

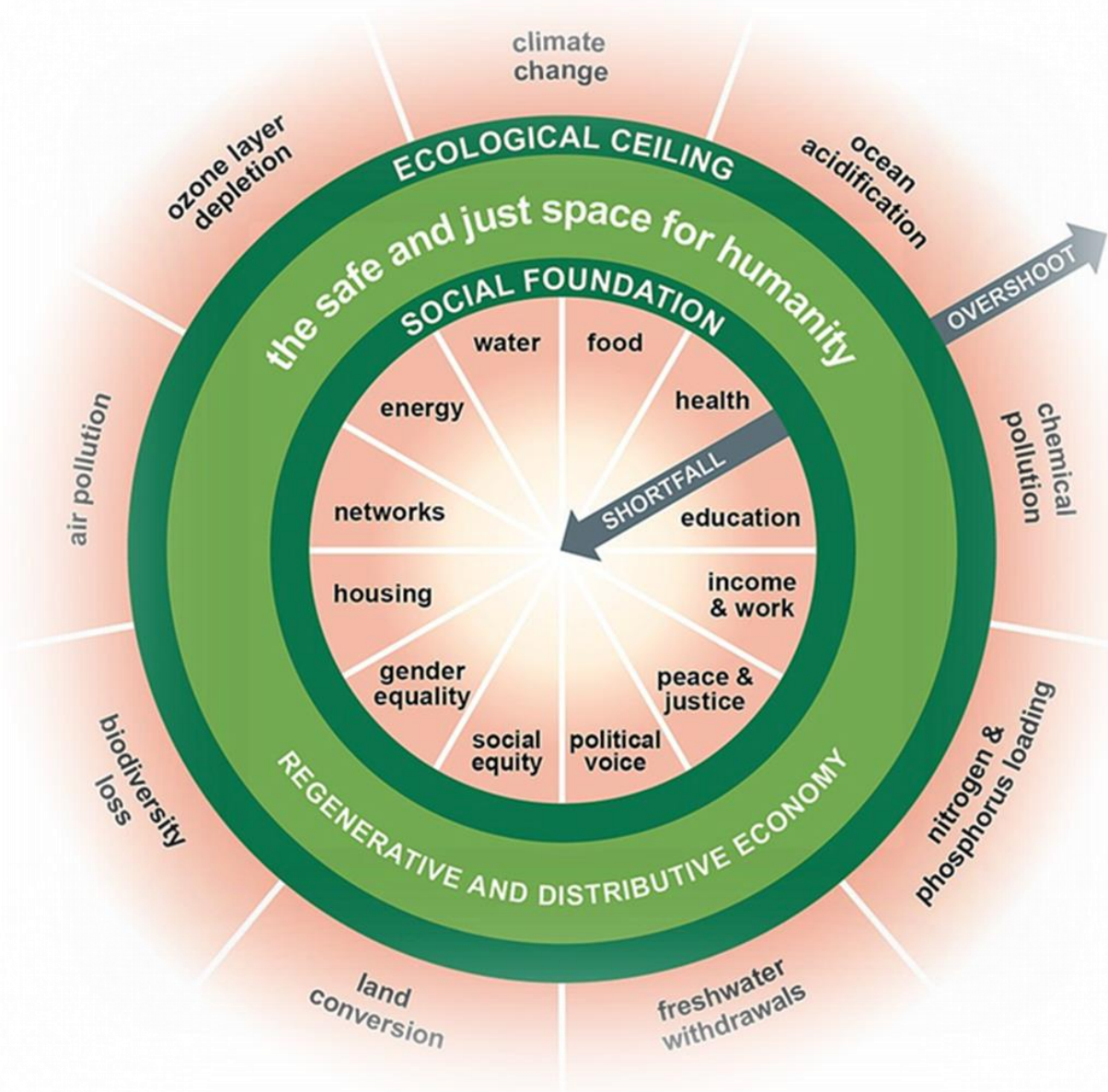
# The Beyond GDP initiative An African perspective


United Nations Economic  
Commission for Africa

African Centre for Statistics

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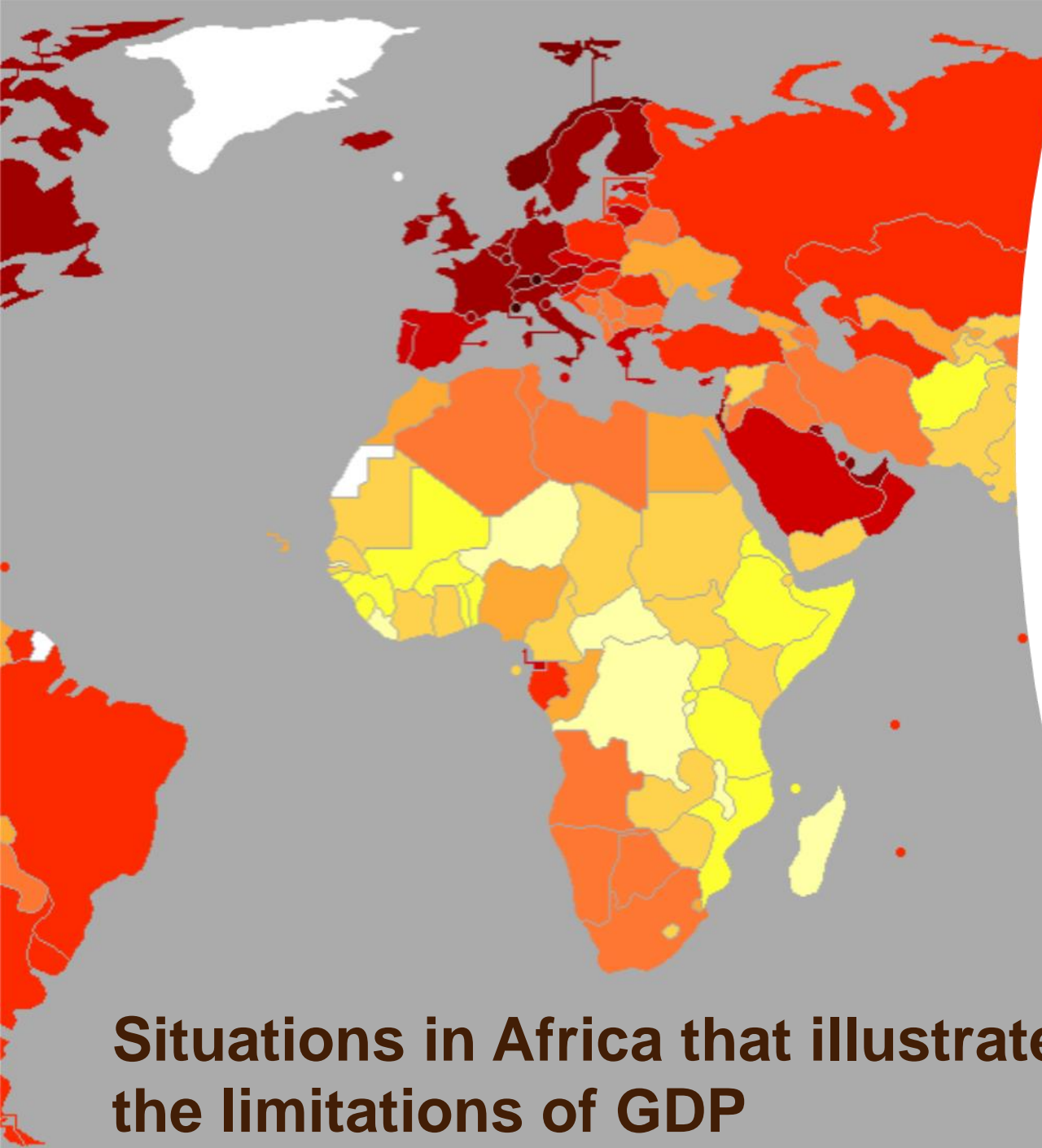
At Beyond GDP Webinar  
Priorities in measuring wellbeing, inclusion,  
and sustainability in African and Arab  
Countries and findings of the Network's  
Beyond GDP Sprint





## Beyond GDP: Problems with production/ expenditure approach

- Traditional approach was to calculate the total monetary ‘flow’ or market value of all finished goods in a country’s economy.
- Production/income measure of GDP is widely implemented but not an accurate reflection of wellbeing or sustainable development.
- As it does not take account of natural capital, a country could grow its GDP by depleting stocks of forests and minerals, for example, but this growth would not be sustainable.



## Situations in Africa that illustrates the limitations of GDP

- ✓ Many African countries with huge natural resources potential are still struggling with debt and having very erratic GDP growth
- ✓ Poor growth sustainability
- ✓ Environmental degradation
- ✓ Example 1: Growth through non-sustainable tourism an existential threat from small island development states
- ✓ Example 2: Many oil-producing African countries caught in "the middle-income trap" and have never managed to successfully diversify their economies and reduce poverty and inequalities



# Beyond GDP: Measuring wealth of nations

- Wealth accounts, based on the methodology of SNA, will provide an alternative measurement of economic progress which includes long-run sustainability.
  - This approach conceives development as a process of building and managing a portfolio of assets.
  - This takes account not just in the volume, but composition of the asset portfolio i.e. how much to invest in different types of capital, including the institutions and governance that constitute social capital.
- Thus we can see if the wealth (or 'stocks') are balanced to support GDP growth in the long-term.

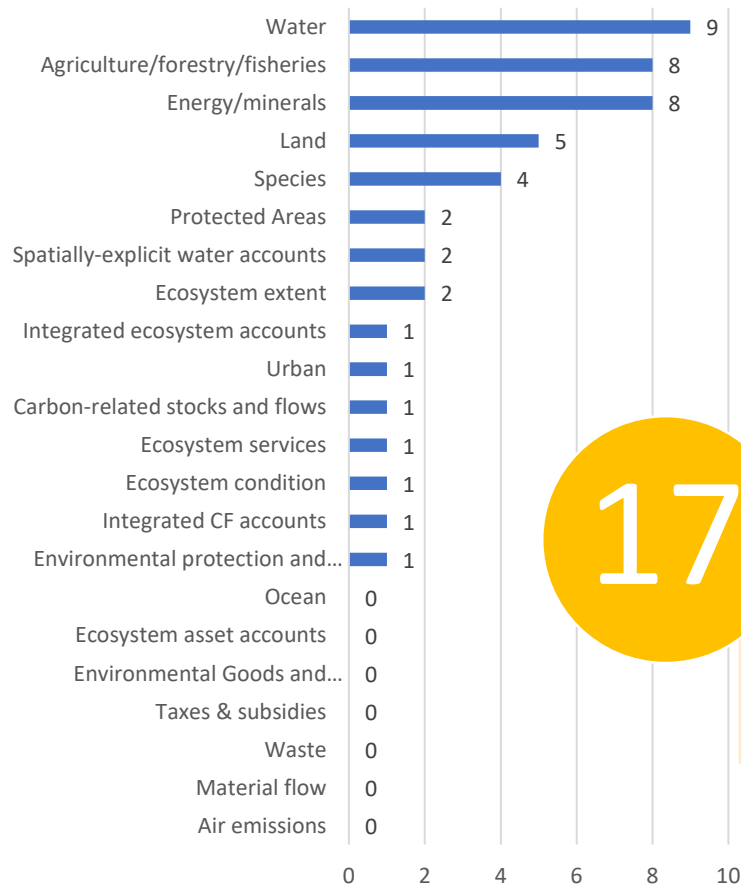
# Beyond GDP: Capital approach

- Total wealth: The measure of total (or comprehensive) wealth is built on the notion that current wealth must constrain future consumption.
- Produced capital: Machinery, structures, equipment.
- Natural capital: Agricultural land, protected areas, forests, minerals, and energy.
- Human capital
- Social and institutional capital - this factors such as the rule of law and governance that contribute to an efficient economy.

# Status of SEEA in African countries (UNSD+ACS)

Number of African countries per account

(Source: UNSD + ACS)

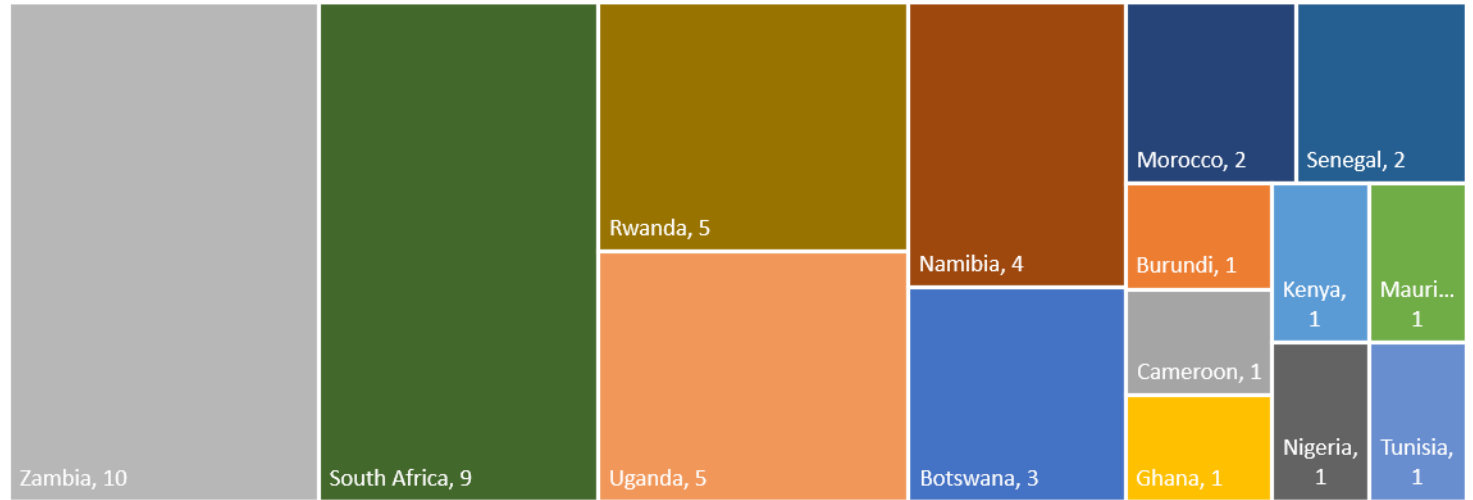


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African countries are compiling at least one SEEA account

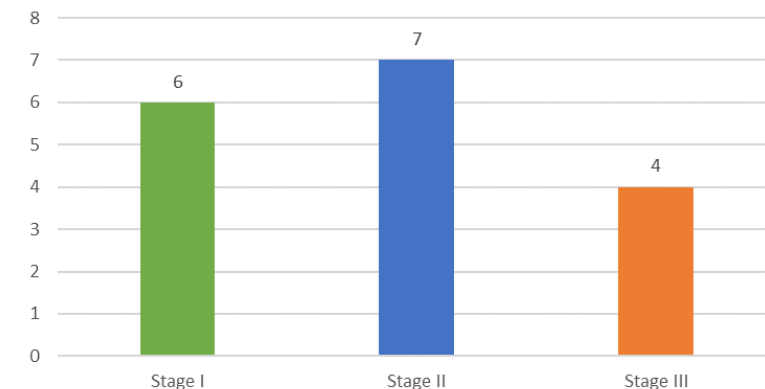
Number of accounts compiled by African countries

(Source: UNSD + ACS)



Number of countries at each stage of implementation

Source (UNSD)





# Priority areas for the United Nations Economic Commission for Africa in the Beyond GDP agenda



- 1) **Economic capital**
  - ✓ Balance sheets
  - ✓ Time use surveys
  - ✓ Trade-in Value Added
  - ✓ City GDP
  - ✓ Satellite accounts for tourism
- 2) **Human capital**
  - ✓ Satellite accounts / social accounting matrices: for human capital e.g. health, education
- 3) **Natural capital:**
  - ✓ SEEA and Natural capital accounting (Forest, Water, Ocean Accounts, Ecosystem services)
- 4) **Social capital**
  - ✓ Alternative well-being indicators and vulnerability indicators (big data-based)
  - ✓ Indicators for measuring social capital, institutional capital, peace and security

**Thank you for your attention**