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**A SYSTEM OF NATIONAL ECONOMIC ACCOUNTS FOR
THE COUNTRY STUDY PROGRAM**

ECONOMIC GROWTH CENTER

YALE UNIVERSITY

A SYSTEM OF NATIONAL ECONOMIC ACCOUNTS FOR THE COUNTRY STUDY PROGRAM

The Yale Economic Growth Center has undertaken a country analysis program designed to investigate the processes of economic development which have been taking place in less developed countries. The purpose of these investigations is to obtain a better understanding of the changes occurring within specific countries and to permit comparative analysis of the different patterns of economic growth taking place in different countries.

It is intended that this research on the processes of economic growth will be cast in quantitative terms and will embrace all economic activity within a country. Furthermore, since one of the major purposes of the research is to develop comparative economic analysis, it is highly desirable that the same conceptual framework be used for each of the individual country studies, so that it will be possible at a later stage to make cross-country comparisons. It is on this basis that a common framework of national economic accounts is suggested for use in all the research studies of the country analysis program.

In the study of economic growth the major elements to be analyzed are (1) the allocation and utilization of resources in an economy, and (2) the behavior of prices and income. The analytic framework, furthermore, must show how government activity, capital formation, and international trade fit into the economy and what role they play. Finally, it will also be necessary to show how the industrial structure of the economy changes over time and its relation to employment and productivity.

In developing a common conceptual framework a number of requirements must be kept in mind. First, the framework must provide for the essential kinds of information referred to above. Secondly, the framework should be sufficiently simple so that the data for those countries with only the basic minimum of information can still be fitted into the framework. Third, the framework should also be capable of utilizing the more fully developed statistical data available in those countries which do have substantial economic information. To accomplish this it will be necessary to provide classification systems which will permit parts of the framework to be expanded where additional data are available. Fourth, the framework should

provide a complete and articulated system of information, both so that it will be possible to make checks on the internal consistency of the data and also so that all of the existing information will be fully used. Finally, the conceptual framework should be constructed so that the analyst can relate major bodies of data to each other without running into problems of non-conformity and noncomparability.

There are at the present time a considerable number of national accounting systems which have been designed to meet some of the requirements mentioned above. The most comprehensive of these is that provided by the United Nations in their publication, "A System of National Accounts and Related Tables". This system is in current use and underlies the statistics contained for the major countries of the world in the United Nations' "Yearbook of National Accounts Statistics". There is considerable advantage in utilizing the United Nations system as closely as possible in its basic definitions and concepts. In many countries it may be possible to use the information contained in the United Nations reports as a basis on which to build a more fully developed set of data. In a large number of instances, countries are developing their own internal systems of national economic accounts in accordance with the United Nations concepts and definitions.

In the U.N. national accounting system the treatment of the government sector is somewhat less detailed than is desirable. This is recognized by the United Nations, and they have also published a "Manual for the Economic and Functional Classification of Government Transactions". For classifications and definitions within the public sector, the suggestions in this manual have been found to be most useful. For a number of countries the government accounts have been reclassified according to the system suggested by the United Nations, and where this has been done, the country analysts will find such reclassifications very useful.

In addition to the United Nations, the Organisation for Economic Co-operation and Development has also published national accounts statistics, and in some cases their classifications are more useful than United Nations classifications. The O.E.C.D. publishes statistical data according to its classifications for all its member countries.

From one point of view, however, the existing economic accounting systems of the U.N. and O.E.C.D. are not fully satisfactory for analyses of economic development. Both the U.N. and the O.E.C.D. systems of national accounts have been concerned mainly with providing a framework for statistical data on market transactions in Western industrial economies where economic development planning is not a major concern. In the country analysis program, however, many of the studies will be concerned with less developed countries where the subsistence sector is substantial and where the government and government sponsored or directed capital formation play strategic roles in the process of development. It will be necessary, therefore, to take these elements into consideration in developing a system of economic accounting.

The national economic accounting system which has been designed for the country analysis program consists of nine tables. The first five tables provide a simple but fully articulated system of national income accounts. The remaining tables are devoted to the presentation of additional data on (a) capital formation, (b) the industrial structure of output and employment, (c) international trade and (d) supplementary information on the financial flows and capital structure of the economy. Each of these tables will be discussed in detail below.

The National Income Accounts

The five national income accounts are (1) Gross National Income and Product Account, (2) Personal Income Account, (3) Government Receipts and Current Expenditure Account, (4) External Transactions Account, and (5) Gross Domestic Capital Formation Account. The attached summary of these accounts shows the network of flows which they include. The Gross National Income and Product Account shows on the one hand the purchases of final output in the economy and on the other hand the allocation of income generated by economic activity. The Personal Income Account shows the income received by nonprofit institutions and individuals and the disposition of this income in terms of consumer expenditures, taxes, and saving. Similarly, the Government Receipts and Current Expenditure Account shows the receipts which the government obtains from other sectors and the current outlays made by government. The

External Transactions Account shows imports and exports and transfer payments between domestic sectors and abroad. Finally, the Gross Domestic Capital Formation Account shows the investment expenditures of the economy on the one hand, and its savings on the other. This summary work sheet is intended as a device for analyzing what data gaps exist for a given country, and whether existing data are internally consistent.

Gross National Income and Product Account

1A. Private consumption expenditure (2E)

The basic definition of private consumption expenditures follows that given by the United Nations. However, the subcategories shown within private consumption expenditures are somewhat less ambitious than those recommended by the United Nations and follow instead the O.E.C.D. classification, with the addition of information on subsistence food consumption and imputed rent on owner-occupied dwellings. The breakdown is as follows:

1. Food
 Of which subsistence
2. Clothing
3. Rent
 Of which owner-occupied
4. Durables
5. Other

In a number of less developed countries the aggregate value of private consumption expenditure is determined residually and the breakdown of consumption into specific categories may depend on sample budget studies or specific information about particular categories of consumption. In some countries individuals are provided with consumption goods such as food, medicine, or even clothing by the government. These goods should not be included in private consumption expenditure but rather should appear as part of general government expenditure. The principle adopted by the United Nations is that the purchase should be entered as an expenditure of the sector which actually makes the purchase.

1B. Government current expenditures (3F)

The general definition of this flow corresponds to the United Nations definition. It represents the current expenditure on goods and services undertaken by general government. In

defining current government expenditure it is necessary to decide which purchases are to be treated as consumption, and which as capital formation. In this connection expenditures for defense purposes, excluding civil defense, are treated as consumption, whereas expenditure on capital formation for civilian purposes is excluded from this flow and included with gross domestic formation. The subclassifications for government current expenditure are given below:

1. General expenditures
 - a. Administration
 - b. Defense
 - c. Community services

2. Developmental expenditures
 - a. Education
 - b. Health
 - c. Other social
 - d. Agriculture
 - e. Transport and communications
 - f. Other industry

Government current expenditures are broken down into two major categories: (1) general expenditures which are related to the current operation of the government; and (2) developmental expenditures which are not only related to current operations of the government, but also have an important impact on the economic development of a country. The distinction between developmental and nondevelopmental expenditures is not made in the U.N. or O.E.C.D. classifications of government expenditures. Nevertheless, it will be possible to make this distinction with some minor reclassification of the subflows contained in the United Nations system of national accounts and in the United Nations "Manual for the Economic and Functional Classification of Government Transactions". General expenditures consist of administration, defense, and other community services. The first two of these categories, administration and defense, are as defined both by the United Nations national accounts system and the manual on the classification of government transactions. The definition of community services in the above context, however, differs somewhat from the United Nations definition. Nondevelopmental community expenditures would consist of such things as fire protection, entertainment, maintenance of parks, support of religious activities, etc. But community expenditures for water

supply, sewerage, food inspection, etc., while part of the current operation of the government, all have economic development implications so that an expansion of these services could be considered to be an important contribution to future economic development. The other subclassifications under developmental expenditures follow quite closely the specific categories given in the United Nations manual.

1C. Gross fixed capital formation (5A)

Gross fixed capital formation consists of purchases of newly produced capital goods. Thus it embraces new construction and machinery and equipment. Own-account construction within enterprises or by households (e.g. dwellings) is included as part of gross fixed capital formation. Certain small items such as tires, tools, office supplies, etc. which might logically be classified as parts of machinery and equipment, but are generally written off as current expense items by business, should be excluded. Generally speaking, repair and upkeep of capital goods should not be included. Exceptions to this are major repairs (e.g. the refitting of ships, extensive remodeling of houses or office buildings, etc.). It will at times be found somewhat difficult to exclude repair and upkeep from capital formation statistics since quite often the raw materials which are used for capital formation and the labor force which is employed to create capital may also be used for repair and upkeep. Conceptually, however, repair and upkeep should be excluded. The breakdown of gross fixed capital formation is as follows:

1. Government fixed capital formation
 - a. Construction
 - b. Equipment
2. Residential construction
 - Of which subsistence
3. Enterprise fixed capital formation
 - a. Public enterprises
 - (1) Construction
 - (2) Equipment
 - b. Private enterprises
 - (1) Construction
 - (2) Equipment

Government fixed capital formation consists of the expenditures of central and local governments on such things as buildings and roads. Residential construction covers apartment

buildings and houses, even where the houses are constructed by the owners for their own use. Enterprise fixed capital formation is split into public enterprises and private enterprises. Public enterprises differ from general government in that their capital accounts are on a self-liquidating basis and they operate more like private enterprises than do the more general agencies of the government.

1D. Change in stocks (5B)

The changes in stocks represent the value of the change in raw materials, work in process, and finished goods which are held by enterprises and government. Changes in farm stock such as grain and livestock are included in this flow, but increases in natural resources due to growth as in the case of forests and standing crops or to new discoveries as in the case of mineral deposits are excluded. Work in process on construction is not considered to be part of the change in stocks but should be included in the construction component of gross fixed capital formation.

1E. Exports of goods and services (4A)

This flow covers merchandise exports plus nonfactor services which are sold to abroad. The merchandise component includes such charges as freight and insurance related to the exports when these are provided by the domestic economy. In addition to merchandise, other items are other transportation sold to abroad and travel. The definition of the various components of these flows are in general the same as those adopted by the International Monetary Fund and outlined in the **Balance of Payments Manual**.

1F. Imports of goods and services (4F)

Imports represent the value of goods and services purchased by the nation from the rest of the world. They are defined and classified in a manner similar to that outlined for exports of goods and services above.

1G. Gross Domestic Product

The expenditure items listed above add up to gross domestic product at market prices. This concept refers to the production taking place within the geographical area of the country.

1H. Net factor income from abroad (4B-4G)

This flow is the net balance of factor income paid to abroad and factor income received from abroad. Factor income as defined here consists of investment income plus wages and salaries paid to or received by foreign nationals. Investment income includes branch profits of wholly foreign-owned subsidiaries, whether distributed or undistributed. In cases where a company is only partially foreign owned, only the distributed profits are considered as payments of investment income.

In those instances where foreign-owned enterprises are a significant part of the enterprise sector in a country, net factor income from abroad will be negative and thus gross domestic product will be larger than gross national product.

1I. Gross National Product (1N)

Gross national product is the market value of the output of the nation. It differs from Gross Domestic Product by the amount by which factors of production supplied by foreigners exceed or are less than the amount of factors of production which nationals provide to other countries.

1J. Payments by producers to individuals (2A)

This flow represents payments made to individuals for their contribution to the production process plus gifts and charitable contributions which enterprises make to individuals. The breakdown of this flow is given below:

1. Compensation of employees
 - a. Wages and salaries
 - b. Social security contributions
 - c. Income in kind
2. Entrepreneurial and property income
 - a. Farm income
 - Of which subsistence income
 - b. Unincorporated nonfarm income
 - Of which subsistence
 - c. Rental income
 - Of which owner-occupied
 - d. Interest and dividends
 - e. Less: Interest on consumer debt
3. Business transfer payments

Wages and salaries includes bonuses, overtime payments, and other labor reimbursement. Social security contributions include employer contributions to government authorities plus any contribution to private pension schemes, unemployment insurance, etc. Income in kind paid to employees includes meals, housing, or other commodities provided by the enterprises to the individual as partial payment for labor services.

Entrepreneurial income represents the residual income available to entrepreneurs which serves both as compensation for the services of the entrepreneur and as profits. In the case of both farm and nonfarm enterprises, the entrepreneur may receive some of his income as income in kind.

Rental income may be somewhat difficult to define for some countries where it will be included as part of finance, insurance, and real estate; in these countries most rental income may emerge as either corporate earnings or unincorporated nonfarm income. In some instances, however, it is possible to distinguish rental income paid directly to individuals and the imputed rental income or owner-occupied houses.

Interest and dividends are included in property income paid to individuals by enterprises and government. Interest on consumer debt is subtracted out by the United Nations on the ground that consumer debt, like the public debt, is essentially nonproductive and therefore interest on both should be excluded from production.

Finally, business transfer payments include not only gift and charitable contributions by business to individuals and nonprofit institutions, but also bad debts which business firms have written off during the current period.

1K. Income retained by producers (5D)

This flow consists of capital consumption allowances of both enterprises and governments plus the retained earnings of corporations. The detail of this flow is shown below:

1. Capital consumption allowances
 - a. Private enterprises
 - (1) Domestic
 - (2) Foreign
 - b. Public corporations
 - c. Government enterprises
 - d. General government

2. Retained earnings of corporations

- a. Private enterprises**
 - (1) Domestic**
 - (2) Foreign**
- b. Public corporations**
- c. Government enterprises**

It should be recognized that capital consumption allowances in many countries must be estimated on very inadequate bases. Many sectors of an economy may not keep any records on capital consumption allowances and for these sectors it will be necessary for the estimators to divide the gross return between some reasonable estimate of capital consumption and the residual profit or income available to the entrepreneur. The breakdown of capital consumption allowances provided above is given to help indicate where in the economy the sources of funds may arise for reinvestment. This same breakdown by type of enterprise is also shown for retained earnings.

1L. Payments by producers to government (3A)

Producers pay to governments taxes, fees, and property income such as dividends and interest. In addition the government may receive a surplus from government enterprises. The breakdown of payments by producers to government is shown below:

- 1. Corporate profits taxes**
- 2. Property taxes**
- 3. Commodity and transactions taxes**
 - a. Excise**
 - b. Sales**
 - c. Turnover**
 - d. Customs**
 - e. Other**
- 4. Other business taxes and fees**
- 5. Property income paid to government**
- 6. Surplus of government enterprises**

Unlike the classification of taxes in the United Nations national accounting system, there is no split in this account between direct and indirect taxes. Rather the type of tax is listed, and

it is left up to the individual analyst to combine these in any significant economic categories which he may want. Corporate profits taxes include taxes on corporate income, excess profits, undistributed profits, and capital stock. Nonrecurrent tax payments by corporations should generally be classified under other business taxes and fees.

Property taxes cover mainly real estate taxes, but in some countries taxes on other kinds of business property may also be important. Commodity and transaction taxes may take many different forms. The most usual forms are listed here are excise, sales, and turnover taxes and customs duties. Such commodity taxes as gasoline, liquor, etc., should be included under "other" commodity and transaction taxes. The category "other business taxes and fees" is intended to provide a place for the large number of miscellaneous revenue items not adequately covered by the other classifications. Such things as automobile licenses, construction licenses, entertainment taxes, etc. would be included here. Property income paid to government covers not only interest and dividends, but also rental fees on government property, land, etc. In addition any profits paid by public corporations to the government should be included under this item. Financial surplus of government enterprises covers only that portion of the surplus which is actually paid to the government. In many instances, government enterprises may retain all or part of their earnings and this will, of course, be classified as part of the income retained by producers.

1M. Adjustments

Some adjustments are required in order to bring the distribution of Gross National Income in line with the Gross National Product of the economy. Specifically, money provided as subsidies or as interest on the public debt will be available to producers and individuals as part of their income and retained earnings. Thus, the total of distributed income will exceed the generation of income by productive activity by the full amount of these subsidies and government interest payments. The adjustments are:

1. Subsidies (3G)
2. Interest on public debt (3H)
3. Statistical discrepancy (5H)

Even after the adjustments for interest on the public debt and subsidies are made, it is quite possible that the two sides of the accounts will not balance, since different sources may have been utilized to build up the estimates of the various components on each side of the account. The statistical discrepancy reflects this difference. For most countries, however, this problem does not arise since the available information does not permit independent estimation of each of the components. In this case, certain parts of the account will be determined residually, thus making the statistical discrepancy more theoretical than practical.

It is useful to classify subsidies by type so that together with government development expenditure, government capital expenditure and private expenditure estimates can be made of the amount of resources being devoted to given types of activity in the economy. These activities are given below:

1M1. Subsidies (3G)

1. Education
2. Health
3. Other social
4. Agriculture
5. Transport and communications
6. Other industry

Personal Income Account

2A. Payments by producers to individuals

(See item 1J)

2B. Transfer payments from government (3I)

The government makes transfer payments to individuals for a variety of reasons. These transfers augment the income of individuals and provide funds for consumer expenditure and/or saving. The subclassification of these transfer payments is shown below:

1. Social security benefits
2. Unemployment benefits
3. Education
4. Health
5. Other welfare

These classifications are quite similar to those contained in the United Nations system of national

accounts. However, in the above breakdown social security benefits and unemployment benefits are shown as separate categories.

2C. Transfer payments from abroad (4C)

This flow includes migrants' transfers, whether in cash or in kind. However, the transfer of major real financial assets are to be considered capital movements and not recorded as current transfers. These definitions follow those used by the International Monetary Fund and the United Nations.

2D. Personal Income (2I)

Personal income thus covers all current receipts of both households and private nonprofit institutions. Furthermore, since unincorporated businesses have all of their net income reported as income accruing to the proprietor, this total also contains business income which may not be available for consumer expenditures; such income may be retained by proprietors for capital formation purposes or it may be absorbed by such things as increase in inventories or expansion of trade credit.

2E. Private consumption expenditures

(See item 1A)

2F. Payments to government (3B)

This flow shows the amount which individuals pay to government. The subclassifications used are as follows:

1. Social security contributions
2. Personal taxes
3. Other

Social security contributions include not only the employee's share of these contributions, but also the employer's share. This is done since total social security contributions (both employee's share and employer's share) are included as part of the compensation of employees. In other words, all social security contributions are run through the personal income account. Personal taxes include the personal income tax and in some countries personal property tax. However, property taxes on real estate are considered to be taxes paid by producers. Other payments which individuals make to government include such things as fees and fines.

2G. Transfer payments to abroad (4M)

This item is similar to item 2C. It represents the transfers which individuals make to other individuals abroad. As in the case of item 2B, the transfer of capital would not be included in this flow.

2H. Personal saving (5E)

This item is determined residually. It is the difference between personal income on the one hand and consumer expenditures and payments which individuals make to the government on the other hand. As already indicated in the discussion of personal income, personal saving reflects the business income included in entrepreneurial income and thus represents some business saving as well as the saving of households and nonprofit institutions.

2I. Personal Outlays and Saving (2D)

This item is identical to personal income, since personal saving is a residual which equates the two sides of the account.

Government Revenue and Current Expenditure Account

This account is considerably more detailed than the usual government sector in national income accounts. It has been developed so that it can be used for either central governments, local governments, or as a consolidated account for central and local governments.

3A. Payments by producers

(See item 1L)

3B. Payments by individuals

(See item 2F)

3C. Transfer payments from abroad (4D)

This flow represents all unilateral payments whether in cash or in kind received by the government from foreign countries and international organizations. According to the United Nations definition, military equipment is excluded and the above flow should follow this practice. However, the United Nations definition of transfers from abroad also excludes transfers which are used for capital purposes by the government. The above system of national accounts does

not make any such distinction and therefore both of these kinds of transfers would be included here.

3D. Transfer payments from government (3J)

The transfer payments received by one level of government from other levels of government are shown in this flow. In presenting a consolidated account it would be possible, of course, to net this flow with the similar flow on the outlay side of the account. However, in presenting accounts for specific levels of government it will be found very useful to include these items since they show the interrelations between levels of government.

3E. Total Receipts

This flow represents the total revenue accruing to a specific level of government; in the case of a consolidation of all levels of government, it should be shown net of intra-governmental transactions.

3F. Government current expenditures

(See item 1B)

3G. Subsidies

(See item 1M1)

3H. Interest on public debt

(See item 1M2)

3I. Transfer payments to individuals

(See item 2B)

3J. Transfer payments to government (3D)

This flow is similar to flow 3D but shows the transfer payments as outlays by the various levels of government.

3K. Transfer payments to abroad (4I)

This item is similar to item 3C and represents unilateral transfers made by the government to other countries and international organizations. Again, it should be noted that these transfers include both capital and current transfer payments.

3L. Surplus on current account (5F)

This item is the residual difference between total receipts of government and current outlays. Since this account covers only current outlays, this surplus is surplus on current account only and does not reflect government capital expenditures.

3M. Total Current Expenditures and Surplus

Since item 3L is a residual, this total equals total receipts of government.

External Transactions Account

4A. Exports of goods and services

(See item 1E)

4B. Factor income from abroad

(See item 1H)

4C. Transfer payments to individuals

(See item 2C)

4D. Transfer payments to government

(See item 3C)

4E. Current Receipts from Abroad

(See item 4K)

4F. Imports of goods and services

(See item 1F)

4G. Factor income paid abroad

(See item 1H)

4H. Transfer payments from individuals

(See item 2G)

4I. Transfer payments from government

(See item 3K)

4J. Surplus of nation on external account (5C)

This flow is residually determined and is the difference between total current receipts from abroad and total current payments to abroad.

Gross Domestic Capital Formation Account

5A. Gross fixed capital formation

(See item 1C)

5B. Change in stocks

(See item 1D)

5C. Gross Domestic Capital Formation

(See item 5I)

5D. Income retained by producers

(See item 1K)

5E. Personal saving

(See item 2H)

5F. Government surplus on current account

(See item 3L)

5G. Surplus of nation on current account

(See item 4J)

5H. Statistical discrepancy

(See item 1M3)

5I. Gross Domestic Saving

(See item 5C)

Table 6. Gross Domestic Capital Formation by Industrial Sector

The industrial classification of gross domestic capital formation follows quite closely the **International Standard Industrial Classification of all Economic Activities** and the industrial classifications used by the United Nations national accounting system. These two classification systems differ only in the treatment of dwellings and real estate. The present classification in Table 6 follows the United Nations national accounts system in the establishment of ownership of dwellings as a separate category. In addition, health and education services are separated from miscellaneous services. Finally, for general government considerably more detail is shown than is included in the United Nations national accounts classification. In view of the interest of the country studies in economic development, it is important to show the composition of government capital formation by purpose.

Table 7. Industrial Origin of Gross National Product, Total Value of Product, Exports, Imports, and Employment for the year

This table utilizes the same industrial classification as Table 6. Its major purpose is to show the industrial structure of output and the relationship of international trade and employment to production. The industrial classification of exports and imports is intended to show how much of the different types of goods produced in the economy are imported and exported. For many categories, e.g. general government, there will be no significant imports or exports to report.

Table 8. International Current Payments

This table is an expansion of the external transactions account to provide for the kind of commodity detail generally available in international trade statistics. For many areas of the world it is possible to show the composition of merchandise exports and imports by source and destination. The particular regional classifications will differ according to the area being studied, but such statistics are extremely useful in analyzing the impact of changes in patterns and structure of trade on the domestic economy of a country.

Table 9. _____ Balance Sheet

This form can be utilized as a framework for flow of funds information about any given sector of the economy. It is intended primarily to supplement the Government Receipts and Current Expenditure Account to provide information on changes in assets and liabilities which together with the Government Receipts and Current Expenditure Account would comprehend all the information contained in a table of sources and uses of funds by the government sector. The surplus in this account shows the net use of funds by the public sector for both capital and current purposes. It thus differs from the surplus on current account which reflects only the relationship of government current expenditures and receipts.

It is possible to use Table 9 not only for changes in assets and liabilities for the government sector, but as a balance sheet for government showing the total assets and liabilities for a given point of time. The analyst will find this table useful in untangling the government's role in the economy as a borrower of funds and as a financial intermediary.

Table 9 can also be used to show changes in assets and liabilities (sources and uses of funds) for other sectors of the economy. In such an instance, however, it would be desirable to add additional detail. This has been done in Table 9A below.

Table 9. _____ Balance Sheet

A. Assets

(_____ prices)

A. Tangible assets

1. Land
2. Structures
 - a. Residential
 - b. Other
3. Producer's equipment
 - a. Vehicles
 - b. Other
4. Inventories
5. Other tangible assets
 - a. Consumer durables
 - b. Livestock
 - c. Other

B. Financial assets

1. Monetary metals
2. Currency
3. Bank deposits
 - a. Demand
 - b. Time
 - c. Other
4. Short term loans
 - a. Trade credit
 - b. Other
5. Long term loans
 - a. Mortgages
 - b. Other
6. Corporate bonds
7. Corporate stocks
8. Government obligations
 - a. Central
 - b. Local
 - c. Government enterprise
9. Foreign financial assets
10. Other financial assets
 - a. Government insurance and pension claims
 - b. Private insurance and pension claims

C. TOTAL ASSETS

This table can of course also be used to provide balance sheets for different sectors of the economy. The columns thus could represent various sectors. The sectoring of the economy will in large measure depend on the kind of data available to the analyst.

Sources and Methods

The analyst should be very careful to indicate the sources of his basic data and the adjustments made. For this purpose it will be found useful to list all sources systematically by reference number and key them to the specific flows for given years in a special appendix on sources and methods. It is desirable that the exact page and table number of the original source be cited and detailed information given of the adjustments which are made and their basis. It would also be helpful if the analyst could in the appendix on sources and methods indicate the general basis of estimation used by the original source, e.g. census data, sample surveys, tax data, demographic basis, etc., where this can be found out.

Table 1. Gross National Income and Product Account

(prices)

<u>Expenditures on Gross National Product</u>				
A. Private consumption expenditures (2E)				
1. Food				
2. Clothing				
3. Rent				
4. Durables				
5. Other				
B. Government current expenditures (3F)				
1. General expenditures				
2. Developmental expenditures				
C. Gross fixed capital formation (5A)				
1. Government fixed capital formation				
2. Residential construction				
3. Enterprise fixed capital formation				
D. Change in stocks (5B)				
E. Exports of goods and services (4A)				
F. Less: Imports of goods and services (4F)				
G. GROSS DOMESTIC PRODUCT				
H. Net factor income from abroad (4B-4G)				
I. GROSS NATIONAL PRODUCT (1N)				
<u>Distribution of Gross National Income</u>				
J. Payments by producers to individuals (2A)				
1. Compensation of employees				
2. Entrepreneurial and property income				
3. Business transfer payments				
K. Income retained by producers (5D)				
1. Capital consumption allowances				
2. Retained earnings of corporations				
L. Payments by producers to government (3A)				
M. Less: Adjustments				
1. Subsidies (3G)				
2. Interest on public debt (3H)				
3. Statistical discrepancy (5H)				
N. GROSS NATIONAL INCOME (1I)				

Table 2. Personal income account

(current prices)

<u>Receipts</u>				
A. Payments by producers to individuals (1J)				
1. Compensation of employees				
a. Wages and salaries				
b. Social security contributions				
c. Income in kind				
2. Entrepreneurial and property income				
a. Farm income				
Of which subsistence				
b. Unincorporated nonfarm income				
Of which subsistence				
c. Rental income				
Of which owner-occupied				
d. Interest and dividends				
e. Less: Interest on consumer debt				
3. Business transfer payments				
B. Transfer payments from government (3I)				
C. Transfer payments from abroad (4C)				
D. PERSONAL INCOME (2I)				
<u>Outlays and Saving</u>				
E. Private consumption expenditures (1A)				
1. Food				
Of which subsistence				
2. Clothing				
3. Rent				
Of which owner-occupied				
4. Durables				
5. Other				
F. Payments to government (3B)				
1. Social security contributions				
2. Personal taxes				
3. Other				
G. Transfer payments to abroad (4H)				
H. Personal saving (5E)				
I. PERSONAL OUTLAYS AND SAVING (2D)				

Table 3. _____ Government Revenue and Current Expenditure Account
(current prices)

<u>Receipts</u>				
A. Payments by producers (1L)				
1. Corporate profits taxes				
2. Property taxes				
3. Commodity and transactions taxes				
a. Excise				
b. Sales				
c. Turnover				
d. Customs				
e. Other				
4. Other business taxes and fees				
5. Property income paid to government				
6. Surplus of government enterprises				
B. Payments by individuals (2F)				
1. Social security contributions				
2. Personal taxes				
3. Other				
C. Transfer payments from abroad (4D)				
D. Transfer payments from government (3J)				
1. Central government				
2. Local governments				
3. Autonomous institutes				
E. TOTAL RECEIPTS (3M)				

Table 3. _____ Government Current Account

Table 3 (continued)

<u>Current Expenditures</u>			
F. Government current expenditures (1R)			
1. General expenditures			
a. Administration			
b. Defense			
c. Community services			
2. Developmental expenditures			
a. Education			
b. Health			
c. Other social			
d. Agriculture			
e. Transport and communications			
f. Other industry			
G. Subsidies (1M1)			
1. Education			
2. Health			
3. Other social			
4. Agriculture			
5. Transport and communications			
6. Other industry			
H. Interest on public debt (1M2)			
I. Transfer payments to individuals (2B)			
1. Social security benefits			
2. Unemployment benefits			
3. Education			
4. Health			
5. Other welfare			
J. Transfer payments to government (3D)			
1. Central government			
2. Local governments			
3. Autonomous institutes			
K. Transfer payments to abroad (4I)			
L. Surplus on current account (5F)			
M. TOTAL CURRENT EXPENDITURES AND SURPLUS (3E)			

Table 4. External Transactions Account

(current prices)

<u>Receipts from Abroad</u>				
A. Exports of goods and services (1E)				
1. Merchandise				
2. Other				
B. Factor income from abroad (1H)				
C. Transfer payments to individuals (2C)				
D. Transfer payments to government (3C)				
E. CURRENT RECEIPTS FROM ABROAD (4K)				
<u>Payments to Abroad</u>				
F. Imports of goods and services (1F)				
1. Merchandise				
2. Other				
G. Factor income paid abroad (1H)				
H. Transfer payments from individuals (2G)				
I. Transfer payments from government (3K)				
J. Surplus of nation on external account (5G)				
K. CURRENT PAYMENTS TO ABROAD AND SURPLUS (4E)				

Table 5. Gross Domestic Capital Formation Account
(current prices)

<u>Gross Domestic Capital Formation</u>				
A. Gross fixed capital formation (1C)				
1. Government fixed capital formation				
a. Construction				
b. Equipment				
2. Residential construction				
Of which subsistence				
3. Enterprise fixed capital formation				
a. Public enterprises				
(1) Construction				
(2) Equipment				
b. Private enterprises				
(1) Construction				
(2) Equipment				
B. Change in stocks (1D)				
C. GROSS DOMESTIC CAPITAL FORMATION (5I)				
<u>Gross Domestic Saving</u>				
D. Income retained by producers (1K)				
1. Capital consumption allowances				
a. Private enterprises				
(1) Domestic				
(2) Foreign				
b. Public corporations				
c. Government enterprises				
d. General government				
2. Retained earnings of corporations				
a. Private enterprises				
(1) Domestic				
(2) Foreign				
b. Public corporations				
c. Government enterprises				
E. Personal saving (2H)				
F. Government surplus on current account (3L)				
G. Surplus of nation on current account (4J)				
H. Statistical discrepancy (1M3)				
I. GROSS DOMESTIC SAVING (5C)				

Table 6. Gross Domestic Capital Formation by Industrial Sector for the year _____
 (_____ prices)

	Gross Domestic Capital Formation				Change in Stocks
	Total	Total	Fixed Construc- tion	Equip- ment	
A. Enterprises					
1. Agriculture Of which subsistence					
2. Mining					
3. Construction					
4. Manufacturing					
5. Wholesale and retail trade					
6. Transport and communications					
7. Electricity, gas, and water					
8. Banking, insurance, real estate					
9. Ownership of dwellings Of which subsistence					
10. Health and education					
11. Miscellaneous services					
B. General government					
1. General expenditures					
a. Administration					
b. Defense					
c. Community services					
2. Developmental expenditures					
a. Education					
b. Health					
c. Other social					
d. Agriculture					
e. Transport, communications					
f. Other industry					
C. TOTAL					

Table 7. Industrial Origin of Gross National Product, Total Value of Product, Exports, Imports, and Employment for the year _____
(_____ prices)

	Gross Product	Value of Product	Exports	Imports	Employment
A. Enterprises					
1. Agriculture Of which subsistence					
2. Mining					
3. Construction					
4. Manufacturing					
5. Wholesale and retail trade					
6. Transport and communications					
7. Electricity, gas, and water					
8. Banking, insurance, real estate					
9. Ownership of dwellings					
10. Health and education					
11. Miscellaneous services					
B. General government					
1. General expenditures					
a. Administration					
b. Defense					
c. Community services					
2. Developmental expenditures					
a. Education					
b. Health					
c. Other social					
d. Agriculture					
e. Transport, communications					
f. Other industry					
C. Factor payments to abroad					
D. TOTAL					

Table 8. International Current Payments
(_____ prices)

A. Exports of goods and services				
1. Merchandise				
a. Food				
b. Beverages and tobacco				
c. Crude materials, inedible				
d. Mineral fuels				
e. Oils and fats				
f. Chemicals				
g. Manufactured goods				
h. Machinery and transport equipment				
i. Miscellaneous manufactured articles				
j. Miscellaneous n.e.s.				
2 Other				
B. Factor income received from abroad				
C. Transfer payments to individuals				
D. Transfer payments to government				
E. CURRENT RECEIPTS FROM ABROAD				
F. Imports of goods and services				
1. Merchandise				
a. Food				
b. Beverages and tobacco				
c. Crude materials, inedible				
d. Mineral fuels				
e. Oils and fats				
f. Chemicals				
g. Manufactured goods				
h. Machinery and transport equipment				
i. Miscellaneous manufactured articles				
j. Miscellaneous n.e.s.				
2. Other				
G. Factor income paid to abroad				
H. Transfer payments from individuals				
I. Transfer payments from government				
J. Surplus of the nation on external account				
K. CURRENT PAYMENTS TO ABROAD PLUS SURPLUS				

Table 9. Balance Sheet

A. Assets

(prices)

A. Tangible assets						
1. Land						
2. Structures						
3. Producers' equipment						
4. Inventories						
5. Other tangible assets						
B. Financial assets						
1. Monetary metals						
2. Currency						
3. Bank deposits						
4. Short term loans						
5. Long term loans						
6. Corporate bonds						
7. Corporate stocks						
8. Government obligations						
9. Foreign financial assets						
10. Other financial assets						
C. TOTAL ASSETS						

Table 9 (continued)

B. Liabilities

B. Liabilities					
D. Financial liabilities					
1. Currency					
2. Bank deposits					
3. Short term loans					
4. Long term loans					
5. Corporate bonds					
6. Corporate stocks					
7. Government obligations					
8. Foreign financial assets					
9. Other financial assets					
E. Surplus					
F. TOTAL LIABILITIES AND SURPLUS					

1. Gross National Income and Product Account

- 1A Private consumption expenditures (2E)
- 1B Government current expenditures (3F)
- 1C Gross fixed capital formation (5A)
- 1D Change in stocks (5B)
- 1E Exports of goods and services (4A)
- 1F Less: Imports of goods and services (4F)
- 1G GROSS DOMESTIC PRODUCT
- 1H Net factor income from abroad (4B-4G)
- 1I GROSS NATIONAL PRODUCT (1N)

- 1J Payments by producers to individuals (2A)
- 1K Income retained by producers (5D)
- 1L Payments by producers to government (3A)
- 1M Less: Adjustments (3G+3H+5H)
- 1N GROSS NATIONAL INCOME (1I)

2. Personal Income Account

- 2A Payments by producers to individuals (1J)
- 2B Transfer payments from government (3I)
- 2C Transfer payments from abroad (4C)
- 2D PERSONAL INCOME (2I)

- 2E Private consumption expenditures (1A)
- 2F Payments by individuals to government (3B)
- 2G Transfer payments to abroad (4H)
- 2H Personal saving (5E)
- 2I PERSONAL OUTLAYS AND SAVINGS (2D)

3. Government Revenue and Current Expenditure Account

- 3A Payments by producers to government (1L)
- 3B Payments by individuals to government (2F)
- 3C Transfer payments from abroad (4D)
- 3D Transfer payments from government (3J)
- 3E TOTAL RECEIPTS (3M)

- 3F Government current expenditures (1B)
- 3G Subsidies (1M)
- 3H Interest on public debt (1M)
- 3I Transfer payments to individuals (2B)
- 3J Transfer payments to government (3D)
- 3K Transfer payments to abroad (4I)
- 3L Surplus on current account (5F)
- 3M CURRENT EXPENDITURE AND SURPLUS (3E)

4. External Transactions Account

- 4A Exports of goods and services (1E)
- 4B Factor income from abroad (1H)
- 4C Transfer payments to individuals (2C)
- 4D Transfer payments to government (3C)
- 4E CURRENT RECEIPTS FROM ABROAD (4K)
- 4F Imports of goods and services (1F)
- 4G Factor income paid abroad (1H)
- 4H Transfer payments from individuals (2G)
- 4I Transfer payments from government (3K)
- 4J Surplus of nation on external account (5G)
- 4K CURRENT PAYMENTS TO ABROAD AND SURPLUS (4E)

5. Gross Domestic Capital Formation Account

- 5A Gross fixed capital formation (1C)
- 5B Change in stocks (1D)
- 5C GROSS DOMESTIC CAPITAL FORMATION (5I)
- 5D Income retained by producers (1K)
- 5E Personal saving (2H)
- 5F Government surplus on current account (3L)
- 5G Surplus on external account (4J)
- 5H Statistical discrepancy (1M)
- 5I GROSS DOMESTIC SAVING (5C)