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Items for discussion and decision: national accounts

Background document
Available in English only

Update: Handbook on Non-profit Institutions in the System of National Accounts

Prepared by the Center for Civil Society Studies of the
Institute for Policy Studies of the
Johns Hopkins University, Baltimore, Maryland

Putting Civil Society on the Economic Map of the World: Progress Report No. 2¹

Background

In December 2003, the UN Statistics Division (UNSD) issued a new *Handbook on Non-profit Institutions in the System of National Accounts* designed to guide national accounts offices around the world in creating “satellite accounts” that can provide a more comprehensive picture of the economic contribution of nonprofit institutions (NPIs) and volunteering than that provided through 1993 SNA.

Implementation Progress

Since then, at the invitation of the UNSD, the Johns Hopkins Center for Civil Society Studies, which helped to develop this *Handbook*, has been spearheading an effort to promote its implementation, with results to date that are encouraging. In particular:

- With the assistance of UNSD, United Nations Volunteers, the European Commission, and the UN economic commissions for Latin America and the Caribbean, Africa, and Asia and the Pacific, regional workshops have been conducted to introduce national accountants to the *NPI Handbook* in Europe, Latin America, Africa, and Asia;
- A UN NPI Handbook Project Advisory Committee has been formed involving prominent international statistical and civil society leaders;
- An *NPI Handbook Implementation Guide* has been developed and an initial implementers workshop held in Buenos Aires;
- Support for the implementation effort has been secured from UN Volunteers, the Inter-American Development Bank, the Skoll Foundation, the Sasakawa Peace Foundation, the Ford Foundation, and the Kellogg Foundation;
- Twenty two countries have already committed to implement the *Handbook* in whole or in part (Argentina, Australia, Belgium, Brazil, Canada, the Czech Republic, France, India, Israel, Italy, Japan, Kenya, Kyrgyzstan, Mali, Morocco, New Zealand, Peru, Slovakia, South Africa, the United States, and Zimbabwe), and discussions are under way with others;
- Six countries have already produced some version of the “satellite accounts” called for in this Handbook, with a seventh (France) due to report in early spring. In addition, two countries (Canada and Belgium) have already released, or are about to release, a first update of their NPI satellite accounts. .

Findings

Findings from this work are already bringing the non-profit sector and volunteering into far better focus than has been possible under existing SNA usage. As a result of this work we now know that:

- The Belgian NPI sector is actually five and a half times larger than what is visible through S.15, the Non-profit Institutions Serving Households (NPISH) sector, once the numerous non-profit health, social work and related organizations allocated to the corporations sector are included;

¹ This report updates the article with the same title in OECD, *The Statistics Newsletter*, Issue 30 (February 2006), pp. 5-6.

- Canada's NPIs, including volunteers, account for nearly 8% of the country's GDP. Even without volunteers, the GDP contribution of Canadian NPIs exceeds that of agriculture; mining, oil and gas extraction; retail trade, accommodations and food service; and motor vehicle manufacturing. Indeed, the economic contribution of volunteers alone in Canada is on a par with that of the entire agriculture sector;
- Even excluding hospitals, the gross value added of the NPI sector in Australia exceeded that of electricity, gas, and water supply; accommodations and restaurants; and communications;
- In Israel as of 1997, the NPI sector accounted for 14.3% of GDP;
- Although NPIs are supposed to be included somewhere in national accounts, work on the *NPI Handbook* has revealed that they are significantly undercounted. Thus, Statistics Canada found many more NPIs in existence than pre-existing business registries suggested.
- In the United States from 1992 through 2004, NPIs accounted on average for 9.5% of personal consumption expenditures. Over the same period, NPI value added averaged 4.8% of GDP, a share exceeding those of agriculture, forestry, fishing and hunting; mining; utilities; construction; transportation and warehousing; information; and other services, except government, among others.

These and other findings are making it possible for policy-makers to take much more explicit account of NPIs in their policy deliberations and to bring these important institutions into far better focus for the media, researchers, and the general public.

For further information on the UN NPI Handbook and the steps required to implement it, contact UNHandbook@jhu.edu.