countries and other international organisations.

The attached paper provides an overview of what can be done in the context of national accounts. First it discusses work *within* the current system of national accounts, by focusing on households, such as giving more prominence to developments in real household (adjusted) disposable income and household final consumption; and trying to arrive at more granular distributional information on income, consumption, saving and wealth of households, consistent with the already available national accounts aggregates for households. *Going beyond* the current system of national accounts, (supplementary) estimates can be made of the quantitative impact of including unpaid household activities on traditional measures of economic activity, while sustainability issues can be tackled by implementing the System of Environmental Economic Accounts (SEEA).

At the end of the paper, in section 4, a proposal is put forward to define a broader set of national accounts, in which the current (monetary) accounts would be embedded. Such a broader framework could also serve as the underlying accounting framework for well-known dashboards of indicator, such as the OECD Better Life Index, to monitor (sustainable) well-being at large.

Documentation

- Peter van de Ven, Measuring Economic Welfare: A Practical Agenda for the Present and the Future, Paper presented at the 6th IMF Statistical forum on “Measuring Economic Welfare in the Digital Age: What and How?” (Washington DC, November 19 – 20, 2018), in particular section 4. (<https://www.imf.org/~media/Files/Conferences/2018/6th-stats->

forum/session-2-peter-van-de-ven-imf-statistical-forum-measuring-economic-welfare-paper.ashx?la=en)

Main issues to be discussed

The AEG is requested:

- To provide its opinion on the proposal put forward to define a broader framework of national accounts, which could be used as a starting point for developing the guidance note on sustainability and well-being.
- To provide further ideas and suggestions to arrive at a better link with the work being done in the area of (sustainable) well-being.