

Delivering the UN Network of Economic Statisticians' Beyond GDP Vision

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UN Network of Economic Statisticians

High level objectives

“What we measure affects what we do. If we have the wrong metrics, we will strive for the wrong things.”

(Stiglitz, Fitoussi & Sen 2010)

While the Stiglitz Report set the dimensions of the global debate around ‘Beyond GDP’, it was not prescriptive of specific approaches or measurement. Since then, many approaches, frameworks, and specific measures have been put forward.

The Network ran a series of sprint’s to review the potential to agree an extended framework for measuring all aspects of economic activity, in a way which is compatible with GDP / national accounts, but captures key elements excluded from that measure.

Why do we need a new approach to Beyond GDP?

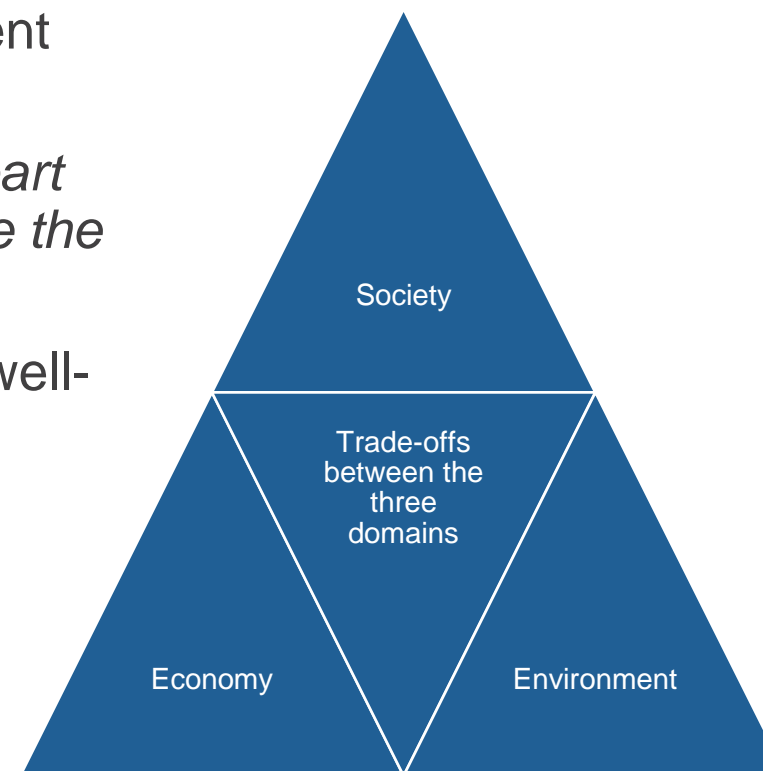
- **Different users have different needs** – the current SNA process demonstrates how difficult it is to try and reach a compromise between those who wish a pure economic GDP for use in economic policy and those who seek a wider perspective.
- UN SG's 'Our Common Agenda' recognises **the need for a wider-ranging set of complements to GDP and the traditional economic measurements**, including reaching out beyond the economic statistics domains.
- The answer for all questions should not and cannot always be changing the core SNA accounts. We need to build on SNA, SEEA and other manuals.

Key findings from the sprints (1)

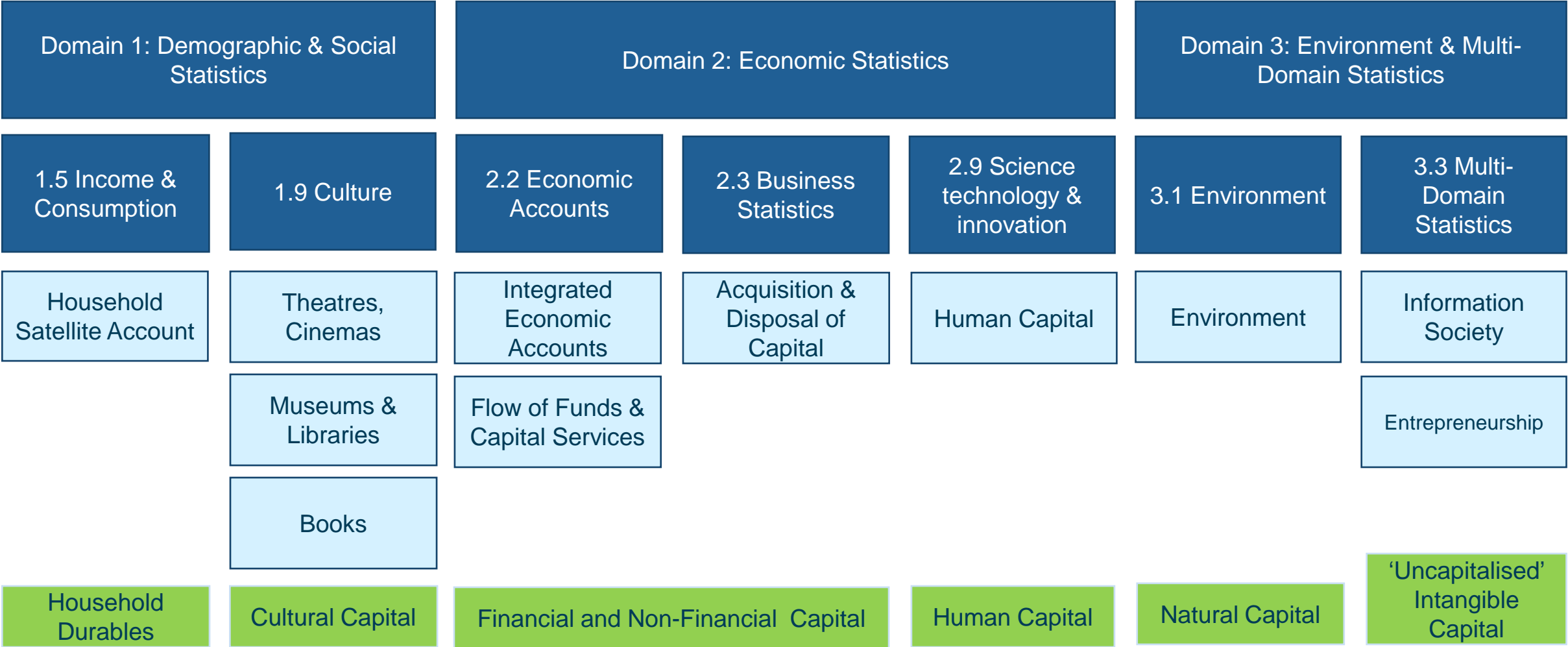
“Beyond GDP” is not just an economic question – it explicitly requires us to break down barriers between data and statistics to better understand trade-offs through integrating across different domains.

“The interesting thing about the sprints is realising that I am part of what you call the ‘Beyond GDP’ community. I just didn’t see the connection before.”

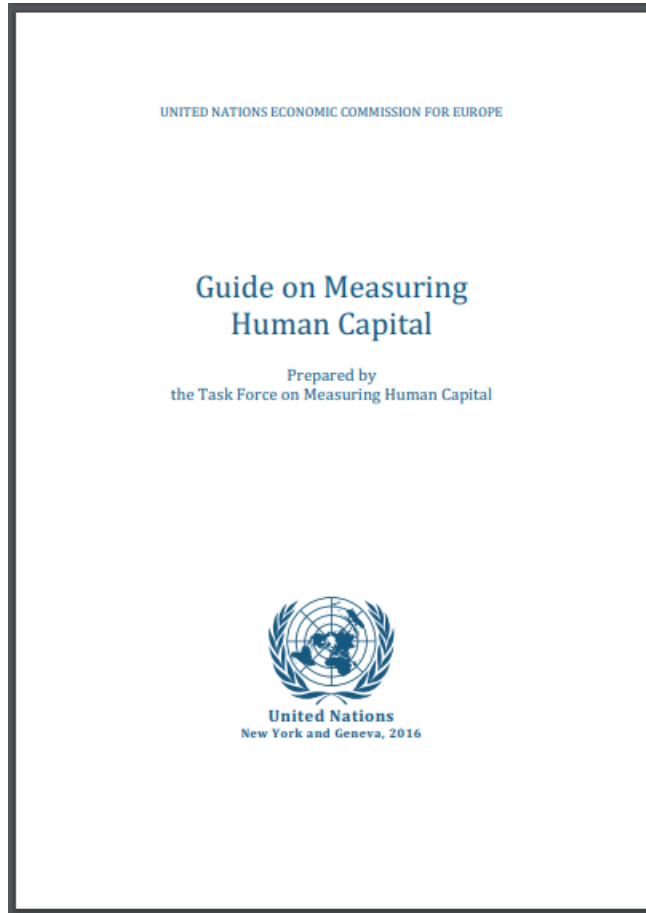
Terminology matters: inter-changeable ‘technical’ terms like ‘well-being’ ‘welfare’, ‘Beyond GDP’, ‘inclusion’ and ‘cohesion’ can mean very different things to different audiences.



Bringing together a complex landscape - capital



Key findings from the sprints (2)



- **Building upon, not rebuilding existing work**
- Human Capital is a nice example
- Strong starting position:
 - UNECE manual
 - Existing clarity on exclusion from SNA
 - Satellite Account Model
- But what if we want to integrate and really think about these data in a joined-up fashion?
- Two options
 - Highly unlikely we will bring human capital within scope of core SNA accounts
 - Presenting augmenting information to explore the data more fully without disrupting other statistics, building on the satellite account model, but also filling gaps in outputs (depreciation, revaluation, depletion etc).

Key findings from the sprints (3)

Users find the current landscape overly complex – both in terms of metrics, but also types of metrics:

- *Composite indices* – OECD WISE, ONS
- *Distributional accounts and Disaggregation accounts* – NTA, NTTA, DINA, Democratic weighted models
- *Capabilities Models* - Human Development Index
- *Multi-dimensional frameworks* – SDGs, vulnerability indices, wellbeing indices,
- *Wealth-based measures* – Comprehensive and Inclusive Wealth
- *Satellite Accounts and Time-Use* methods

Key requirements:

- *Map existing landscape*
- *Identify (and fill) gaps*
- *Identify methods to signpost users to the best metric for their needs*

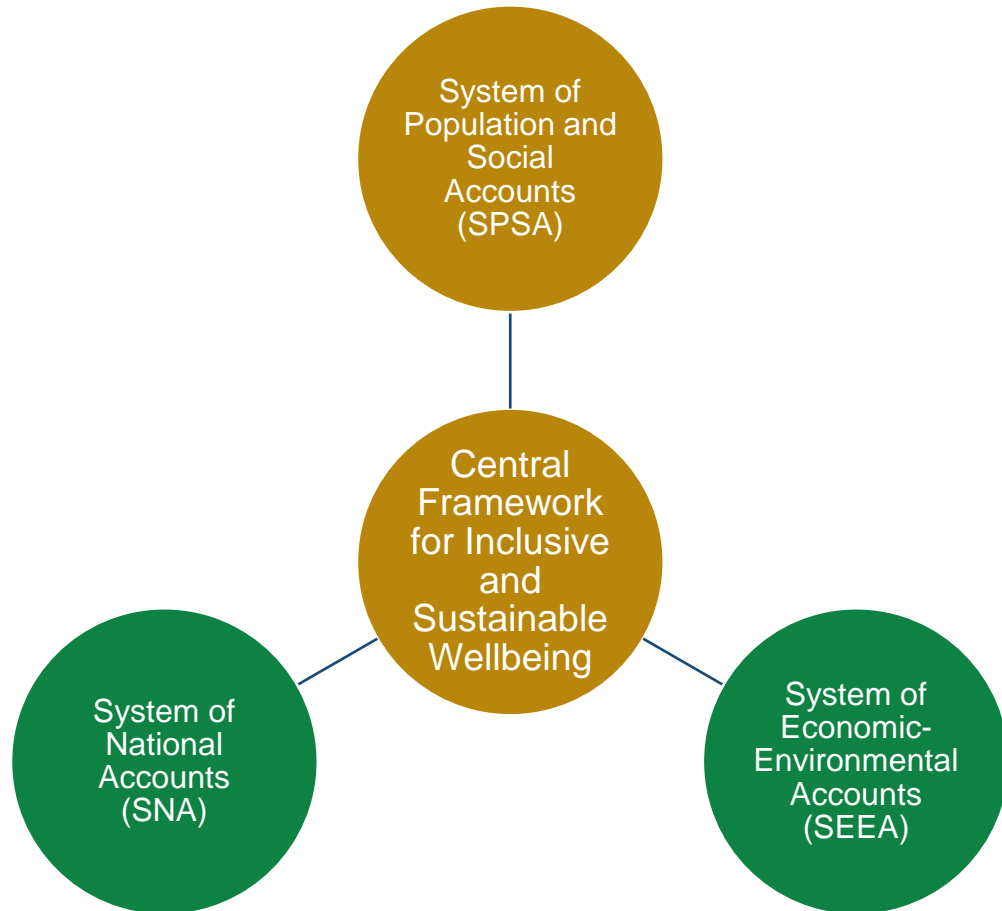
Proposed Way forward

The requirement is for an integrated statistical system which gives clarity around how the range of statistical standards and outputs can be utilised to give a more comprehensive picture of the modern world, and deliver a coherent framework within which users can utilise different data in varied ways to meet complex policy questions.

The objective is to develop a framework to integrate across the economic, environmental and social spheres:

- Highlighting consistent methods and outputs to aid bringing together a clearer picture of wellbeing in a cross-disciplinary way.
- Extending existing methods where feasible
- Mapping and filling gaps between existing Standards / Manuals
- Recycling materials wherever this is efficient.

Core Proposal



- The development of a **System of Population and Social Accounts (SPSA)**, delivering data which can be integrated with the SNA and SEEA, that brings together the various extended SNA accounts and other existing socio-demographic accounts available today and promotes their potential use
- The development of a **Central Framework for Inclusive and Sustainable Wellbeing** that includes:
 - a comprehensive dashboard, linked to the SDGs, of core wellbeing indicators and potentially new composite indices,
 - distributional breakdowns of aggregated and disaggregated accounting and wellbeing indicators,
 - measures of flows and stocks, building on measures obtained from comprehensive and inclusive wealth accounting, considering a wider landscape of capitals than those covered by the SNA, with a focus on consistency of measurement for the derivation of ‘objective’ composite indices to provide a fuller landscape of the trade-offs involved in achieving economic welfare and people’s wellbeing (now and later).

System of Population and Social Accounts (SPSA)

Key issues:

- **Ownership** – FOC Group for Social Statistics and international organisations
- **Coverage / key topics to focus on** – previous scopes were identified during 1960s / 1970s – many of which are now addressed in SNA satellite accounts and other similar accounting models (WHO Health Accounts), but need to map against UN ‘mega-trends’ – aging, climate change, urbanisation, digitalisation, globalisation.
- **Staging of work**
 - Identifying / mapping sources / existing guidance materials
 - Developing chapter headings / skeletons of content – aiming to keep these thin and signpost rich existing material.
 - Identifying owners for drafting of text – can address on a chapter-by-chapter basis – don’t need all materials simultaneously.

Central Framework for Inclusive and Sustainable Wellbeing

(Very Draft) Proposed Chapter Structure:

1. **Definition of Wellbeing** – key components (inclusion, sustainability, cohesion etc)
2. **Descriptions of existing metrics and measures:** One pager per product capturing:
 - Key methods
 - Key assumptions
 - Geographic coverage,
 - Time period covered
 - Contact details
3. **Categorisation and mapping of existing metrics / measures and products**
 - Aggregated / composite measures
 - Dashboard approaches
 - Distributional / disaggregated measures
4. **Domestic Dashboards** – common aspects and tailoring
5. **Areas for further development**

Central Framework for Inclusive and Sustainable Wellbeing – next steps

Step-by-step approach – developing meaningful improvement on narrow topics which are beneficial / stand-alone, but move us in the right direction to populate the Central Framework:

- Comparing different measures of wealth – how different are the assumptions being made?
- How to account for externalities in prices for capitals?
- Comparing distributional accounting methods (e.g. DINA) and disaggregating accounting methods (NTA) – how to best relate these to each other
- Mapping and characterising existing Beyond GDP frameworks.
- Mapping domestic Wellbeing Dashboards and their contents

Proposed Timeline

Aim: a direction of travel in terms of the requirement and a proposed model for international collaboration to achieve it.

Constraint 1: We have to recognise the international commitment to deliver the SNA/BPM etc

Constraint 2: Data integration needs the data to exist and for us to understand how best to integrate it

Current draft proposal: We need to reach *across and beyond* the economics statistics community, both in terms of statistics institutes, international organisations, experts and academia. Breaking the work into two stages, up to 2025 and thereafter:

- 2022-2025, the economic statistics community concludes its SNA / BPM process, the social statistics community takes ownership through their Friends of the Chair Group of a process to create SPSA, and the Network develops guidance on components of Central Framework through Network events
- 2025 onwards – the social statistics community populate the SPSA and we (in its widest sense) establish a joint commission from the three communities (economic, environmental and social) to integrate their respective data and populate the Central Framework

Going forward

Please contact simb@un.org to register an interest in taking part!