



The Role of the UN in Statistics and National Accounting

The UNIHP volume on statistics and the UN seeks to uncover why certain data were considered important rather than to provide a simple description of what data were produced. In his rich history titled *Quantifying the World: UN Ideas and Statistics* (2004), Michael Ward distinguishes three broad phases of UN statistical activity, which overlap at a number of points. The first was an original and formative period during the 1940s and 1950s. The second consisted of a longer period of innovation and extraterritorial organizational activity. The third and most recent, dating from the 1990s, is an era characterized by data systems maintenance and methodological consolidation, although with the turn of the new millennium the UN Statistical Office (UNSO) has begun forging new strategies.

Ideas clearly played an important part in the founding of the UN statistical service. They figured prominently in its initial discussions to create an international program of work for the organization. For the most part, however, the UN has been less an original source of new statistical thinking than an efficient innovator. It has played an important role in developing, extending, and implementing in different parts of the world ideas that had been generated from various outside sources. The UNSO's primarily innovative role in transforming ideas into practice has influenced the way it has operated for much of its life span in promoting the development of international statistical systems.

In later years, UNSO lost some of its intellectual authority as a result of budgetary and resource constraints. This undermined its capacity to exercise oversight of the international statistical system. In some key data areas, UNSO ceded ground—and thus UN authority—to other international bodies. As Ward argues, it essentially gave up “the crown jewels of statistical measurement and conceded control of statistical authority to institutions committed to supporting the economic and financial agenda of Western orthodoxy.” UNSO thus lost much of its claim to speak on behalf of the community of states, let alone for the poorest. We parse this history more fully below.

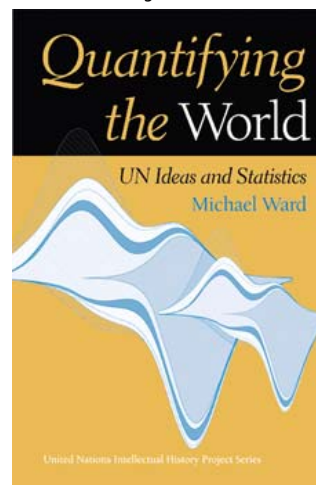
National Accounting

The newly formed UN Statistical Office saw its main task to be standardization of statistical methods, development of common classifications, and coordination of data collection among countries and agencies. Its early preoccupation was with the gross national product (GNP), economic growth, and the national accounts. But there was a road not taken. While full employment and stable growth were preeminent concerns in postwar Europe, hunger and poverty were the overriding issues for poor countries. National accounts won the day, and they were developed into an articulated macro-level statistical response to the operational demands of Keynesian economics. With hindsight, the

early period can be judged as an era of missed opportunity, a time when the UN perhaps shirked one of its first major challenges in establishing the principles of measurement and a responsibility to examine and test alternative ideological viewpoints. Bringing a Keynesian perspective to economic statistics delivered untold benefits, but it also transformed the primary focus of data away from

the individual toward an overriding focus on government and its control of the economy.

Richard Stone first developed the system of national accounts (SNA) during his tenure at the Organisation for European Economic Co-operation (OEEC, the predecessor of the Organisation for Economic Co-operation and Development) in 1952. One year later, the UN published *A System of National Accounts and Supporting Tables*. The core concepts of GNP and gross domestic product (GDP) and their associated macroeconomic balances have since been universally recognized and understood. Trade statistics and population and demographic statistics have also been successful ideas and have entered the mainstream. Surprisingly, UNSO did not pursue the development of statistics on the distribution of income, consumption, and accumulation. Areas where





UNSO's leadership has been less assertive and slow to take effect include: poverty measurement, the nature of deprivation, inequality and wealth, and the measurement of overall resource depletion. It is perhaps unfair to level criticism at the UN statistical system's founders for failing to see that poverty and global inequality and not postwar reconstruction of Europe were the most important economic and social evils confronting the international community.

New Priorities

Gender Statistics

The 1991 UN report titled *The World's Women* marked a watershed in the compilation of statistics relating to women. It gathered in one place, more or less for the first time, an extensive collection of statistics on the condition of women over the previous two decades. The real breakthrough on women statistics, however, came with the publication of *The World's Women 1995*, prepared for the 1995 Fourth UN World Conference on Women held in Beijing. This report explicitly recognized that much of the official historical data on women reflected a particular institutional perception of women and their role in society and the economy.

There are still widely held but incorrect perceptions that what is seen traditionally as "women's work" has zero value. Assessing the relative importance of the efforts of women and men across the range of economic activities in which both are involved in the household, such as livestock tending and harvesting, is difficult. Calculating the value of women's domestic activities in the home is even more challenging. In the 1993 SNA revision, the production boundary for economic activity was expanded further to include all household output of goods for own use. However, many services performed by women within the household, such as cooking, cleaning, sewing, and childcare, still remain outside the formal production boundary.

Population and Demographic Statistics

The UN Population Division was created in 1946 to service the Population Commission. The key concern at the time was the population and birth rate decline in the industrial world rather than the enormous pressures building up for

population expansion in developing countries. The UN has always seen the population problem as a major obstacle to progress, both in terms of the familiar dismal Malthusian dimension it presented and because of the low life expectancy of more than half the world's people. The global imbalance between population growth and the world's resources remains one of the most important problems confronting the world community. Its solution raises complex questions about redistribution and the environment.

Environmental Statistics

The System of Environmental and Economic Accounts (SEEA) draws attention to the availability and maintenance of different environmental services that natural assets provide both to the community and to the economy sustaining the community. UNSO became the first organization to incorporate *all* elements of environmental degradation into a comprehensive accounting framework. The approach challenged commonly held notions about economic growth as well as the very meaning of conventional measures of GNP. There is a growing recognition of the existence of an upper environmental ceiling. A reduction in global poverty cannot be obtained without incurring considerable global environmental costs and altering how resources are distributed.

Under various international initiatives, UNSO has prepared a subset of some seventy indicators relating to the environment. In the area of environmental measurement, UNSO remains in line with the latest thinking of other international institutions and national agencies around the globe. It brings its technical knowledge to expert group meetings such as the London group (one of the so-called city groups mentioned below) on environmental accounting. It has drawn attention to the potential risks that might be in store for governments that ignore the environment.

The City Groups

The city groups were a manifestation of UNSO's failing ability to provide appropriate leadership and direction on newly emerging questions. They evolved initially as informal and ad hoc meetings not held under UN auspices on such themes as the informal sector, intangibles (e.g., software and intellectual property),



environmental accounts, poverty statistics, and service statistics. To the benefit of both the city groups and UNSO, professional UN staff also began to participate in these gatherings. Ideas emerging from the city groups have also fed directly into recommended international practice.

The Implications of Globalization on the Way We Measure

The measurement of global phenomena is inadequate. There is a distinct difference between truly global concepts and world totals. World totals are simply straightforward additions of national measures. Such measures are international, but they do not necessarily represent the real global situation. A global measure relates to a global phenomenon. Examples include global inflation, global corporate profits, and world population, which cannot be obtained by simply adding up reported national population totals because of international migration flows. The UN has tackled its global responsibility in this domain less forcefully and has not yet developed suitable data mechanisms for monitoring these and other issues that are the subject of serious public concern. There is thus a remarkable lack of indicators that are truly global. While physical estimates of production exist, there are no robust measures of global output—especially by sector—and no official estimates of critical issues such as global inflation, inequality, or resource depletion.

Globalization is multifaceted. Atmospheric pollution, global warming and climate change, transnational environmental degradation, global poverty, world population dynamics, international migration and the distribution of people between urban and rural areas, world production, international finance, the distribution of debt, and global inflation or deflation are all serious issues that are complexly interconnected. On a handful of global problems, a degree of coordinated action already exists. Important examples are global disease control, international migration, air traffic control, and criminal extradition.

Concluding Remarks

An interesting question is whose interests have been best served by the existence of the UN and its statistical policy. An initial problem that

UNSO faced was whether statistics should reflect the overall commonality of the “united nations” with a uniform system of collecting data, or if states should preserve their own data systems that would be guided by broad terms of reference laid down by the UN. The UN has laid down clear guidelines here in its early period.

As mentioned at the outset, UNSO has played a less important role in initiating and creating new ideas as the world has grown more diverse, complex, and sophisticated. For the most part, other agencies and academic researchers have served as the source of creative thinking. UNSO nevertheless has been quick to pick up on developments occurring in this wider realm. Its track record on transforming an idea into good practice and integrating it into existing processes has been good. However, the emergence of new institutions and expert groups raises the basic question of whether the UN can continue to provide the intellectual leadership and methodological guidance required to meet the increasing demands for data in the growing and increasingly complex sphere of international statistical reporting. This question is more urgent in an era of ever more serious budgetary constraints.

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