

SNA Chapter 34 : Measuring Wellbeing

Annotated Outline

SNA Chapter 34: Measuring wellbeing

Annotated Outline; v3.0 Sep 2022¹

(New SNA chapter)

Introduction:

- As part of the SNA revision process it has been agreed to include new chapters on the topic of measuring wellbeing and sustainability. These will be Chapter 2 providing an overview of the SNA contribution to this topic; and Chapters 34 (this annotated outline) and 35 providing more detailed discussion of measurement issues and approaches on wellbeing and sustainability respectively.
- In the context of the overview and framing for measuring wellbeing and sustainability provided in Chapter 2, this chapter, Chapter 34: Measuring wellbeing, provides a more detailed description of the measurement issues concerning wellbeing that can be considered using the SNA and through linkages with other statistical frameworks. Three broad areas are discussed in the chapter: the SNA boundaries relevant for the measurement of wellbeing (primarily concerning production and income); the ways in which other data on wellbeing can be linked to the SNA; and issues in the measurement of wellbeing using accounting-based approaches.

Sections of the chapter:

1. Introduction

- This section sets the context for the measurement of well-being using accounting-based information and distinguishing the measurement of wellbeing from the measurement of sustainability (covered in Chapter 35). Depending on the balance of text between Chapter 2 and Chapter 34, this introduction will extend discussion of framing topics, such as distinctions between outcomes and outputs, the treatment of non-use values² in accounting and the recognition of multiple value perspectives.

¹ Prepared by Carl Obst and cleared by SNA/BPM Project Managers

² Non-use values concern economic values such as existence and bequest values that people ascribe to assets, such as the environment, but which do not involve any use of those assets in production or consumption.

2. Defining SNA boundaries for the measurement of wellbeing

- In the context of the overview and framing for measuring wellbeing and sustainability in Chapter 2, this section provides an articulation of the way in which the measurement of wellbeing can be scoped. The starting point is the production boundary of the SNA and the associated measurement of income that commonly underpins the discussion of wellbeing in an SNA context. This will include discussion of various income measures that may be compiled within the SNA accounts (i.e. other than GDP).
- There are a range of topics to be considered in describing the potential boundaries for measurement in an SNA context with respect to the broader concept of wellbeing. These include:
 - Own-account household production
 - Forms of work – covering paid and unpaid work
 - Informal and non-observed economy
- Within the SNA scope, it will be possible to provide disaggregation of different variables and aggregates such that it provides additional insights into wellbeing. In this context, this section will provide an overview of SNA consistent approaches to measuring the distribution of income, consumption and wealth and also discuss other types of disaggregation (e.g. spatial) or presentation of national accounts data that are relevant to support discussion of wellbeing. More detail on the disaggregation of household sector aggregates will be included in Chapter 29: Households.

3. Supporting broader measurement of wellbeing

- The focus in this section is to summarize the various ways in which other data on wellbeing can be linked to the SNA accounts. The focus of the discussion is to introduce these topics and explain how their measurement can be combined with the SNA accounts and how all of the various accounts can operate in an interlinked way.
- This includes discussion of:
 - The use of physical measures, e.g. concerning time-use, flows of ecosystem services, health outcomes, to support interpretation of associated monetary data
 - The structure of relevant tables and accounts including templates for linking to various parts of the SNA accounts such that the development of integrated datasets can be supported
 - Key measurement issues and potential approaches to the presentation of data
- Key topics for discussion include:

- Unpaid household service work
- Measurement of aspects and characteristics of work, including decent work
- Measurement of health care
- Measurement of education in the context of labour and human capital
- Accounting for non-market ecosystem services (link to Ch 35: Ecosystem accounting)
- Accounting for non-market digital services

4. Issues in the measurement of wellbeing

- In the context of the framing of wellbeing presented in the chapter, there are a range of more specific measurement issues that need to be highlighted. They concern conceptual, implementation and application issues. The primary issues for discussion are:
 - Challenges surrounding the valuation of non-market outputs in a manner consistent with SNA valuation principles. This includes consideration of the treatment of consumer surplus and links to proposed discussion of valuation in Chapter 3.
 - Adjusted measures of GDP and income, including links to adjustments for the cost of capital (linked to discussion of net measures)
 - The use of accounting-based information to support compilation, interpretation and analysis of wellbeing dashboards and composite indicators, including for example discussion of weighting choices and the role of data from different accounts supporting richer analysis (e.g. linking monetary and physical data).
 - The treatment of government expenditure on wellbeing and the related treatment of social payments and transfers

Schematic Overview

I	Introduction
II	Defining SNA boundaries for the measurement of wellbeing Linking the SNA production boundary and the measurement of wellbeing Treatment of specific boundary issues in relation to the measurement of wellbeing, including unpaid household work, forms of work and informal economy. Using the SNA to measure the distribution of income and consumption

III	<p>Supporting broader measurement of wellbeing</p> <p>Features of broader measures of wellbeing</p> <p>Wellbeing topics that can be linked to the SNA</p> <ul style="list-style-type: none"> • Unpaid household services work • Aspects and characteristics of work • Health care • Education and human capital • Non-market ecosystem services • Non-market digital services
IV	<p>Issues in the measurement of wellbeing</p> <p>Introduction</p> <p>Key issues (final set of issues tbd, initial proposals above)</p>

Question for the Advisory Expert Group on National Accounts (AEG)/IMF Committee on Balance of Payments Statistics (Committee)

Does the Committee and the AEG have any suggestions on the draft outline of the chapter?

Does the Committee and the AEG agree with the proposed structure and coverage of topics in the chapter presented in this outline?

Does the Committee and the AEG have any comments on how the material in this chapter is best combined with related material in other SNA chapters, e.g. concerning the distribution of household income?

References:

Guidance notes: WS.1, WS.2, WS.3, WS.4, WS.5

Other materials:

- 2008 SNA chapter 6, chapter 19, chapter 24, chapter 25, chapter 29
- SEEA Ecosystem Accounting
- System of Health Accounts
- ILO / ICLS Guidance on work and decent work
- OECD Measures of wellbeing work

Key Stakeholders Consulted:

- SNA/BPM editors
- Task Team Leads – Wellbeing and Sustainability
- UNSD-SEEA team