

Outcomes from Sessions on “Distributional Accounts” and on “Well-being initiatives Associated with and that extend the System of National Accounts”

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- Aim of session was to share ideas, strategies, and examples from ongoing work that is central to the SNA Update
 - Importance context for thinking about future extensions
- Presentations on System of National Accounts Update and Broader Framework for Sustainability and Wellbeing
 - Emphasis on putting people at the center
- Distributional Accounts Presentations:
 - OECD-Eurostat Expert Group on Disparities in National
 - ECB Expert Group on Distributional Financial Accounts
 - Distributions of Personal Income for the United States
 - Distributional National Accounts for Costa Rica
 - Measuring Market Inequality and Redistribution Accounting for France

A broader framework of accounts



- Main focus: **How to establish a broader framework that captures more aspects of well-being and sustainability?**
- Aspects which are considered important for monitoring (sustainable) well-being:
 - Housing
 - Income
 - Jobs
 - Education
 - Civic engagement
 - Health
 - Life satisfaction
 - Safety
 - Work-life balance, etc.
- Take a **pragmatic view**, by focusing the extensions on areas for which guidance has already been developed

Source: “System of National Accounts Update and Broader Framework for Sustainability and Wellbeing” Peter van de Ven, March 24, 2022

Extensions related to capturing well-being and sustainability



- **Households' unpaid service work:**
 - Extending core accounts with time-use data
 - Provision of alternative measures for production and income, as a complement
- **Health and social conditions:**
 - Extending the core accounts by providing more insight on (production and consumption) of health services
 - Based on the work done in the area of health satellite accounts
- **Labour, education and human capital:**
 - Better reflect labour as an important input into the production process, by encouraging the compilation of labour accounts
 - Extending the core accounts with information on education and training
 - Working on experimental estimates for human capital
- **Environmental-economic accounting:**
 - Reviewing the current accounting for natural resources, including accounting for depletion as a cost of production
 - Linking macro-economic data to environmental statistics on e.g., emissions to air and water, includes a broader set of assets
 - Further alignment with extensive work done on environmental-economic issues, done in the context of SEEA Central Framework and SEEA Ecosystem Accounting ...
- **Broader framework:**
 - Combining information from the various work streams to provide a more comprehensive and overarching picture of well-being and sustainability

Source: "System of National Accounts Update and Broader Framework for Sustainability and Wellbeing" Peter van de Ven, March 24, 2022

- Wide user demand for distributional results for household income, consumption, and wealth!
 - Each case study demonstrated uniqueness of country or regions involved
- Range of source data and useful results across projects
 - Including use of administrative and survey data as well as private data
- Many Challenges:
 - Micro-Macro data gaps
 - Timing and availability of different datasets
 - Each project is unique—no one size fits all
 - Assumptions matter and need to understand each’s impact along the way

- Time Use Surveys: Efforts associated with SNA Update
 - Modernizing Time Use Surveys to Better Measure Wellbeing by UN
 - Measuring Unpaid Household Work in Mexico
 - Modernizing Time Use Surveys to Measure Household Work in UK
- Measuring Wellbeing through Aggregate Frameworks: Efforts that look to Extend or go Beyond the SNA
 - Multi-dimensional Measures of living Standards and their Policy Use, OECD WISE
 - Measuring National Income Growth Democratically: Methods and Estimates for the United Kingdom
 - Measuring Wellbeing through the “Level of Living”

- Presentations underscored the importance of time-use surveys to inform social and economic policies
 - Quality of Life, Work-Life Balance, General Wellbeing
 - Economic contributions of invisible and unpaid work
 - Gender Equality and Gender Analysis
 - Concerted effort through UN and Country Level to modernize:
 - UN EG on “Innovative and Effective Ways to Collect time-use Surveys.”
 - UK development of online survey as way forward
- Challenges include access to data and measurement questions, periodic versus regular updates, not widely adopted but expanding (!)

Perspectives on Wellbeing Measurement through Aggregate Frameworks

- Three distinct examples where National Accounts data can be used to draw new insights on wellbeing through aggregate measures
 - UK example distributes national income to households and re-aggregates real household income using corresponding CPIs at the household level.
 - US example to produce the “level of living” yields a quantity index of welfare generated from current and future consumption in proportion to the effort required in the form of supply of labor and capital services
 - OECD WISE example shows that a multi-dimensional index can be computed to “go beyond” GDP to also include life expectancy and (un)employment with proper weights
- Each example grounded in economic theory

Key Takeaways and thoughts on Way Forward

- Beyond GDP sprint sessions demonstrate importance of activities associated with the SNA update on wellbeing and sustainability
 - Emphasis on wellbeing and sustainability as becoming increasingly core to macroeconomic statistics is especially important!
 - Need to build on OECD and ECB efforts for wider uptake on Distributional Accounts
 - Ideally also produce Household production accounts more regularly
- Need to pursue research and experimentation on aggregate measures of welfare or wellbeing is clear.
 - It's time to elevate social welfare accounting alongside GDP accounting
 - This is meant to compliment, not compete, with other approaches including through bringing better visibility by way of multiple indicators or dashboard approaches with existing National Accounts data
- Possible next step: Establish an Expert Group that can bring the concepts and methods forward. Tying together the macro-economic statistics domain better with socio-demographic statistics.