

Potential Challenges of Sustainable SNA

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Paper Abstract:

Challenges are an eternal subject of development. What are the challenges faced by the development of the SNA? This is always a hot topic in the field of measurements. However, previous studies focus on the new areas and methodological tools of the SNA. How is the accounting capacity of SNA implementation in the world? We haven't paid enough attention to this challenge, while such challenge is increasing the pressure for the sustainable development of the SNA. This paper discusses the accounting capacity of emerging economies potentially challenging the sustainable SNA from the supply and demand perspective of globally public products.

First, emerging economies begin to seize the lion's share of global GDP. This makes their SNA data quality more and more important for global measurement. The economic share of emerging economies is too big to be ignored in the world and also too big to be alone. This brings the trade share increasing dramatically between emerging economies and the rest of the world. Thus, global accounts, trade statistics, and multi-national comparisons become the core of the SNA. All these need the active participation of emerging economies and bring their statistics into the global accounting.

Second, secondary industry and social infrastructure in emerging economies are still very weak, and there exist large disparity within the social economy. The SNA implementation is not a simple accounting project, but involves restructuring or even new construction. We can easily understand difficulties faced by the emerging economies if considering accounting capacity of the developed countries when they were at the same GDP level as that of the current emerging economies.

Third, the economic foundation in emerging economies is different from that of developed countries. The SNA is born and matured in the developed countries, thus there is no distress during the SNA implementation in such countries. When SNA is transplanted into the emerging economies, it's not possible to obtain good accounting results if copying this system completely. The SNA in emerging economies is still implemented by stages and the quality improvement will be a long process. How to reconcile the results among different implemented stages is a new task for global SNA organizations. In addition, can we take the SNA implementation in emerging economies as a win-win process, i.e., the practice and methodological exploration in emerging economies also benefit to SNA?

Finally, some argument is left over during the development of SNA. This will confuse the successors and affect the quality of SNA implementation. Current methodological handbook focuses on the specific methods on how to do, but lack of clearly explain reasons, assumptions, preconditions, and scopes of applications. Although we need the SNA handbook, we more strongly need SNA handbook. The supply mode of SNA still have defects in this respects.