



Distr.
LIMITED
LC/OR.2023-1/1
14 February 2023
ENGLISH
ORIGINAL: SPANISH
23-00033

Twenty-first meeting of the Executive Committee
of the Statistical Conference of the Americas
of the Economic Commission for Latin America and the Caribbean

Santiago, 24–25 August 2022

BEYOND GDP: STATISTICAL CHALLENGES OF MEASURING DEVELOPMENT

**SEMINAR WITHIN THE FRAMEWORK OF THE TWENTY-FIRST MEETING
OF THE EXECUTIVE COMMITTEE OF THE STATISTICAL CONFERENCE
OF THE AMERICAS OF THE ECONOMIC COMMISSION FOR
LATIN AMERICA AND THE CARIBBEAN**

Wednesday, 24 August 2022

In the context of the twenty-first meeting of the Executive Committee of the Statistical Conference of the Americas, the seminar “Beyond GDP: statistical challenges of measuring development” was held on 24 August 2022. The side event was moderated by Graciela Márquez, Chair of the National Institute of Statistics and Geography (INEGI) of Mexico, with the participation of Anu Peltola, Acting Director of Statistics of the United Nations Conference on Trade and Development (UNCTAD), Stefan Schweinfest, Director of the United Nations Statistics Division, Greg Peterson, Assistant Chief Statistician of Economic Statistics of Statistics Canada and Co-Chair of the United Nations Network of Economic Statisticians, Facundo Alvaredo, Co-director of the World Inequality Lab of the Paris School of Economics, Lucía Scuro, Social Affairs Officer of the Division for Gender Affairs of the Economic Commission for Latin America and the Caribbean (ECLAC), Iliana Vaca-Trigo, Statistician of the United Nations Statistics Division, Arturo Flores, Research Professor of the National Polytechnic Institute of Mexico and Rolando Ocampo, Chief of the Statistics Division of ECLAC.

Opening and welcome by the President of INEGI of Mexico

1. In her introductory remarks, the President of INEGI of Mexico said that GDP, built on robust methodologies developed over eight decades, was the most important tool for measuring economic activity. Every update to the System of National Accounts attempted to provide solutions to new challenges, which, in the twenty-first century, were interconnected and multidimensional. The work of national statistical offices was being adapted to meet those challenges by producing information that went beyond economic issues. Initiatives to move beyond GDP were part of efforts in recent decades to include socioeconomic, environmental, technological and cultural aspects as well. The seminar was an opportunity to discuss the issue and review current statistical production with the aim of bolstering the creation of indicators that reflected the complexity of the world and could be produced by the largest number of countries.

Contribution of the United Nations system to progress beyond GDP

Anu Peltola, United Nations Conference on Trade and Development (UNCTAD)

2. The representative of UNCTAD conveyed the main points of the document being prepared by the High-Level Committee on Programmes (HLCP) Core Group on Beyond GDP, regarding the United Nations system-wide contribution on progress beyond GDP,¹ which highlighted the importance of moving towards a new policy paradigm and new metrics that addressed current global challenges. It proposed a framework underpinned by the promotion of well-being, respect for life and the planet, and the reduction of inequalities, supported by participatory governance, stronger institutions, innovative and ethical economies, and a transition from vulnerability to resilience. This proposal fell within the framework of the Sustainable Development Goals (SDG). Certain criteria were recommended in the assessment of indicators used to measure factors other than GDP: they had to be comparable across time and among countries; complementary to GDP; people-centred; measurable by countries; ambitious; and establish placeholders for measuring what matters.

2025 update of the System of National Accounts

Stefan Schweinfest, Director of the United Nations Statistics Division

3. The representative of the United Nations Statistics Division presented the forthcoming 2025 update of the System of National Accounts (SNA) being developed by several experts. The update could possibly include new economic factors such as globalization and digitalization, as well as well-being and

¹ See High-Level Committee on Programmes, “Valuing What Counts – United Nations System-wide Contribution on Progress Beyond Gross Domestic Product (GDP)”, 17 August 2022 [online] <https://unsceb.org/sites/default/files/2023-01/Valuing%20What%20Counts%20-%20UN%20System-wide%20Contribution%20on%20Beyond%20GDP%20%28advance%20unedited%29.pdf>.

sustainability. 2025 SNA would maintain its focus on economic measurements, but it was acknowledged that economics alone no longer sufficed. Information from national accounts had to be disaggregated down to the individual level to address aspects such as income distribution and gender-related issues. Environmental and social aspects were also being integrated to meet current needs. While it was advisable to develop an extended framework including all that information in the medium to long term, the most pragmatic approach at that time was to keep the core of the current system and develop add-on modules that could be used jointly with information collected by national accounts.

4. The ensuing discussion highlighted the important connection between statistical development and policy dialogue and the need to develop official statistics that reflected the priorities established by the need to go beyond GDP.

Findings of the ‘beyond GDP’ consultations of the Network of Economic Statisticians and the evolving Canadian data ecosystem: towards an integrated framework for well-being, cohesion and sustainability

Greg Peterson, Assistant Chief Statistician of Economic Statistics of Statistics Canada and Co-Chair of the United Nations Network of Economic Statisticians

5. The representative of Statistics Canada referred to the United Nations Network of Economic Statisticians and the experience of his country in its effort to move beyond GDP. The United Nations Statisticians Network worked to bring countries together and implement best practices for collaboration by identifying emerging issues such as moving beyond GDP. Six meetings had been held within that framework, focused on a review of the measurement of modern capital; distributional and well-being initiatives associated with the update of SNA; sociodemographic disaggregation of national accounts; mapping of Beyond GDP indexes; indicator frameworks; and wealth and health approaches. The Network of Economic Statisticians sought to make progress on a research agenda to study the suitability of indicators to measure well-being, social cohesion and income distribution, as well as sustainability and economic well-being. In Canada, the Distributions of household economic accounts, the Quality of Life Framework for Canada and the Census of Environment were examples of measurements that looked beyond economic factors.

An agenda for the reconciliation of distributional and national accounts data

Facundo Alvaredo, Co-director of the World Inequality Lab of PSE and Researcher of the Interdisciplinary Institute of Political Economy (IIEP) of the University of Buenos Aires and of National Scientific and Technical Research Council (CONICET) of Argentina

6. The representative of the World Inequality Lab of PSE referred to the necessary link between the development of national accounts and the production of statistics on distribution and inequality. A tradition in the region of measuring those indicators in the same way had been replaced starting in the 1970s by the production of distribution statistics independently, using household surveys. However, the aggregate income obtained using that data source captured between 40% and 60% of national income, meaning that levels of inequality in a country were possibly underestimated. In Brazil, when income distribution statistics from 1975–2015 had been adjusted based on tax data, the Gini coefficient was higher than that reported using household surveys. He proposed a series of items for an agenda to reconcile sources of information, with a focus on understanding and explaining discrepancies rather than using imputation to force them to coincide. Suggestions included publishing household accounts in greater detail; facilitating access to data on income tax, wealth tax and social security, among others; establishing working groups between those preparing national accounts and those who produced distribution statistics; and investing in improving surveys.

7. The ensuing discussion highlighted reasons why household surveys did not capture total respondent income, such as respondent’s fear of losing social benefits, attempts at tax evasion, and wariness about disclosing sensitive information. Even though it was calculated using household surveys alone, the Gini coefficient was a useful and widely available indicator in addition to GDP.

Looking beyond GDP, from a gender perspective

Lucía Scuro, Social Affairs Officer of the Division for Gender Affairs of ECLAC and Iliana Vaca-Trigo, Statistician of the United Nations Statistics Division

8. The representatives of the Division for Gender Affairs of ECLAC and the United Nations Statistics Division addressed the importance of going beyond GDP from a gender perspective. After reporting on the various agreements and publications in the region in recent decades on the measurement of unpaid work, they said that progress had been made in measuring time use, as required for SDG indicator 5.4.1 and for recording business activities performed in households for which no monetary remuneration was received, in the context of the 2025 SNA update. Time-use information could change the way prosperity and progress were measured and provide innovative ways to evaluate public policies. Documents and resources were available on time-use measurement, along with feedback from countries in this area, and 23 countries in Latin America and the Caribbean engaged in some form of time-use measurement. They concluded the presentation by recommending, among other things, improvements to how instruments were used and coordinated, the availability of indicators disaggregated by sex and other variables, and time-use statistics.

Beyond GDP: the contribution of environmental indicators

Arturo Flores, Research Professor of the National Polytechnic Institute of Mexico

9. The representative of the National Polytechnic Institute of Mexico pointed out that despite a connection between the two, well-being could not be assessed using GDP alone. Proposed alternatives included social or environmental factors, along with indexes or indicators that were complementary to GDP, such as environmental accounts. Environmental indicators had to be based on a conceptual framework that defined sustainability in relation to three major components: natural resources, services and processes, and liveability. A definitive list of indicators should specify their ultimate purpose and define the users and target audience. An index based on a set of indicators complementary to GDP, a statistical and geographic information system and ecosystem accounts was needed. National statistics offices, which were sometimes short of technical staff, faced challenges in building these indicators and required support from other agencies. As a result, their role should evolve towards that of data coordination and promotion.

Progress made by the Statistics Division on indicators complementary to GDP

Rolando Ocampo, Chief of the Statistics Division of ECLAC

10. Regarding national accounts and economic statistics, the Director of the Statistics Division of ECLAC highlighted the participation by the Division in forums such as the National Accounts Expert Group and regional seminars relating to the 2025 SNA update. Repositories on supply and use tables and input-output tables, together with the Economic Indicators and Statistics Database (BADECON) were important sources of harmonized economic information at the microdata level. Progress had also been made in environmental statistics and, in particular, ecosystem accounts. In terms of indicators complementary to GDP, a set of indices, including an index on economic vulnerability to climate change and multiple deprivation index, were being developed within the Division. Likewise, progress continued in territorial disaggregation and geospatial information, including elements such as subnational GDP and small area estimation. The countries of the region had to work together to produce measurements that go beyond GDP, using innovative metrics and improving geospatial information capacities, among other things.

11. The ensuing discussion highlighted the convergence between the topics of the seminar and the development in transition agenda of the Statistical Conference of the Americas in the previous biennium. Data stewardship was key to strengthening inter-agency statistics work. Participants underscored certain problems faced by national statistics