

Non-profit Sector in the System of National Accounts 1993

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Provide a frame of reference for the development in an economy (country), to analyze economic problems and to monitor the development is considered to be the main purpose and outcome of the System of National Accounts 1993 (the 1993 SNA). A comprehensive accounting framework is constructed to compile the economic data and the results can be presented in a desired format for economic analysis purposes, for decision taking and also for policy making. The 1993 SNA is accepted by statistical offices world-wide, through which an international comparability of the economic data could be insured as well as sufficient macro data could be provided for policy makers in the countries.

The System is built around a sequence of interconnected flow accounts linked to different types of economic activity together with balance sheets that record the value of the stocks and assets and liabilities held by institutional units or sectors/sub-sectors at the beginning and the end of the period. The 1993 SNA suggested that two main institutional units are to be formed: legal or social entities and persons or group of persons in the form of households, supposing that those entities have similar objectives and types of behaviour. An institutional unit is “An economic entity that is capable, in its own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities”¹ So the institutional units are grouped into the following mutually exclusive sectors which are making up the whole economy, namely:

Corporations, Government units, including social security fund, Households and Non-Profit Institutions Serving Households (NPISH)

The System groups together similar kinds of institutional units, but one can learn that non-profit institutions' functions are alike not just to the corporations but also to the households and they were created for the reason to cover the total domestic economy in the 1993 SNA. The NPIs are defined in the 1993 SNA as “Non-profit institutions are legal or social entities created for the purpose of producing goods and services whose status does not permit them to be a source of income, profit or other financial gain for the units that establish, control or finance them.” Meanwhile the reason of founding them could be different and the creator of NPIs could be legal entity or natural person.¹

The following figure illustrates the idea of accounting the value added produced by the NPIs in the System

<i>Sectors</i> <i>Type of institutional unit</i>	Total economy	NPISH	Households	General government		Financial corporations		Non-financial corporations	
Corporations						Financial corporations		Nonfinancial corporations	
Government units				Government units					
Households			Households						
Non-profit institutions		Non-market NPIs serving households			Non-market NPIs controlled by government units		Financial market NPIs		Non-financial market NPIs

Countries following the guidelines of the 1993 SNA could provide data on the NPISH but there is an increasing demand for more complex information about non-profit institutions as a whole, which could not currently be provided. UNSD started a project with the Johns Hopkins University Center for Civil Society to prepare guidelines for national accountants to help treating the NPIs in 1999.^{2 3}

The problems with which the project should cope are: Provide a widely accepted definition of the NPIs, identify and classify them. Identify/offer ways through data collection should be organized and/or complimentary data sources should be determined. Classifications (ISIC, COPNI) currently used in the SNA accounting framework are under scrutiny. Keeping the 1993 SNA rules a satellite extension of the core set of accounts are suggested where all the non-profit institutions' data could be aggregated and also could be extended with relevant value and in-kind information to reflect the NPIs significance in the economy.

A draft handbook has been discussed by experts and the suggested tables are in a testing phase in developed and developing countries. The experience learned from both statistical offices and institutions involved in data gathering on NPIs are to be reflected in the handbook to provide guidance through the handbook for treating NPIs similarly word-wide. It is expected to finalize the handbook in 2002.

REFERENCE:

¹ System of National Accounts 1993, Eurostat-IMF-OECD-UN-World Bank, Brussels, New York, Washington, 1993, (para 4.2. pp87), (para 4.54. pp.94)

² Handbook on Non-Profit Institutions in the System of National Accounts, draft, 2001

³ The Handbook on Non-Profit Institutions in the System of National Accounts: An Introduction and Overview, H.S. Tice and L.M. Salomon, paper presented at The 26th Conference of The IARIW, Cracow, August, September 2000

RESUMÉ

Cette présentation traite du secteur 'Institutions sans but lucratif - ISBL' et il suggère d'introduire des comptes satellites qui est l'extension du Système de comptabilité nationale 1993. Cet objectif est réalisé grâce à la participation de l'Université Johns Hopkins et de l'ONU dans un projet. La méthodologie des statistiques complémentaires sur le travail bénévole résulte de cette coopération et un manuel sera disponible pour 2002.