

Broader Comments by RLDG on Bringing Wellbeing and Sustainability into National Accounts

This document contributes to the debate led by the United Nations Statistics Division about how to redesign the System of National Accounts for 2025 (SNA 2025), which includes such constructs as GDP (Gross Domestic Product). Primarily, this document is part the response by the Reith Lectures Discussion Group (RLDG) to the invitation by the UNSD to comment on three Guidance Notes, WS3, WS2, WS6.

However, it is also being made available more widely as an exemplar of applying a rethink of economics that is being explored by the RLDG and others [Note on RLDG]. So this document contains some background information about the SNA exercise.

It contains the following main sections:

- ◆ 1. Background - for others and for the UNSD
- ◆ 2. The Conceptual Tool We Employ
- ◆ 3. Approach to Issues Common to All Issues (Unpaid Work, Sustainability)
- ◆ 4. Comments on Guidance Note on Unpaid Household Activity (WS3)
- ◆ 5. Comments on Guidance Note on Household Distribution (WS2)
- ◆ 6. Comments on Guidance Note on Depletion of Natural Resources (WS6)
- ◆ 7. Concluding Remarks

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1. BACKGROUND

1.1 Our Understanding of the SNA Exercise

(This section is mainly for those outwith the UNSD, including those who are not economists.)

SNA (System of National Accounts) 2008 has been used by governments and others in planning their economies. Uses of national accounts mentioned in SNA 2008 include monitoring the behaviour of the economy, investigating the causal (macroeconomic) mechanisms within economies, especially for purposes of planning, and making international comparisons [SNA 2008, p.4 ff.]. Extra informal uses occur, such as taking an attitude of “My economy is stronger than yours!”

The SNA contains and defines such constructs as GDP, but it has serious limitations, as is now widely acknowledged. In particular, it has long suppressed issues of wellbeing and sustainability so that they are ignored in economic calculations by nations and businesses. SNA 2025 aims to address some of these limitations when it replaces SNA 2008.

National accounts were originally intended to be a financial device but, as SNA 2008 remarks, “Certain key aggregates of the SNA, such as GDP and GDP per head of population, have acquired an identity of their own and are widely used by analysts, politicians, the press, the business community and the public at large as summary, global indicators of economic activity and welfare.” GDP especially has been assumed to

signify something of a nation's overall quality, progress and wellbeing, despite ignoring many of their aspects.

This has resulted in distorted analyses and seriously unwise decisions at the national and international levels, especially with respect to climate and environmental responsibility, and distorting ideas of wealth and poverty, especially in the comparison between 'advanced' and 'developing' economies. The UNSD has set up three main task teams, to discuss how to bring into the national accounts Wellbeing and Sustainability (WS), Globalization (G) and Digitalization (D). Each prepares Guidance Notes on how to address various issues within these areas, and we, the RLDG, have been invited to comment thereon. Questionnaires were issued with each Note, which ask specific and technical questions, and this document accompanies our responses to those.

1.2 The Background and Context of Our Contribution

(This and the remaining sections are for all readers and constitute part of our contribution to the SNA 2025 exercise.)

It is with great pleasure that we welcome the UN Statistics Division's recognition of these distortions in national accounts and applaud their efforts to bring issues of Wellbeing and Sustainability into the national accounts for SNA 2025.

This document discusses several higher-level issues that are relevant to three Guidance Notes, WS3 (Guidance note on Unpaid Household Service Work), WS2 (Guidance note on Distribution of household income, consumption and wealth) and WS6 (Guidance note on Accounting for the Economic Ownership and Depletion of Natural Resources). We do respond separately to the specific questions raised in the questionnaires attached to the Guidance Notes as separate submissions, but they should all be read in conjunction with this document, which provides context and explanation.

Our comments and contributions emerge from discussions that began during Mark Carney's 2020 Reith Lectures, among a group of thinkers, the RLDG (Reith Lectures Discussion Group), about fundamental questions in economics. The RLDG perspective largely transcends the capitalist-socialist split, and brings micro, macro and global economic levels together. We believe that humanity's understanding of, and approach to, economics needs to be widened in several ways, and have explored two ways of systematizing that widening. We bring these wider perspectives to bear on the issue of the System of National Accounts and the rethinking that is taking place towards SNA 2025, and we discuss the contribution that our first systematizing tool might offer to this. Specifically, we have the following main potential contributions:

- ◆ Our perspective widens the horizons of the economic aspect reality, to see **economics as interwoven with all other aspects of life**, rather than either ignoring them or dominating them.
This echoes the desire of SNA 2025 to recognise wellbeing, and such things as unpaid work and sustainability, within national accounts, but it does not go far enough. We will suggest a way to systematically think about it below.
- ◆ Our perspective widens the concepts used, to **differentiate harm from good**, since both result from economic and other activity. Harm is often relegated to 'externalities' but should enter the accounts directly.
The desire of SNA 2025 to bring sustainability into the national accounts echoes this, but does not yet go far enough, and the treatment of unpaid household activity does not at all.

- ◆ Our perspective widens the idea of **value and its measurement**, by recognising that different kinds of value call for different methods of measurement, and even that some items might be unmeasurable but still be of value.
This will be important in trying to bring previously unmeasured factors like various kinds of household activity and environmental sustainability into the national accounts.
- ◆ Our perspective widens to embrace **micro, macro and global** economics all in one system - individual, household, business, nation and and global levels.
SNA recognises the need for this, at various points, with WS2, WS3 and WS6 wanting to link micro and macro, and the Globalization Guidance Notes trying to link macro with global. We have a way to achieve this.
- ◆ In achieving the above, we employ the **suite of aspects** devised by philosopher Herman Dooyeweerd [Dooyeweerd 1984; also see Section §2 below] as a conceptual tool to systematize these widenings, explaining below how this can be useful in the SNA deliberations.
We see a need for what Dooyeweerd can offer in many of the statements throughout the Guidance Notes.
- ◆ In our discussions, we found that several core ideas from a Christian perspective were helpful, especially those of responsibility to the Creator, the idea of sin and salvation, of repentance, forgiveness, and of self-giving care for others. At least some of these have been found to have a positive impact on society and the economy, so are potentially relevant.
However, we do not make much reference to these ideas in our discussions below, because they do not much affect the *compiling* of national accounts, but rather their *use*. The occasional reference we do make to some of them is because the SNA takes an explicit interest in Islamic Finance (Issue 29), and this has emerged in the context of some of these ideas. If these ideas have indeed had a positive impact on society and economy, then it would be wise if national accounts are designed in such a way that these things are encouraged not discouraged.

These give context for our comments in Sections 3 onwards.

2. THE CONCEPTUAL TOOL WE USE

Abraham Kuyper's idea of **sphere sovereignty**, in which no sector of society should dominate any other, but that each is "sovereign in its own sphere", is fairly widely known. What is less understood, and which the Dutch philosopher Herman Dooyeweerd developed, is that no sphere should thereby isolate itself from others nor elevate itself above them, but instead each **should serve others**, to create harmony in society. Thus, economics, while it should be sovereign in its own sphere, should serve all other spheres, including those related to wellbeing and sustainability, and not ignore them as it has tended to do in recent decades.

Dooyeweerd went further and developed this idea into a general philosophy, from which emerged a very useful conceptual tool, his **suite of fifteen aspects of reality**. The economic aspect is one of these. Though a philosophy, it has proven immensely practical. Though emerging in the mid 20th century, it addresses problems that are meeting us today, such as sustainability. (For more on Dooyeweerd's thought than is given here, see Note on Dooyeweerd.)

Dooyeweerd's aspects offer us a kind of multivariate analysis framework for complex situations, but one which is more philosophically grounded than most and more comprehensive in its scope. We use Dooyeweerd's aspects to:

- ◆ help us distinguish, categorize and classify;
- ◆ understand more clearly the issues involved and how they relate to each other;
- ◆ highlight kinds of issues that are overlooked, hidden or taken for granted, and provide paths for imagination;
- ◆ thus obtain a fuller rather than partial picture.

This offers a means to address complexity systematically. This claim is backed by experience, some of which is discussed in Chapter 11 of Basden [2019].

Each of Dooyeweerd's fifteen aspects is an **irreducibly distinct "modality of meaning"** that provides or defines a different way in which reality can be meaningful (including the economic way). Each also is a distinct **sphere of law**, which enables functioning that is meaningful in its aspect, and provides guidance. The fifteen aspects are:

- ◆ 1 The quantitative aspect concerns discrete amount.
- ◆ 2 The spatial aspect concerns continuous extension.
- ◆ 3 The kinematic aspect concerns flowing movement.
- ◆ 4 The physical aspect concerns energy and mass.
- ◆ 5 The biotic aspect concerns life functions, the integrity of organisms and ecosystems.
- ◆ 6 The sensitive or psychic aspect concerns sensing, feeling and emotion.
- ◆ 7 The analytical aspect concerns distinction, abstraction, and logic.
- ◆ 8 The formative aspect concerns deliberate shaping and achieving; history, culture, technology, expertise.
- ◆ 9 The lingual aspect concerns symbolic signification.
- ◆ 10 The social aspect concerns social interaction, relationships, roles and institutions.
- ◆ 11 The economic aspect concerns frugality, skilled use of limited resources.
- ◆ 12 The aesthetic aspect concerns harmony, surprise, fun.
- ◆ 13 The juridical aspect concerns 'to each, their due': rights, responsibilities, restitution.
- ◆ 14 The ethical aspect concerns self-giving love, generosity.
- ◆ 15 The pistic aspect concerns belief, commitment, vision of what is of ultimate meaningfulness, and hence religion.

(A fuller exposition of these aspects that is specific to SNA is given in §3.4.2 below.)

Of course, it is the **economic aspect** which is of central interest here, but Dooyeweerd emphasised that it and all aspects should **work together in harmony** to enable and define what we call "wellbeing". They cannot be separated from each other (except conceptually). No aspect may be overlooked - at the risk of distorted and misleading analyses and harmful action. Each is irreducible to the others but depends on them (**inter-aspect dependency** [Note on inter-aspect relationships]). For example the economic aspect depends on the lingual aspect to enable signifying value, on the pistic aspect for belief in an economy and its currency, and so on, without which an economy would not work well.

Aspects enable several things. Each aspect is a different sphere of meaningfulness, by which we may **view and analyse** the world (including the economy, national life, wellbeing, and global issues). Each aspect introduces a distinct basic kind of **value (good, harm)** into reality; for example, the economic aspect introduces the possibility of

something being a resource that is not squandered, and having economic value (benefit from resource use). Each is also a sphere of law, which **governs the way reality works** in that aspect. For example physical laws govern the way reality works physically.. The basic laws of the economic aspect governs the way reality works economically, and makes economic functioning possible. (These basic laws are deeper than the difference between the various economic theories). Thus aspects can also **guide towards the good** and away from harmful functioning in that aspect.

(Note: Some use Maslow's hierarchy of needs, which is similar. That is a good first step, but Maslow's Hierarchy is not as comprehensive as Dooyeweerd's aspects, being a subset thereof, and is not so well-grounded in centuries of philosophical and practical thought [Note on Maslow].)

Aspects apply in several ways when making up national accounts, for example:

- ◆ Our **functioning when making up the accounts** involves all aspects - for example, the analytical in separating out issues, the formative, in shaping them into equations, tables, etc., the lingual in that these signify, the social, in agreement about what is important, the juridical, in seeking to do justice to reality. (The SNA 2025 exercise may be seen especially as the latter.)
- ◆ The **purpose** for which we make them up and for which they may be used - for example for comparing national economies (analytical, and possibly pistic when nations wish to boast about their economies), planning national economies (formative).
- ◆ What **kinds of value** we account for - for example, child care (ethical and biotic aspect), transport (kinematic and social aspects) are two mentioned in WS3 as unpaid household activity (see §4.2 below).

3. APPROACH TO ISSUES COMMON TO BOTH UNPAID WORK AND SUSTAINABILITY

This section discusses how the above can put issues that are relevant to Wellbeing and Sustainability (and also Globalization and Digitalization, perhaps) in a **wider context**. It provides a way to understand the various issues discussed in the Guidance Notes that can be common to all and provide a basis for their integration. It seeks to affirm, critique and enrich the Notes as appropriate, especially questioning assumptions made or exposing presuppositions.

3.1 Economic Activity as Multi-aspectual Functioning

WS3 seeks to take account of "all the activities of daily life." These are varied and their interaction is complex, and how they relate to national economies is also complex, but, as discussed in Section 4 below, they may be understood as different aspects. Dooyeweerd's philosophy can help analyse such complexity.

All human activity may be seen as **functioning in all the aspects**, of which the economic is one. We call this "multi-aspectual functioning". As we function in the economic aspect (e.g. when we treat anything as having value) we also function in the social aspect (e.g. agreeing value), lingual (money as token of value), juridical (fair exchange), ethical (generosity; also trust), and so on. Multi-aspectual functioning is inescapable. If economic theory or practice ignores any aspect, it will suffer, especially in the longer term, and accounts of it will mislead.

Our **economic functioning depends** foundationally (as Dooyeweerd called it) on earlier aspects: the social and lingual especially. It depends “anticipatorily” on later aspects, being shaped by our functioning in the later aspects. For example, whether we give a good price or not (juridical functioning), whether we are generous or mean (ethical functioning), and what assumptions we make (pistic functioning).

It is with this view of our economic function, as one among the others, **interwoven with the others**, that we approach the topics being discussed for SNA 2025. When we speak of “economic activity” we mean “human activity viewed through the lens of the economic aspect - but not ignoring other aspects.”

From that perspective we view unpaid services (WS3), for example, as multi-aspectual functioning, and each kind of service as **primarily meaningful** in a different aspect. Care, for example, is primarily meaningful in the ethical aspect of self-giving that does not expect return, while transport is primarily meaningful in the kinematic aspect. In Section 4, we analyse WS3’s list of types of unpaid services through the lens of aspects.

However, each of those various categories of unpaid household activity, even though its primary meaningfulness is in one aspect (see §4.2 below), nevertheless functions in all aspects in serving that one. For example, the ethical aspect, which is important in child care, involves the social aspect in relating to the child, the lingual, in conversing with and about the child, the pistic, in commitment to the importance of the child. Then, if we were to take one of those aspects (such as the social) we would find it, in turn, involves all aspects. **Aspects interweave almost fractally.**

One benefit of viewing economics through the lens of aspects is that **micro, macro and global economics** very naturally come together into a single conceptual framework. They are primarily economic activity viewed secondarily through different ranges of aspects. Human activity, when viewed through the lenses of the pre-social aspects will reveal the behaviours of individuals and perhaps households (micro-economics). When viewed through the lenses of the social, economic, aesthetic and juridical aspects, an increasingly macro-economic perspective is taken. When viewed through the lenses of the aesthetic to pistic aspects, an increasingly global (trans-macro) view is taken. That offers a way in which concerns raised within the Wellbeing and Sustainability Task Group can link with those of the Globalization Task Group. Where appropriate we bring in some global issues below, often using these later aspects.

3.2 The Field of Economics

Scientific or practical **fields** or disciplines, such as economics, each tend to focus on a core aspect. Theoretical thought in that field does so to the exclusion of other aspects, in order to study its laws (how things work in its core aspect) without having to take account of the effect of others. The field of economics focuses on the economic aspect, such as how value, resources, exchange, markets, etc. operate, often with the help of the quantitative aspect when quantifying value.

However, exclusive focus on one aspect **distorts** our view of reality, and generates knowledge that is fundamentally distorted. Any science or system that ignores the fractal multi-aspectual nature of reality, will always distort and mislead. The way we view this SNA exercise is, broadly, that the weakness of SNA 2008 was its almost exclusive focus on the economic and quantitative aspects, and the **strength of SNA 2025** is that it begins to acknowledge the need to take account of some of these other aspects.

Whether it does so sufficiently remains to be seen. Our comments below, in which we employ Dooyeweerd's aspects as a conceptual tool, are largely attempts to inculcate an even **broader multi-aspectual view**, to draw attention to aspects that we think have not been adequately dealt with.

So, for example, while we applaud the breadth of aspects of unpaid activity acknowledged in WS3, we are concerned about the narrow approach to sustainability found in WS6. **Environmental sustainability** is, at its root, a biotic concern and only secondarily economic. However, in discussing only one issue, depletion of natural resources, it sees sustainability solely through the lens of the economic aspect. As a result, the biotic laws that govern sustainability of biological systems are at best distorted, ignored or, at worst, completely transgressed, so that the models developed will be poor in predicting and measuring environmental sustainability. Instead, its view through the economic lens should be broadened to acknowledge biotic and other aspects in their inherent mutual interdependency with the economic. We also call for explicit recognition of the juridical aspect too, which is presupposed, see §3.4.2 below.

WS3 "considers an alternative approach in which all the activities of daily life, work and leisure, contribute to feelings of enjoyment or well-being." Feelings are one of the non-economic aspects. However, while feelings might be a visible *indicator* of wellbeing, they are not themselves wellbeing as such.

Wellbeing may be understood as life functioning well in all aspects in harmony, without dysfunction in any aspect. Likewise **sustainability**, and it brings in the time element. Evaluating wellbeing and sustainability may be facilitated by assessing the functioning in each aspect separately. Planning for wellbeing and sustainability may be guided by looking for aspects in which functioning is, or might in future be, less good. This requires us to understand the economic aspect as one aspect among all others, rather than elevated over them, and to recognise the difference between harm and good. These are discussed in the next two sections.

3.3 The Economic Aspect Among All Other Aspects of Reality

WS6 sees sustainability solely in terms of depletion of natural resources, an economic concept, while WS3 recognises multiple types of unpaid household activities, not just economic ones ("And, imports and exports aside, there is no production or consumption that does not relate directly or indirectly (ie as 'intermediate production') to one or other of the activities of daily life"). WS6 seems to take a reductionist approach, restricting its gaze to the economic aspect; WS3 seems to take what some call a more holistic approach, recognising multiple aspects.

3.3.1 Escaping reductionism

Such 'holistic' approaches are no mere ideal, but a guarantor of long-term wellbeing, sustainability and economic prosperity. Dooyeweerd argued that there is a fundamental **coherence among the aspects**, such that none undermines the others, especially over the long term. For example, the popular, deeply-ingrained assumption that ethicality invariably reduces business success has proven to be false; the evidence is that proper ethical behaviour enhances long-term business success. This occurs because of **inter-aspect dependencies** and other inter-aspect links, which are inherent and apply at a fundamental level across all kinds of cultural or economic context. (For a fuller discussion of inter-aspect relationships, see §3-2.4 of Basden [2019, pages 52-55].)

This is important in designing the system for national accounts. To **reduce** an analytical tool like SNA to one or two aspects, to the exclusion of others, is problematic.

This occurs in GDP, which reduces every consideration to the economic and quantitative aspects, which leads its users to have their analyses and decision-making governed solely by the rationality and norms of the economic and quantitative aspects, ignoring aspects like the juridical (justice), biotic (biodiversity) etc. - as is widely recognised. This is **particularly dangerous** when, as we noted in the Background, such constructs have “acquired an identity of their own and ... as summary, global indicators of economic activity and welfare,” [SNA 2008] because their users (analysts, politicians, the press, the business community and the public at large) are then tacitly elevating economic rationality and norms over those of justice, sustainability and all other aspects of life.

This is why we largely **welcome the recommendations of WS3** to incorporate into national accounts various kinds of unpaid household activity: it will mean that the rationality and norms of other aspects gain their proper place in national and international comparisons and decision-making. As one of our participants put it poetically, “the idea of unpaid labor is the plateau that enables the paid labor in the household or family to ascend the summit of financially rewarding labor”. However, it must be done in appropriate ways, which properly recognise the different kinds of value, rather than simply put a price on them. We suggest a way of doing so in §3.4; see also Note on Measuring Value and our discussion of WS3.

It is also what makes us **critical of WS6**, for reducing sustainability to the economic idea of resource depletion. We believe that it cannot properly address the coming crises of climate change, biodiversity loss and other things. The problems these challenge us with, arise in aspects other than the economic and cannot be reduced thereto if we are to properly face them (see later). If SNA 2025 does not face up to them from the perspectives of the aspects that make them meaningful, it will be in danger of being out of date and ineffective even before it is published, and in fact actually damaging to macroeconomics.

We note that another document is promised on sustainability, and look forward to seeing what it says. However, it is to be regretted that, in WS6, there seems to be no attempt to integrate with that document, or any other, but instead take an economically reductionist tone.

WS6 is just one example of the need for **integration**. All issues in SNA 2025 need to be integrated. One easy way to a tidy integration is to reduce all issues to one aspect, such as the economic, but this is sterile and excludes many important issues. Instead, rich integration is achieved by recognising diverse meanings and their interconnections. This can be achieved by revealing common aspects and by reference to inherent inter-aspect relationships [Note on inter-aspect relationships]. In particular, it is important to recognise the demands (guiding norms) of aspects later than the economic: aesthetic for holism, juridical for justice, ethical for attitude, pistic for aspiration, expectation, motivation, etc. and their impact on economic activity.

3.3.2 The two-way relationship between the economic and other aspects

Both directions in the relationship between the economic and other aspects should be accounted for: how our functioning in the economic aspect affects our functioning in all other aspects, and how it itself is affected by them.

When our decision-making elevates the economic aspect above others, then this affects our functioning in other aspects. For example, over the last 20 years, the Brazilian government has encouraged the destruction of the Amazon rainforest because they **elevated the economic aspect over the juridical aspect** of responsibility to future generations, to the rest of the world (in oxygen production and carbon sequestration), to indigenous people, for biodiversity, and so on. Even when a government does not do

this, the very structure of national accounts set out in SNA 2008 elevates the economic aspect over the juridical, in that (as WS6 makes clear) it separates the total natural resource from the benefits accruing from its extraction, into two different accounts (that of the national 'owner', and that of the extractor). Thus the juridical aspect of the link between them becomes hidden, with the result that extractors take little responsibility for the depletion of that resource.

WS6 proposes a splitting of assets by which, if it works, the economic aspect will encourage this juridical responsibility instead - a positive effect of the economic aspect on the juridical.

These are only examples: (our functioning in) the economic aspect also has a positive or negative effect on (our functioning in) most other aspects.

In the converse direction, other aspects can impact the economic, in two ways. One is by **inter-aspect dependency**. Later aspects shape our economic activity. For example pistic functioning of low or high morale affects work productivity, ethical functioning of trust or lack of it affects the working of the economy. Earlier aspects make economic functioning possible. So, for example, when the pandemic struck (biotic aspect) the economies of most nations shrank. Likewise, mental health (psychical aspect), confusion (analytic), laziness or lack of innovation (formative), poor communications (lingual) and enmity or lack of agreement between peoples (social aspect) can all undermine economic activity.

The other way concerns **norms that should guide** economic functioning. It may be understood by a parallel with technology. Schuurman [1980] argued that technology should be governed not by its own norm (of innovation) but by the norms of all other aspects (e.g. justice, beauty, economy, love, etc.). In similar vein, the economy should not be governed by its own norms but by the norms of all other aspects, which might be understood here as aspects of wellbeing and sustainability. For example the biotic norm of biodiversity should be one of those that govern economic activity, and not the other way round. (In Christian ethics, this is expressed in the norm of serving each other rather than expecting to be served - which also happens to be a good rule in business!)

3.3.3 On simplifying complexity

In several places throughout the Guidance Notes, it is said that certain issues are ignored because of "complexity". We believe that such **complexity should be faced squarely**, by a systematic analysis of the kind that Dooyeweerd's suite of aspects enables.

For example, in WS3, "All in all, it may be quite complicated to disentangle the relevant goods and services which feed, as intermediate consumption, into the production of unpaid household service work. For reason of simplicity, the possible impact of intermediate consumption in the valuation and recording of unpaid household activities could be ignored." Though intermediate consumption might cancel itself out in purely (reductionist?) economic calculations, it might have significant importance in other aspects that affect the economy or which the economy affects.

Having **separated out** the issues using aspects, then, first, **everyday intuition** of the aspects may be brought to bear. For a more systematic and transparent analysis, the **insights of sciences** that study each aspect may be harnessed when analysing complexities, whether this be the social sciences, the physical sciences (e.g. to bring climate change into the analysis), the biotic science (understanding biodiversity or health), and even theology (science of the pistic aspect, to understand the impacts of religion etc.). In so doing, the inherent inter-aspect relationships of dependency and analogy become important.

If, in the end, it still proves impossible to address the complexity at present, SNA 2025 should at least acknowledge it and set out issues around it that need to be dealt with. (This was done in SNA 2008 about unpaid household work; it recognised the need to incorporate into national accounts, but did not then believe it had the means to do so.)

3.4 Distinguishing Harm and Good

Much economic activity does **harm rather than good**, and the two should be differentiated in national accounts. WS6 laudably recognises this, treating depletion of natural resources as a harm to avoid, and seeks to rectify a fundamental problem in SNA 2008 that hides and obfuscates that harm. Its attempt is very welcome, though rather limited.

By contrast, WS3 and WS2 follow conventional economic practice, as seen in measures like GDP and Supply and Use Tables, conflating the harm that results from economic activity with the good. WS3 does not seem to discuss harm at all, but presupposes that all unpaid household activity is good. While we applaud its attempt to bring unpaid activity into national accounts, it should differentiate harm from good, since both paid and unpaid human activity can do harm as well as good.

3.4.1 Why differentiating harm from good is important

Examples of harm from economic activity include: climate change emissions, contributing to biodiversity loss, encouraging crime or addiction, and so on. Overwork in the paid economy results in severe stress in society. Some harm is generated directly, for example, carbon emissions from chemical processes and cement, or the production of cryptocurrencies. Most is generated indirectly, for example as we drive or fly (generating climate change emissions) whether for business, household or individual reasons, or as we purchase food grown by destroying rainforests, or, even more indirectly, as we, accepting the competitive nature of the economy without question, work ever harder and stress increases.

Such harm reduces net wellbeing and sustainability, and also undermines the economy, even if current measures hide this.

Harm to wellbeing and sustainability might be exemplified, for example, by tourism. Tourism might do some good (for example, giving livelihoods to some local people, and giving pleasure to tourists), but it also simultaneously does harm (for example, destroying habitats, threatening rare species with extinction, and doing injustice to other peoples, such as indigenous peoples). Such are rightly the concerns of Wellbeing and Sustainability, but have too long been treated as mere externalities.

Harm to the economy occurs because harm to wellbeing and sustainability makes the economy less productive. By “harm to the economy” we would prefer to mean harm to a prosperity that is not necessarily expressed in quantitative terms, but even if “harm” is taken to mean decrease in quantitative measures like GDP, there are at least three reasons, why harm to wellbeing and sustainability harm the economy. 1. Costs of rectifying harm in wellbeing or sustainability. Though these costs do, of course, increase GDP, the economy would flourish more without them, partly because of the other two reasons. 2. Opportunity costs: action to rectify harm to wellbeing (even if paid for) actually has opportunity costs, in that it means that the people carrying out that rectifying activity cannot devote their time to more productive work. 3. The harmful impacts on wellbeing can rob the economy of both quality and quantity of work, such as

when people are sick (mentally or physically), or when people's morale or abilities are lowered, or people become angry. All three reduces the vitality of a national economy.

So it would be very useful, given the uses to which national accounts are put (see SNA 2008, p.4 ff.), to build into SNA 2025 the differentiation of harm from good.

3.4.2 Differentiating harm from good using aspects

On what basis may we differentiate harm from good? Those examples of good and harm from tourism may be very readily **differentiated by Dooyeweerd's aspects**:

- ◆ livelihoods to some local people: economic good
- ◆ pleasure to tourists: aesthetic good
- ◆ destroying habitats: biotic harm
- ◆ threatening rare species with extinction: biotic and economic harm
- ◆ injustice to other peoples and cultures: juridical and social harm.

These are only some of the harms and benefits that accrue from tourism, however. If we take all aspects into account, we obtain an even broader understanding of harm, as follows.

We treat each aspect as introducing into reality the possibility of a kind of good (value) that is not available through others, but which enables the whole of reality to work well together. The following lists all the aspects and the kinds of good that each makes possible, and, for most, examples of the corresponding kind of harm that is meaningful in that aspect, which is relevant to the economy and the attempt to account for wellbeing and sustainability. Some are more hidden, indirect or longer-term in their effect.

- ◆ The Quantitative aspect brings the fundamental possibility of discrete quantity, more and less.
- ◆ The Spatial aspect introduces continuity and simultaneity.
- ◆ The Kinematic aspect introduces movement and change.
- ◆ The Physical aspect introduces force and causality.
- ◆ The Biotic aspect introduces the idea of distinct, self-maintaining organisms, within an environment, which reproduce after their kinds;
Biotic/Organic harm: Poor health, pandemics, biodiversity loss, species loss.
- ◆ The Sensitive/ Psychological aspect introduces sensory interaction and feeling;
Sensitive/Psychic harm: Poor mental and emotional health; sensory impairment.
- ◆ The Analytical aspect introduces sharp distinction-making, concepts and logic;
Analytical harm: Confusion of thought, understanding and decision-making.
- ◆ The Formative aspect introduces deliberate forming, as in planning, design, structuring, technology, history and culture;
Formative harm: Destruction of that which was of value, including e.g. heritage or ecosystems; laziness and lack of innovation.
- ◆ The Lingual aspect introduces the ability of an organism to express pieces of meaning in symbols external to the self;
Lingual harm: Disrupting communication and information flow.
- ◆ The Social aspect introduces 'we', relationships, agreement and social institutions;
Social harm: Impoverished relationships, and the encouragement of enmity and hatred (e.g. in social media); family and social breakdown.
- ◆ The Economic aspect introduces explicit value, resource and frugality;
Economic harm: Depletion of non-renewable resources; waste and inefficiency.
- ◆ The Aesthetic aspect introduces harmony, and also surprise and fun;
Aesthetic harm: Fragmentation of society, of the economy, or of families.

- ◆ The Juridical aspect introduces justice, and hence responsibility, and reward/punishment;
Juridical harm: Injustice, such as low-wage working, child labour; also injustice to animals and ecosystem; injustice to ethnic, religious or other groups.
- ◆ The Ethical aspect introduces self-giving love, beyond mere justice, and the possibility of bringing extra good into the world; being willing to trust;
Ethical harm: Increase in selfish, self-centred, self-protective attitudes, and reduction in trust and generosity.
- ◆ The Pistic aspect introduces belief, aspiration, commitment, ultimate meaning and religion/ideology;
Pistic harm: Low morale or motivation, increase in identity crises; increase in idolatries, in hidden agendas, and decrease in the meaningfulness of life. Widely-held presuppositions, such as that competition must always increase in intensity.

(In the Quantitative, Spatial, Kinematic, Physical aspects there is no distinction between good and harm.)

Any economic activity can generate a **mix of harm and good** in different aspects, as the above example of tourism indicates. So, aspects are simultaneous, rather than mutually exclusive.

If we function well in all aspects together, they harmonize to make *shalom* or *salaam* or *eudaemonia* possible, in which each kind of good may be treated as value of a different kind. **Wellbeing, sustainability and a fully prosperous economy** are versions of these, and so a nation needs to function well in all these aspects together.

Dysfunction in any aspect can jeopardize and undermine this, especially for the longer term. This is why Dasgupta [2021] for example, in his submission of *The Economics of Biodiversity* to the UK Treasury, argues that undermining biodiversity jeopardizes not only wellbeing and sustainability but the entire economy. The same may be argued for climate change, crime, addictions, low morale, and many other kinds of harm.

Our criticism of Dasgupta is the same as our criticism of WS6. To a large extent, they reduce the whole of biodiversity, in one, and sustainability, in the other, to depletion of stock of natural capital / asset / resource.

Though it is welcome that WS6 implicitly recognises harm in the depletion of natural resources, the way it does so exhibits two problems. Awareness of aspects can **reveal the roots of such problems**.

One is that WS6 **presupposes** depletion is harmful, rather than examining why it is. What exactly is the harm of depletion? Granted, a nation's industries that depend on that resource might one day fail - a harm meaningful in the economic aspect. But there is a more serious harm, which is hidden in WS6, a harm meaningful in the juridical aspect: irresponsibility. The primary concern that depleting natural resources brings, is responsibility to future generations, to the surrounding area (pollution resulting from extraction and processing), to fauna and flora and to indigenous peoples, and so on. The juridical aspect of depletion needs to be more explicitly recognised, because it works differently from the way the economic aspect works (i.e. according to different basic laws), and the guiding norms are different.

The other is that it fails to recognise that biodiversity, for example, cannot be adequately treated as depletion. This is because biodiversity **operates by different laws** from the economic aspect. Biodiversity is primarily a biotic concern, governed by the norms and laws of the biotic aspect, whereas treating it as depletion inappropriately

imposes the norms and laws of the economic aspect, and obfuscates the biotic. This is discussed further below.

This exemplifies how aspects can help us understand harm and good more precisely.

3.4.3 Separating harm and good in the national accounts

After the various kinds of harm and good have been recognised, it remains to change the structure of national accounts to accommodate the difference between harm and good. This might be accomplished fairly simply, by either splitting measures or subtracting harm from good to give net measures.

In Supply and Use Tables, for instance, the single value each sector brings or uses in relation to each product could be replaced by **split value**, of two entries, one holding the proportion that is good and the other holding the proportion that is harmful. This would greatly assist macroeconomic planning of the economy, indicating which sectors might be encouraged and which, discouraged.

GDP and similar measures could be replaced by a measure of **net value**, in which harm is subtracted from good. WS6 proposes using something like Net Domestic Product, modified to include depletion as well as depreciation, but this is not enough. We need to calculate the total of all other kinds of harm and good too, and subtract one from the other.

However, the question remains: how do we assign and calculate numeric measures and proportions of harm and good in each aspect?

3.4.4 Calculating harm and good for the national accounts

To restructure financial tools or constructs, like Supply and Use Tables, GDP, or Benefit-Cost Ratios, to differentiate harm from good, we need a way to measure the proportions of harm and good in each, in order to calculate split value and net value.

Though some values might never be able to be quantified [Gunton et al. 2017], for those aspects where the adverbs “more” and “less” are meaningful (more just, more healthy, etc.), it might be possible in principle to express value approximately in quantitative terms. Assigning numbers to such quantities will only ever be an approximation, but the same may be said of many other measures that are now widely accepted. Given that national accounts want to include quantitative expressions of the value of wellbeing and sustainability in all their aspects, careful **attention should be given to how each aspectual kind of value requires a different way to quantify it**. This is, for example, the concern of Representational Measurement Theory [Luce & Suppes 2002], which explored the different requirements for measuring physical and psychological phenomena.

Given the different kinds of good and harm, this might seem daunting. However, was it not the case that bringing unpaid household work into national accounts seemed daunting in 2008, but now, ways of doing so have been worked out? So, while operationalizing this might take some research and discussion, we believe it can and should be done. If this can be achieved for SNA 2025, that would be highly beneficial to national accounts, but if not, then, at the very least, the need to do so should be clearly set out in SNA 2025, just as the need to bring unpaid household work into national accounts was mentioned in SNA 2008.

The challenges posed in quantifying harm and good may be at least partially met by using Dooyeweerd’s aspects, in two ways. First, it can help us separate out the kinds of

harm and good that occur as a result of an economic activity. This can be of past activity or planning for the future.

Second, the mutual irreducibility among the aspects tells us that the way ('algorithm') to assign a quantitative measure to each kind of harm or good will differ according to the laws of each aspect. Spatial, kinematic and physical activities can be measured with some accuracy. Measuring post-psychical aspects might take subjectivity into account ("How do you feel about ...?"). Measuring post-social aspects might take social agreements into account. Measuring post-aesthetic aspects might take an holistic or global view that harmonizes beyond subjective feelings or social agreements.

We do not discuss the details of that here. **Research is needed** into precisely how to fully operationalize this. **Time-use accounting**, as recommended by WS3, is an expression of the idea of aspectual functioning ("The essence of time accounting is mapping all the activities of daily life onto economic activity"), so it may be used to help measure the good and harm in each aspect. **Artificial intelligence** (machine learning) for each aspect might have a part to play in this to generate the necessary algorithms or survey questions.

(Conversely, Dooyeweerd's aspects can assist time-use accounting in separating out different kinds of time-use.)

Note: Beware of the many inter-aspect **analogies**, such as growth of an economy (a biotic analogy in the economic aspect). This is governed by norms of the economic aspect, not the biotic. So economic growth cannot be relied on to follow biotic laws. While plant growth is usually good (a biotic norm), economic growth must not be considered necessarily good, because the **norm of the economic aspect is not growth**, but **frugality** (Dooyeweerd has argued this). Similarly growth of businesses is an analogy, and is not always an unmitigated good.

However, we urge that, even if they cannot be measured explicitly in the national accounts, the accounts should be so structured and designed and implemented that such things are not discouraged but rather encouraged. One example of 'discouraging' is covered in WS6, as a flaw in SNA 2008, where the careful stewardship of natural resources is discouraged, and unthinking depletion and degradation are encouraged, because the totality of an asset and the harmfulness of its depletion are recorded in the accounts of the owner, the benefits of depletive extraction are recorded in the extractor's accounts, and the two are not adequately linked; WS6 proposes a way to address this, but it might not work; see §6.2 below.

3.5 Conclusion of General Comments

With these ideas in mind, we make the following comments on WS3 and WS6, and then a few brief comments on WS2.

4. COMMENTS ON WS3 - UNPAID HOUSEHOLD ACTIVITY

Whereas in the UK, USA and Europe the individual is presumed to be basic unit of society, in most of the world, the household is. So we applaud WS3's recognition of the importance of unpaid (household) activity, and of its diverse kinds. SNA 2008 recognised its importance but excluded it from accounts. Even in the affluent cultures, the household is still the 'plateau' from which the visible peaks of paid labour arise; it is the very condition for paid work to be possible and economically successful.

SNA 2008's decision to exclude it [SNA 2006, 6] was justified on the grounds of elevating the concepts of markets and of unemployment above that of value. Given increased recognition of the importance of value in the economy, such as with ex-Governor of the Bank of England, Mark Carney's, drawing attention to "Value(s)" [Carney 2021], we welcome this implicit orientation towards value by SNA 2025.

4.1 On the Recommendations

We comment on the recommendations as follows.

"1) ... include all the sub-categories of unpaid work listed in the guidance note but they do not have to be identified separately if not possible. ... include passive supervisory ..."

Comment: We welcome this. Each sub-category is meaningful in different aspects. Below, we critique the sub-categories and suggest new ones.

"2) The Input approach should be adopted for valuations of unpaid work, using main activities recorded by a harmonised time-use survey as described in the guidance note."

Comment: We welcome this, and especially since time-use surveys can be a way to measure the value of functioning for good and harm in each aspect; see §3.4.4. However, the problems with measuring value of different kinds should be explicitly recognised. See Note on Measuring Value.

"3) At a minimum, summary time estimates should be added into existing Supply Use Tables as an extension and an additional valuation of all productive activity in the economy (including existing value added but incorporating value of unpaid work) should also be estimated alongside GDP estimates. "

Comment: In addition to this, as we recommend in §3.4.4 above, Supply and Use Tables, GDP and other constructs should be extended even further, to differentiate harm from good. Harm / good are of a different kind for each aspect, but a composite measure of each may be calculated by considering them separately in each aspect (**split value**) and then totalling across aspects. See §3.4.3 and §3.4.4.

"4) Where time-use data is used to create such estimates, it should be collected with a time-use survey based on time diary methods, where reports are constrained to 24 hours. Stylized surveys that do not distinguish between primary, secondary, and higher order activities are not adequate ... the time diary data collected can contain additional contextual fields such as location/transport mode, and participation or copresence of others ... "

Comment: This is one point at which aspectual analysis can be carried out. The surveys can ask about each aspect of people's lives as "additional contextual fields". The named fields, location, transport mode, copresence of others, are almost directly some of Dooyeweerd's aspects, so it should be relatively easy to add contextual fields that epitomize the rest. Dooyeweerd's aspects are an excellent tool for analysing surveys, as discussed in Basden [2019].

"5) Specialist wage rates should be selected from market occupations to value unpaid household service work. "

We have no comment on that, and generally agree.

“6) It is assumed that there is no productivity change in unpaid work as there is no agreed method currently devised to effectively measure it.”

Comment: When it is necessary to devise methods to measure this, then Dooyeweerd’s aspects might be helpful to separate out different kinds of productivity change or their causes. See §3.3.3 on Simplifying Complexity.

4.2 Using Dooyeweerd’s Aspects To Calculate The Value of Unpaid Activity

Dooyeweerd’s aspects can assist in understanding and analysing unpaid household activity, including to reveal items missed out in WS3. Here we demonstrate the use of Dooyeweerd’s aspects in analysing Table 2 of WS3, which describes each type of unpaid household activity. By so doing, several suggestions will be made to improve the categories in the table, and at the same time, several of the capabilities of Dooyeweerd’s approach will be revealed (in bold).

After the table, WS3 makes the general point:

“Although the categories in Table 2 may seem mutually exclusive, as with most statistical definitions, there are cases where certain activities could be classified as multiple different categories of unpaid household work. For example, it could be that informal help to adults in other households could be classed as informal volunteering, or alternatively, it could be classed as adult care. Similarly, some forms of meal preparation may be captured as meal preparation, but equally they could be considered a form of informal care.”

Given the idea of aspects as developed by Dooyeweerd, in which all things involve all aspects in principle, **multiple classification** is to be expected. Most things may be classified under different aspects (primary, secondary, tertiary, etc.) according to the perspective from which the classification is made. In our analysis below, we analyse the types of unpaid activity listed in Table 2 of WS3, offering primary aspects that make each meaningful, then secondary aspects of issues mentioned in their text. This demonstrates how Dooyeweerd’s aspects may be employed to **help think things out**, and this will be discussed at the end of this section.

Childcare. “Unpaid childcare captures the time provided by care givers in the direct care of children.” Care has the *ethical* aspect as its primary, but in the case of children there is usually a strong *social* aspect of relationship and a *biotic* aspect too when the children are the offspring of the carers. “This can range from helping with homework [*lingual, formative*] to feeding [*biotic, aesthetic*], washing [*physical, biotic*] or dressing children [*aesthetic*].” We might also add: play [*aesthetic*], maintain justice [*juridical*], love [*ethical*], and affirm their worth [*pistic*]. These four aspects, especially, help to form the character of the child from an early age and, indirectly, their future potential in economy and society.

It might also be no coincidence that all four are **post-economic aspects**, so that they impinge on and impact, and should guide and regulate, the economic activity and decisions. Using purely economic rationality and laws on their own (as in SNA 2008) misses the importance of these aspects.

Adult care. Primary aspects: *ethical* and *social* aspects. “Unpaid adult care captures activities where individuals are providing informal healthcare [*biotic*] services to an adult, for example changing bandages or dressings [*physical*, on which the *biotic* depends] or other medical assistance. It can also include activity where an individual helps another

adult by carrying out their cleaning, mowing their lawn or other voluntary tasks [*formative*] on their behalf. ... it may also be provided to those who are potentially terminally ill and need long-term care [*pistic*, because it affirms the dignity of the person even though they might be of little economic value].”

WS3 classifies *care* into two kinds, active and passive. “Active care is activity where the primary focus of the care giver is care. Alternatively, passive care is described as time where a person is in the duty of care of a caregiver but the care giver may not consider care their main focus.” WS3 mentions being present overnight [*spatial, social aspects*]. Another example is when the adult involves the child in their work [*formative aspect*], with the child observing [*analytical*] and even taking small parts therein [*formative*]; this offers trust and dignity [*ethical, pistic*].

Such aspects are often difficult to unravel because, unlike **professional settings**, in which there is usually conscious focus on certain aspects, e.g. as formal duties, this is **everyday life**. In everyday life, all aspects function together without our being aware of them. In everyday life, aspects are woven together in a way in which they are all invisible, and known only **tacitly** [Polanyi 1967]. So surveys will often miss them unless the analyst specifically looks for them. Dooyeweerd’s aspects can be used to guide questioning and survey-formation in a way that is sensitive to the multi-aspectual nature of real-life experience [Basden 2019, 263-270].

Nutrition. Primarily *Biotic* aspect, though *aesthetic* enjoyment and interest are also important in real life. “Unpaid nutrition services include meal or drink production [*formative*] time, where it may be reasonable to expect that you could choose to order an alternative meal or drink from a market service [*economic*].”

Transport. *Kinematic* aspect, with a secondary aspect giving purpose to it, e.g. *social, economic* (e.g. logistics), *aesthetic* (e.g. for pleasure). WS3 also draws attention to “where an individual transports themselves as opposed to paying for transport”, which, as self-achievement, is meaningful in the *formative* aspect, and sometimes the *juridical*, in taking responsibility for oneself.

For the remainder, our aspectual analysis will be briefer, but we will begin to add more indications of how Dooyeweerd can help sort out problems in classification and interpretation.

Household management services. Primary aspect: *formative*. “... leisure task [*aesthetic*], ... administrative tasks [*formative*] which are carried out online [*lingual*] ...”

Laundry and clothing services. Primarily *physical*. “... cleaning [*biotic*], ironing and drying [*physical*], ... repair [*economic*] ...” Note: *economic* aspect here refers to its central **norm of frugality**, rather than finance, which is a lingual expression of the economic.

Formal volunteering. Primary: *Ethical* for volunteering, *formative-social* for formal.

Note: Unclear wording in WS3. WS3 recommends that formal volunteering (defined as undertaken through “a charity or not for profit organisation”) be not included in unpaid work, but it is not entirely clear why, and the wording is unclear. There seem to be nuances in Table 2, which might indicate an exception to that recommendation (e.g. “household to household transfer of services only organised by a central organisation”) but the wording of the text obscures this, and the summary recommendation obliterates it. So we recommend that the category of “formal volunteering” be rethought and reworded. Dooyeweerd’s aspects might help with this.

Informal volunteering. Primary aspect: *ethical*. Secondary *social* because “Where no organisation is involved, households providing voluntary services to other households are performing ‘informal’ volunteering.”

Note the **aspectual similarity** with adult care (*ethical* with *social* aspects). It is of interest that WS3 suggests “This activity may also be classified as adult care”, and sees an “overlap” between them. Such overlaps can often be exposed by aspectual analysis.

However, WS3 recognises that the overlap is not total, because “There may also be the case where services are performed for the environment or nature [*biotic*] as opposed to for the benefit of other households [*social*] ...” This difference may be justified by reference a different secondary aspect (*biotic*). Dooyeweerd here helps with **clarifying issues** that were in danger of being muddled.

Shopping. Multiple purposes, with different primary aspects. Either *economic* when its purpose is provisioning, or *aesthetic* when its purpose is leisure. There can also be a *social* element when done with friends. This suggests that shopping is a **weak category**. Online shopping has a secondary *lingual* aspect, which enables the main purpose. Thus, Dooyeweerd helps **reveal conflation** that might make a category unworkable.

Information services. Primary: *lingual*. WS3 suggest that “The key criteria which defines whether the information produced is of value is whether the consumers of the information could have used a paid service for similar information.” However, this assumes that the paid service already exists, which it might not.

For example, might access to *Wikipedia* be made invisible by this? Although WS3 suggests that people might “buy an encyclopaedia” as an alternative to *Wikipedia*, how likely is this, especially in poorer households? Does not *Wikipedia* actually increase the global total of information-sharing far beyond that which priced encyclopedias did?

To Dooyeweerd, this is an example of **aspectual opening** - the potential inherent in an aspect has been opened up, often by technology. Aspectual opening is the core of Dooyeweerd’s **theory of progress**, which is important for an economy. This might usefully inform the SNA exercise, especially in the area of Digitalization: which aspects does it open up?

The final category is *Other unpaid household production not elsewhere classified*. “It is feasible that the above list is not exhaustive and hence an ‘other’ category is recommended to ensure that a complete accounting of unpaid household service work.” Dooyeweerd’s aspects can help **point to missing categories**. Of the primary aspects several are missing, such as aesthetic, juridical and pistic. Unpaid activities that have these as primary, and which are productive to wellbeing and sustainability, might include:

- ◆ *Leisure (aesthetic)*. This is to some extent dealt with in WS3 but not adequately. Leisure is an important part of wellbeing. The Judeo-Christian-Islamic idea of Sabbath or day of rest every seventh day highlights the importance of leisure, and that it makes the other six days’ work more effective and efficient. Leisure should not be seen as just a cost or a commodity-good to be sold. There are people, e.g. retired, who seem to live relaxed lives, with zero economic productivity, yet a closer examination of their lives might reveal value they bring to family, community and society, which has a positive knock-on effect on the economy. They might offer advice, they might give people time, with love, attention and the valuing of people. Such activity should be accounted for.

- ◆ *Scrutinizing policy etc. (juridical)*. The main author has a friend who has been invalidated for over 30 years. In this apparently unproductive state, he has spent much of his time, unpaid, scrutinizing land-use plans and also national and international policy proposals. This activity has proven very valuable, in that it has resulted in changes and improvements in planning and policy in the EU, in Ireland, Greece and the UK, and in local authorities within the UK. The value of such unpaid time, meaningful in the juridical aspect, should be recognised. Wellbeing and sustainability would be worse without it.
- ◆ *Worship (pistic)*. Conventionally, worship is seen as a purely personal choice, but in reality often has great value for the community's wellbeing and even for the economy. For example, worship can enhance community cohesion and people's willingness to work hard. It can also enhance (mental) health. This might vary according to different religions' view of worship, but we do not discuss that here.

In addition, it is worthwhile asking which secondary aspects are missing, and ask ourselves imaginatively about the extent to which they might be relevant. A couple of examples of how they might be relevant are given in relation to unpaid care, above.

WS3 states, "It is not the purpose of this guidance note," states WS3, "to define these categories of unpaid household service work as fixed and internationally agreed upon. Rather, the categories above serve as an illustration of how unpaid household services can be categorized, and also what types of activity may fall within the boundary when applying the third party criterion. // However, when such categories are formalised, it should be recognised that there is a diverse user base for unpaid household service work statistics and hence the appropriate sub-divisions of types of unpaid household service should be suitably diverse to meet those needs." One benefit of using Dooyeweerd's aspects is that they apply **across cultures**. Some of WS3's categories of unpaid household work might be geared to a Western urban lifestyle, rather than African, Middle-Eastern, Asian, Chinese or some rural lifestyles. Our experience is that Dooyeweerd's aspects indicate meaningfulness and value that all cultures recognise, and Dooyeweerd's philosophy would predict that to be so, because it is the aspects that make culture possible. WS3 makes clear that each nation must determine its own categories. Dooyeweerd's aspects might offer some **commonality among sets of categories** of unpaid activity that are chosen by each nation for their accounts.

In the light of these remarks, therefore, we suggest that Dooyeweerd's aspects can offer a systematic way by which the categorization of unpaid activity can be carried out.

5. COMMENTS ON WS2: ON DISTRIBUTION OF HOUSEHOLD INCOME, CONSUMPTION AND WEALTH

WS2 provides guidance on the compilation of household distributional results in national accounts and emphasises the "multidimensional aspects of material well-being". It sees these as income, consumption and wealth in coherence, and aims for results that are consistent across accounts, and comparable over time and across countries. It discusses various statistical methods, especially statistical matching multivariate distributions, and notes that this is "particularly challenging and still in its infancy."

We take the purpose of WS2's recommendations to be to serve the broader aims of WS3 and other Guidance Notes, to bring Wellbeing and Sustainability issues into national account calculations, by defining clearly some methods and constructs to be used.

Our recommendations in WS3 to (a) clearly distinguish harm from good, and (b) broaden the categories recognised in WS3, have implications for the constructs and methods recommended in WS2. Without getting into technical detail, which we feel not sufficiently qualified to comment on, we would recommend that consumption be broken down using Dooyeweerd's aspects into the different aspects that make it meaningful, and the proportion of harm and good in each.

We single out consumption for this because it represents most of the aspectual functioning in the household. However, intra-household income and wealth flows might be affected by such things as the ethical aspect (love and generosity, or their opposites). So there might be case for breaking income and wealth down by aspect and distinguishing good from harm.

Dooyeweerd's aspects could also assist the processing of multivariate distributions, even if the above recommendation is not followed.

"Statistical assumptions" are mentioned (in paragraph 12). These should be clearly listed in the SNA 2025.

6. COMMENTS ON WS6 - DEPLETION OF NATURAL RESOURCES

WS6, the Guidance note on Accounting for the Economic Ownership and Depletion of Natural Resources, makes four recommendations, to treat natural resources as split assets, to record depletion as a cost of production, to extend depletion beyond minerals to non-cultivated biological resources, and to employ net rather than gross indicators (e.g. Net rather than Gross Domestic Product). Before we comment on each of these, we must set them in a wider context.

6.1 Context for Our Comments

First, WS6 concerns only depletion of resources, and not pollution, climate change, biodiversity loss, and so on. These are harms that are meaningful in various aspects other than the economic (see §3.4.2). WS6 does not say how these harms are to be brought into the national accounts, especially not in a way that helps SNA users to fully appreciate their importance, especially when planning national economies and making international comparisons (two of the purposes of SNA mentioned by SNA 2008). While resource depletion is an important issue, those active harms are arguably much more important and more urgent.

It might be thought that biodiversity could be seen as a resource and its loss seen as depletion, but that is not the case. Whereas the total body mass of each species might be measured as a resource, diversity as such cannot. Biodiversity cannot be measured by the number of species, because some species might be key species, which, if they go extinct, will devastate life on earth. An example of this might be pollinators and, if they are lost, we can no longer grow most food on which we depend.

Whereas resource depletion is a concept meaningful in the economic aspect, and is governed by the laws of the economic aspect, biodiversity is meaningful in the biotic aspect, which follows different laws. It must be accounted for in terms of the good and harm it does (in wellbeing and sustainability first and then in indirect impact on the economy) and not just as a resource.

More generally, the harms mentioned above, and others, must be treated as they are in reality, and not reduced to being mere resources. Dasgupta [2021] makes a

reasonable attempt to define the economics of biodiversity, for UK Treasury. Though his proposal shows some limitations, the UN SNA exercise might adopt some of his ideas.

WS6 contains promise of another paper on sustainability, but it is not clear how or whether that will deal with biodiversity loss and climate change. In any case, WS6 needs to be properly integrated with this and other papers - including WS3 on households, which can suffer especially when “non-cultivated natural resources” are decimated. See §.3.1.1 on Integration.

We recommend taking a harm-and-good-oriented approach, rather than focusing on depletion, in which depletion is one kind of harm (economic / juridical) among others (biodiversity as biotic, climate change as physical, crime as juridical, addiction as psychical, etc.).

6.2 Comments on WS6 Recommendations

“1) It is recommended to apply the SNA principles of economic ownership to natural resources. Instead of assigning ownership of natural resources by convention to the legal owner (i.e. the 2008 SNA recommendation), it is proposed, when circumstances warrant such a treatment, to apply a split-asset approach and assign economic ownership to relevant institutional sectors in line with the actual distribution of resource rents and the sharing of operational risks.”

While we largely agree that splitting the asset is preferable to the current approach in SNA 2008, we question whether the **idea of ownership** of natural ‘assets’ is itself problematic? The idea is presupposed in WS6 and not discussed. We pose two questions:

- » Should ownership lie only with government, or e.g. with indigenous peoples, wildlife, and so on? (Islamic Finance might require ‘ownership’ to be attributed to God, which puts a different slant on it.)
- » Do we even need the idea of ownership at all in the national accounts - would it not be sufficient to account for natural assets depletion in the accounts of the extractor?

We recognise that it might be too late for these questions to have any impact on SNA 2025, but, if it is not too late, then we recommend recasting the issue of ownership in terms of responsibility, as a juridical functioning of the extractor, rather than in terms of the abstract idea of assigning ownership to natural ‘resources’. The specific way in which this can be quantified for inclusion in accounts needs to be worked out, as mentioned in §3.4.2 and §3.4.4 above. If it is too late, a note could be included in SNA 2025 that records the idea for future implementation, as happened in SNA 2008, paragraphs 1.41 and 1.42, on household activity.

“2) In line with the SEEA CF, it is recommended to record depletion of natural resources as a cost of production in the next SNA.”

This seems to be an artifact designed as a way to record depletion. **Beware of using artifacts** that do not represent the true state of affairs and which could lead to problems later on. As noted above, the problem of depletion is not solely economic but juridical. Costs or benefits of responsibility to future generations, to surrounding areas (pollution thereof), and to fauna and flora (destruction of their habitat), need to be factored in as such, and not reduced to a cost of production. Such responsibility should always be visible to those who will use the SNA.

“3) It is proposed to extend the notion of depletion to non-cultivated biological resources, instead of restricting it to mineral and energy resources, as is currently the case in the 2008 SNA.”

We applaud this, insofar as the idea of depletion goes.

“4) Finally, as a consequence of the proposed recording of depletion, the definition of core indicators, such as Net Domestic Product (NDP) and Net National Income (NNI), are directly affected. In this respect, it is strongly advocated to renew efforts to put greater emphasis on net indicators, as opposed to the current emphasis on gross measures. This would not only correct the most frequently used macro-economic aggregates for the consumption of fixed capital (depreciation), but also for the running down of non-renewable natural resources, and for the non-sustainable use of non-cultivated biological resources.”

We agree with use of net indicators, but these should be expanded to include the subtraction of harm from good, and not only depreciation and depletion; see 3.4.3.

7. CONCLUSION

We have set out a perspective on national accounts that seeks to widen economics to multi-aspectual functioning, harm as well as good, integration of micro, macro and global, and different ways of assigning quantitative value, employing the conceptual tool of Dooyeweerd’s aspects. On the basis of these, we then made a number of specific suggestions in response to each of the Guidance Notes, WS3, WS2 and WS6. Two themes have recurred more than others:

- ◆ The SNA needs to differentiate harm from good that result from human functioning, perhaps using split values and net values to record them.
- ◆ The SNA should more explicitly see the economic aspect as among all others, and, with an understanding of inter-aspect relationships, recognise both the impact of the economy on other aspects (everyday life) and the kinds of impact that each other aspect has on the economy.

WS3 is good in recognising multiple aspects, but poor at recognising the difference between harm and good. WS6 recognises something of harm, but tries to reduce it to the economic aspect.

Each nation, whatever their culture, might decide for itself what is harmful and what is good, as long as it sets this out transparently for all to see. Dooyeweerd’s aspects offer a basis for such a comparison because they transcend culture.

There is a need to integrate the proposals in each Guidance Note with others, including with those from the Globalization and Digitalization Task Teams. Dooyeweerd’s aspects might be able to assist in such an integration.

We have mentioned and recommended Dooyeweerd’s aspects many times, almost as though it is the answer to every problem. This is not so, but it so happens that for many of the issues and methods mentioned throughout these documents, Dooyeweerd’s aspects can be useful in several different ways:

- ◆ to clearly differentiate kinds of value, and, as a consequence, distinguish appropriate ways of measuring each;

- ◆ to help us understand tangled complexities, by separating out the issues and more clearly understanding the ways each is meaningful and the way each operates (so that a reductionist economics-oriented view will not obliterate other aspects);
- ◆ to clarify the norms that should guide the design and use of national accounts (such as biotic norms for biodiversity, juridical norms of responsibility for depletion, ethical norms for care);
- ◆ to identify categories that have been overlooked or taken for granted, so that they may be properly considered in designing SNA, and making categories sounder.

Ultimately, it matters not which suite of aspects is employed, but the one chosen must comprehensively cover all aspects, and it must be philosophically grounded rather than merely emerging from the subjective thought within Western culture, so that it is likely to apply across all cultures. Dooyeweerd's suite of aspects is the only one we know of that meets these criteria.

We know not how feasible it will be to incorporate all our suggestions. We realise that, for some suggestions, the process of altering the system of national accounts might have gone too far to incorporate all of them. However, we ask that serious thought be given to how at least the above two recurring themes can be incorporated, and that, where it is not possible to incorporate a suggestion, then notes should be recorded to recognise the importance of the suggested issue and that it be tackled later, as was done in SNA 2008 (e.g. paragraphs 1.41, 1.42).

NOTES

Note on Reith Lectures Discussion Group. See "<http://christianthinking.space/economics/reith2020/>".

Note on Dooyeweerd. For more on Dooyeweerd's Philosophy, see The Dooyeweerd Pages, "<http://dooy.info/>". For a full discussion of Dooyeweerd's aspects see "<http://dooy.info/aspects.html>" and for a fuller discussion of the constellation of meaningfulness that each aspect offers, see "<http://dooy.info/aspects.smy.html>".

Note on Measuring Value. There is a stream of thought that believes that some things of value fundamentally cannot be measured, and that many things, when expressed in numbers, become improperly treated; see Gunton et al. [2017]. Nevertheless, since we are here accepting that some attempt to quantify such things will be made, and we welcome the wider view taken by WS3 than was taken in SNA 2008, so, in this document, we outline how to improve quantification. See §3.4. Some concern has also been expressed that, if GDP is increased by the measured value of unpaid activity, then governments might think they can borrow more (GDP / debt ratio), which would have knock-on effects. We suggest that that is a separate problem, which should be decoupled from appropriately valuing unpaid activity, and not be allowed to hinder the latter, and should be faced directly in its own terms.

Note on Inter-Aspect Relationships. Each aspect is irreducible to others in its meaningfulness and laws, but each inherently relates to others. These include dependency, analogy, non-conflict, targeting. They are discussed in section §3-2.4 of Basden [2019, p.52-55].

Note on Maslow. For a comparison of Dooyeweerd with Maslow, and others, see "<http://dooy.info/compare.asp.html>".

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