

Wellbeing and Sustainability Session, 20 and 21 May

Event chat

20 May

RAUL FIGUEROA (MEXICO):

NPI includes social economy today. Probably the name has to change.

UNECE_Tihomira Dimova:

@Broader framework - agree flexibility is needed depending on countries priorities and resources. But in view of international comparability (and between the individual domains) it could be beneficial to have some (broadly) recommended frequency. No need to take the floor.

Australia - Michael Smedes:

Ann Lisbet - I note that each satellite account has a strong labour data component. I would be interested to hear more about the link between the satellite accounts and your labour account.

Lithuania_Mantas_Sekmokas:

Thank you very much for the presentations, I wanted to ask a technical question about the Norwegian education and training satellite account. Notably, I would be interested to hear if in-house training data includes training by both private and public sector institutions and if it also includes purchased training services from external providers or exclusively in-house provided training. Thank you!

World Bank - Catherine Van Rompaey:

Thanks Francisco and Ann-Lisbet for these interesting presentations. Has there been any attempt in Mexico or Norway to integrate information from individual satellite accounts (for example environment and tourism?) What are the motivators for development? Are they always initiated by policy partners?

Uruguay_Lourdes Erro:

It's nonsense to put a brake on the development of more accurate and useful tools. They are magnificent! But as we are working on changes for the next SNA we have to think how countries (mostly less statistically developed ones) are going to be able to compile these tools (perhaps even more necessary for them)... Both things, create new instruments for measures and create statistical capacity, have to go together... More and more granularity is higher and higher demanding... Many countries can't even compile the core accounts completely ...Any comments on how practically have Mexico or Norway dealt with this issue? No need to take the floor

UK Sanjiv Mahajan:

In my experience of building seasonal accounts, there has been really good and powerful feedback in improving the coherency and consistency of the NA estimates, especially areas like transport, health and education. Can you provide some such experiences in your cases? This is one of the largest benefits.

ESCWA_Wafa Aboul Hosn:

UN Development group is working on health indicators in countries on Pandemic, but no framework is advised. Our colleagues in UNSD can advise the group to promote the health satellite accounts.

World Bank - Catherine Van Rompaey:

Congratulations to Jennifer and the Statistics Canada Team for this extremely relevant work on distributions. Can you tell us how the release of this information was received by the media and policy partners in Canada?

Eurostat_Hakam_Jayyousi:

Congratulations, it is very interesting seeing distributive household economic accounts used actively to provide insight into the impact of the pandemic on households, which has been missing in most countries. Can you please explain the high rebound for the self-employed in Q3.

Canada - Brenda Bugge:

For self-employed rebound in Q3, as with wages and salaries in general, we saw a strong rebound in self-employed due to increased economic activity. The same households that saw the biggest declines in SE income in the first two quarters, recorded the largest gains in the third quarter.

Eurostat_Hakam_Jayyousi:

Thank you, it is reassuring to see strong rebounds so quickly.

India_Brijendra:

How do we get inter quintile movement on annual basis using quinquennial survey data for distributional characteristics?

ECB_Henning_Ahnert :

A question on the FED presentation

INDONESIA_Wisnu_Winardi:

To Jose. It is very interesting to know that economic policies may increase inequality. Would you please add explanation about it and share some example of the policies

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Norway - Ann Lisbet Brathaug:

To Arkady: what recommendations would you give countries that are planning to start compiling education and training accounts. What are the most important lessons learned during your work?

OECD - Jorrit Zwijnenburg:

To Gueorguie: On the investment in human capital: Would (specific parts of) health care also qualify as investment in human capital, possibly improving and extending life (length)?

Norway - Ann Lisbet Brathaug:

to Gueorguie: Have you considered using the annual expenditure on education and training as an measure of the annual investment (compiled from the costs)?

Peter VAN DE VEN :

On the UK-presentation: Quite a few questions raised have been addressed in the UNECE-guidance. Does the presenter disagree with some of the conclusions in the guidance?

INDONESIA_Wisnu_Winardi:

To Gueorguie: two additional question, who produce the products (skill and knowledge) and how to measure it?

Lithuania_Mantas_Sekmokas :

A further forward-looking question: there is a debate in the education community of the signaling (positional good) versus skills/knowledge aspects of education. The current underlying conceptualization would seem to assume that all investment would produce skills/knowledge. Is there any space for differentiating positional from quantity/quality aspects of investment in education/training?

PORTUGAL_Pedro_Oliveira:

To Emmanuel: Thank you very much for the presentation. I very much appreciate the effort on this topic which has generated quite some controversy in the European Union in the context of government accounts. We support the work for testing alternative recordings, considering the data limitations. In the option "resource rent", how would be valued the rent to be recorded in government accounts and what would be the time of recording? Could you please elaborate more on that? Thank you (no need to take the floor).

UK Sanjiv Mahajan:

Emission permits is a "cleaner" solution. However, is the Government creating a right to pollute or a right to use the atmosphere? What is the asset? Need to avoid resource rent in production accounts via GoS.

Peter VAN DE VEN:

Excellent presentation on renewable energy resources. I very much agree with the main proposals. In relation to renewable energy assets, I would not exclude the use of market prices. Nowadays one can observe examples of transactions in land with and without permits to build, for example, wind turbines.

Peter VAN DE VEN:

In relation to the presentation on emission permits (also excellent), I very much favour the second alternative. It's the most logical and elegant solution. I also fail to see the problems some have with considering the atmosphere as an asset. For me, permits to emit CO2 is not that different from e.g. permits to catch fish in open waters. Here too, no country could say that they own the oceans.

UK Sanjiv Mahajan:

On renewables. Really liked the balance presentation. In the valuation, do you allow for reliability of weather conditions, e.g. wind for turning the blades or rain to fill in dams? The land link (e.g. to solar) is weak likewise with the ocean.

CANADA_Joe_StLawrence:

Thanks for the renewables presentation. I have a similar practical question to the one posed by Sanjiv. Given that wind and solar are flows, how do we conceptualise the stock associated with them? Do we simply assume that they will continue to generate rent in perpetuity (one would hope the sun will last for the foreseeable future....)

Grzegorz Peszko:

Both variability of wind conditions and hydrological flows (induced by weather or competing uses, such as irrigation) are reflected in the variability of asset values through changes of revenues and costs

UK Sanjiv Mahajan:

Grzegorz, thanks.

Rob Smith:

Hi Joe - Yes, I would argue that the rent would be assumed to flow indefinitely, as is the case in the valuation of timber resources.

CANADA_Joe_StLawrence:

Thanks, Rob. Seems reasonable. I have trouble conceptualising a stock of wind or solar radiation, but if we abstract to something that generates rent then I think we can make a reasonable estimation of the NPV of that abstract stock.

Rob Smith:

Sanjiv - smoothing of revenues and costs (say, over five years) can be used in the valuation of renewable energy assets to take out some of variability. Fossil fuel assets are also subject to such variability due to oil price volatility.

UK Sanjiv Mahajan:

Rob, okee dokee.

JPN__Hide ISHIBASHI:

To Roel, I recognize that in Dutch ecosystem account the monetary valuation of eco-system services only focused on the carbon sequestration. Do you have any plan to expand the monetary valuation focus to any other eco-system services?

Rob Smith:

Hi Peter - you make a fair point. There will certainly be cases in which land values do capture some value of renewable energy assets. We talk about how that can be dealt with in the valuation methodology in our technical paper.

Rob Smith:

Thanks to Emmanuel and Roel for great presentations. Like Peter, I'm inclined to agree with the second approach to treatment of permits.

Peter VAN DE VEN:

By the way, in relation to renewable energy, we should also start to think about ways to estimate, for example, energy produced by households via solar panels.

IMF - Jim Tebrake:

No need to come in on my part. I would just like to highlight that we plan to continue to consult on this work, specifically with the SEEA and Government Finance Statistics communities.

UK Sanjiv Mahajan:

Peter, agree. One approach is to use the valuation the electricity grid companies provide and discount HH bills - this is available. In a way, the basic price and purchaser's price may be the same!

Peter VAN DE VEN:

@Rob: To be clear, I would prefer to split the land value from the value of the permit. I only think the combined value can be used to determine the market price of the latter.

Eurostat - John Verrinder:

I agree with Peter that we must develop some guidance on household generation of electricity (either self-consumed or 'sold' to the grid).

IMF - Jim Tebrake:

One emerging data need related to renewable energy is to delineate and quantify the investment in fixed assets (solar panels, wind farms etc) that use the wind and solar assets to generate energy - and the sources of financing related to these investments.

Netherlands_Roel Delahaye:

please let me in

Rob Smith:

Jim - I couldn't agree more with your point. We had a really difficult time in our pilot study coming up with sensible asset values for solar panels, wind turbines and hydro plants. Getting better data on those produced capital stocks would be a big help.

Grzegorz Peszko:

what is the chance and timeline for possible guidelines from SEEA and SNA?

CANADA_Joe_StLawrence:

On the atmosphere asset idea, I agree with the non-SNA thinking. From the SNA side though it has to generate income -- here it seems to be an indirect source of income by reducing pollution management expenses....

Peter VAN DE VEN:

BTW: Is the production of electricity by households for own use within or outside the current production boundary of the SNA? Is electricity a good or a service?

UK Sanjiv Mahajan:

Peter, within and classified to the electricity product.

IMF - Emmanuel Manolikakis:

Assets do not necessarily need to generate income.

04:04 PM

USA-Marshall Reinsdorf:

Assets within the SNA have an owner who exercises property rights. Perhaps natural capital assets could be a special category in with the ownership/property rights criteria are relaxed

04:05 PM

Peter VAN DE VEN:

@Marshall: For me, the main point is that the atmosphere is an asset, whether or not recognised as such by the SNA.

04:07 PM

CANADA_Joe_StLawrence:

@emmanuel fair point! So, the atmosphere would be like valuables etc?

Rob Smith:

The argument that has been accepted since SNA 1993 in the case of natural resource assets is that collective ownership of assets (e.g., public forests) is adequate for the asset to be recognized. We are simply saying that concept should be extended to a broader range of natural assets, including the atmosphere.

Rob Smith:

Thanks everyone for the rich discussion.

Grzegorz and I would love comments on the technical paper we've prepared. You can find it in the document list for the session. Thanks again.