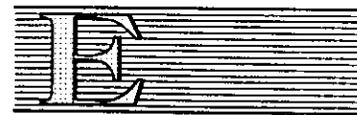




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Joint UNSD/ECA Workshop on the implementation
of the 1993 SNA with special emphasis on the Household Sector

20 – 24 November 2000
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Agenda item 7: The household sector in the 1993 SNA

INTRODUCTION

1. In the System, the basic economic units are institutional units which:
 - are capable of owning assets and incurring liabilities on their own behalf;
 - can engage in the full range of transactions.

2. In the real world, there are two types of units that may qualify as institutional units, namely:
 - i) person or groups of persons in the form of households;
 - ii) legal or social entities whose existence is recognized by law or society.

3. The institutional units are grouped together to form five institutional sectors on the basis of their principal functions, behaviours and objectives. They are the non –financial corporations sector, the financial corporations sector, the general government sector, the non-profit institutions serving households sector and the household sector. The principal functions of households are the supply of labour, final consumption and, as entrepreneurs, the production of market goods and non-financial (possibly financial) services.

THE HOUSEHOLDS SECTOR

1. Definition of the sector

4. It comprises all resident households which are:
 - i) Household defined as a small group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. The definition of household in a socio-economic survey or census approximates closely the definition of a household of the System.
 - ii) Persons living permanently in an institution (hospitals, prisons, monasteries and retirement homes). These are called institutional households.

iii) Unincorporated enterprises which are producer units within the household.

5. It should be mentioned that servants and other paid domestic employees who live in the same premises as their employer do not form part of their employer's household even though they may provide with accommodation and meals as remuneration in kind. The reason is that they have no claim upon the resources of their employer's households and therefore they are treated as separate households.

2. Unincorporated enterprises (households as producer)

6. The production within the households sector takes place with enterprises that are owned and controlled by members of households and called unincorporated i.e. the producer units is not incorporated as a separated legal entity from the household itself. The enterprises cannot engage in transactions with other economic units and the fixed and other assets used do not belong to the enterprises but to their owners.

7. There are two types of unincorporated enterprises: unincorporated market enterprises and unincorporated enterprises producing for own use.

a) Unincorporated market enterprises

8. They are created for the purpose of producing goods or services for sale or barter on the market. They can be engaged in any kind of productive activity and they can range from single persons working as street traders or shoe shiners with no capital and premises through to larger manufacturing, construction or service enterprise with many employees. Some of the outputs of these market producers may be retained for consumption by members of the household to which the owner belong. Such goods or services are included in the outputs of the enterprises and in the final consumption of the households.

b) Unincorporated enterprises producing for own use

9. They operate for the purpose of producing goods or certain services for own final consumption or own gross fixed capital formation.

i) Producers of goods for own final use

They consist of:

- Subsistence farmers or others engaged in the production of agricultural goods for own final consumption;
- Households engaged in the production of other goods for their own final consumption such as cloth, furniture, other household goods, foodstuffs;
- Households engaged in the construction of their own dwellings or other structures for their own use, or on structural improvements to existing dwellings or structures.

ii) Producers of services for own final use

According to the definition of the production boundary in the System, only two categories of services are produced by households for own final consumption.

They consist of :

- Services of owner-occupied dwellings;
- Domestic services produced by employing paid staff.

10. The production of these two services does not generate "mixed income". Any surplus arising for the production of the service of owner-occupied dwelling is an operating surplus and there is no surplus generating by employing paid staff, the output is assumed to be equal to the compensation of employees paid to the domestic staff.

3. Sub-sectoring

11. Different methods of sub-sectoring may be appropriate for different economic and different kinds of analysis and policy-making. The households sector can be divided into sub-sectors on the basis of criteria of economic, socio-economic or geographical nature. In the System, two main types of sub-sectoring are proposed, one based on the nature of source of income and another based on a reference person.

12. Four sub-sectors are defined corresponding to the sources of income accruing to the household. They are:

- (a) Employers;
- (b) Own-account workers;
- (c) Employees;
- (d) Recipients of property and transfer incomes.

13. As regards the second type of sub-sectoring, once a reference person is identified, the households are grouped into sub-sectors based on the characteristics of the reference person. Therefore, the sub-sectors can be defined according to:

- (a) Occupation of the reference person;
- (b) Industry, in any, in which the reference person works;
- (c) Educational attainment of the reference person;
- (d) Qualification or skills possessed by the reference person;
- (e) Income of the reference person (source or size).

14. It should be noted that households sector may be sub-sectored using criteria that apply to the household as a whole. Then sub-sectors are defined according to:

- (a) Size of the total of income of the household;
- (b) Number of persons in the household;
- (c) Type of area in which the household is located.

ACCOUNTS

15. The full sequence of accounts for households are presented below.

SOURCES OF DATA

16. Compilers of national accounts know that the households sector has been in the past one of the least developed sectors in the national accounting of African countries. This can be explained by the difficulties in collecting information and also in the fact that the sector embraces to many units far greater than any other sector.

17. Therefore, any source of data available are used. The most important are:

- Censuses or surveys on economic and social fields: agriculture, industries, population, trade, transport, employment...;
- Specific surveys on the informal sector;
- Administrative records;
- Income and expenditure surveys of households.

Full sequence of accounts for households

I: Production account

Uses		Resources	
P.2	Intermediate consumption	694	
B.1g	<i>Value added, gross</i>	575	
K.1	Consumption of fixed capital	42	
B.1n	<i>Value added, net</i>	533	
			P.1 Output ¹ 1 269
			P.11 Market output 1 129
			P.12 Output for own final use 140

1 For the valuation of output, refer to chapter VI, paragraphs 6.210 to 6.227.

II. Distribution and use of income accounts

II.1: Primary distribution of income account

II.1.1: Generation of income account

Uses		Resources	
D.1	Compensation of employees	39	
D.11	Wages and salaries	39	
D.12	Employers' social contributions	0	
D.121	Employers' actual social contributions	0	
D.122	Employers' imputed social contributions	0	
D.29	Other taxes on production	3	
D.39	Other subsidies on production	- 1	
B.2	<i>Operating surplus ¹</i>	60	
B.3	<i>Mixed income ¹</i>	432	
			B.1 <i>Value added ¹</i> 533

1 The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

Full sequence of accounts for households [cont.]

II.1.2: Allocation of primary income account

Uses		Resources	
D.4	Property income	41	
D.41	Interest	14	
D.45	Rent	27	
			B.2 <i>Operating surplus</i> ¹ 60
			B.3 <i>Mixed income</i> ¹ 432
			D.1 Compensation of employees 766
			D.11 Wages and salaries 573
			D.12 Employers' social contributions 193
			D.121 Employers' actual social contributions 174
			D.122 Employers' imputed social contributions 19
			D.4 Property income 150
			D.41 Interest 49
			D.42 Distributed income of corporations 57
			D.421 Dividends 13
			D.422 Withdrawals from income of quasi-corporations 44
			D.43 Reinvested earnings on direct foreign investment 3
			D.44 Property income attributed to insurance policyholders 20
			D.45 Rent 21
B.5	<i>Balance of primary incomes</i> ¹	1 367	

1 The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

II.1.2.1: Entrepreneurial income account

Uses		Resources	
D.4	Property income ²	7	
D.41	Interest	0	
D.45	Rent	7	
			B.2 <i>Operating surplus</i> ¹ 60
			B.3 <i>Mixed income</i> ¹ 432
			D.4 Property income ² 5
			D.41 Interest 0
			D.42 Distributed income of corporations 5
			D.421 Dividends 5
			D.422 Withdrawals from income of quasi-corporations 0
			D.44 Property income attributed to insurance policyholders 0
B.4	<i>Entrepreneurial income</i> ¹	490	

1 The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

2 Including only property income connected with market activities.

Full sequence of accounts for households [cont.]

II.1.2.2: Allocation of other primary income account

Uses		Resources	
D.4	Property income ²	B.4	Entrepreneurial income ¹
D.41	Interest		490
D.45	Rent	D.1	Compensation of employees
	34	D.11	Wages and salaries
	14	D.12	Employers' social contributions
	20	D.121	Employers' actual social contributions
		D.122	Employers' imputed social contributions
			19
		D.4	Property income ²
		D.41	Interest
		D.42	Distributed income of corporations
		D.421	Dividends
		D.422	Withdrawals from income of quasi-corporations
		D.43	Reinvested earnings on direct foreign investment
		D.44	Property income attributed to insurance policyholders
		D.45	Rent
			21
B.5	Balance of primary incomes ¹		1 367

1 The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

2 Property income not connected with market activities.

II.2: Secondary distribution of income account

Uses		Resources	
D.5	Current taxes on income, wealth, etc.	B.5	Balance of primary incomes ¹
D.51	Taxes on income		1 367
D.59	Other current taxes	D.61	Social contributions
	2	D.611	Actual social contributions
D.61	Social contributions	D.6111	Employers' actual social contributions
D.611	Actual social contributions	D.61111	Compulsory employers' actual social contributions
D.6111	Employers' actual social contributions	D.61112	Voluntary employers' actual social contributions
D.61111	Compulsory employers' actual social contributions	D.6112	Employees' social contributions
D.61112	Voluntary employers' actual social contributions	D.61121	Compulsory employees' social contributions
D.6112	Employees' social contributions	D.61122	Voluntary employees' social contributions
D.61121	Compulsory employees' social contributions		0
D.61122	Voluntary employees' social contributions	D.62	Social benefits other than social transfers in kind
D.6113	Social contributions by self- and non-employed persons	D.621	Social security benefits in cash
D.61131	Compulsory social contributions by self- and non-employed persons	D.622	Private funded social benefits
D.61132	Voluntary social contributions by self- and non-employed persons	D.623	Unfunded employee social benefits
D.612	Imputed social contributions	D.624	Social assistance benefits in cash
	19		52
D.62	Social benefits other than social transfers in kind	D.7	Other current transfers
D.622	Private funded social benefits	D.71	Net non-life insurance premiums
	0	D.75	Miscellaneous current transfers
			40
D.7	Other current transfers		71
D.71	Net non-life insurance premiums		31
D.75	Miscellaneous current transfers		40
B.6	Disposable income ¹		1 164

1 The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

Full sequence of accounts for households [cont.]

II.3: Redistribution of income in kind account

Uses		Resources	
		B.6	Disposable income ¹ 1 164
		D.63	Social transfers in kind 228
		D.631	Social benefits in kind 162
		D.6311	Social security benefits, reimbursements 78
		D.6312	Other social security benefits in kind 65
		D.6313	Social assistance benefits in kind 19
		D.632	Transfers of individual non-market goods and services 66
B.7	Adjusted disposable income ¹ 1 392		

¹ The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

II.4: Use of income account

II.4.1: Use of disposable income account

Uses		Resources	
P.3	Final consumption expenditure 1 015	B.6	Disposable income ¹ 1 164
P.31	Individual consumption expenditure 1 015		
		D.8	Adjustment for the change in net equity of households on pension funds 11
B.8	Saving ¹ 160		

¹ The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

II.4.2: Use of adjusted disposable income account

Uses		Resources	
P.4	Actual final consumption 1 243	B.7	Adjusted disposable income ¹ 1 392
P.41	Actual individual consumption 1 243		
		D.8	Adjustment for the change in net equity of households on pension funds 11
B.8	Saving ¹ 160		

¹ The opening and the closing balancing item of this account can be expressed in gross or in net terms. The amount presented refers to the net value.

Full sequence of accounts for households [cont.]

III. Accumulation accounts

III.1: Capital account

Changes in assets		Changes in liabilities and net worth	
P.51	Gross fixed capital formation	61	B.8n <i>Saving, net</i> 160
P.511	Acquisitions less disposals of tangible fixed assets	49	
P.5111	Acquisitions of new tangible fixed assets	50	D.9 Capital transfers, receivable 23
P.5112	Acquisitions of existing tangible fixed assets	4	D.92 Investment grants 0
P.5113	Disposals of existing tangible fixed assets	- 5	D.99 Other capital transfers 23
P.512	Acquisitions less disposals of intangible fixed assets	12	
P.5121	Acquisitions of new intangible fixed assets	9	D.9 Capital transfers, payable - 5
P.5122	Acquisitions of existing intangible fixed assets	3	D.91 Capital taxes, payable - 2
P.5123	Disposals of existing intangible fixed assets	0	D.99 Other capital transfers, payable - 3
P.513	Additions to the value of non-produced non-financial assets	0	
P.5131	Major improvements to non-produced non-financial assets	0	
P.5132	Costs of ownership transfer on non-produced non-financial assets	0	
K.1	Consumption of fixed capital	- 42	
P.52	Changes in inventories	2	
P.53	Acquisitions less disposals of valuables	5	
K.2	Acquisitions less disposals of non-produced non-financial assets	4	
K.21	Acquisitions less disposals of land and other tangible non-produced assets	3	
K.22	Acquisitions less disposals of intangible non-produced assets	1	
B.9	<i>Net lending (+) / net borrowing (-)</i>	148	B.10.1 <i>Changes in net worth due to saving and capital transfers</i> ¹ 178

1 "Changes in net worth due to saving and capital transfers" is not a balancing item but corresponds to the total of the right-hand side of the capital account.

Full sequence of accounts for households [cont.]

III.2: Financial account

Changes in assets		Changes in liabilities and net worth	
F	Net acquisition of financial assets	F	Net incurrence of liabilities
	181		33
F.2	Currency and deposits ¹	F.2	Currency and deposits ¹
	68		0
F.21	Currency	F.22	Transferable deposits
	10		0
F.22	Transferable deposits	F.23	Other deposits
	41		0
F.23	Other deposits		
	17	F.3	Securities other than shares
			0
F.3	Securities other than shares	F.31	Short-term
	29		0
F.31	Short-term	F.32	Long-term
	22		0
F.32	Long-term		
	7	F.4	Loans ²
			28
F.4	Loans ²	F.41	Short-term
	5		11
F.41	Short-term	F.42	Long-term
	3		17
F.42	Long-term		
	2	F.7	Other accounts payable ²
			5
F.5	Shares and other equity ²	F.71	Trade credits and advances
	3		4
		F.79	Other accounts payable, except trade credits and advances
			1
F.6	Insurance technical reserves		
	36		
F.61	Net equity of households on life insurance reserves and on pension funds		
	33		
F.611	Net equity of households on life insurance reserves		
	22		
F.612	Net equity of households on pension funds		
	11		
F.62	Prepayment of premiums and reserves against outstanding claims		
	3		
F.7	Other accounts receivable ²		
	40		
F.71	Trade credits and advances		
	11		
F.79	Other accounts receivable, except trade credits and advances		
	29		
		B.9	Net lending(+)/net borrowing(-)
			148

1 The following memorandum items related to the elements of the category

F.2 "Currency and deposits":

m11 denominated in national currency

m12 denominated in foreign currency

m21 liability of resident institutions

m22 liability of rest of the world.

2 Memorandum item: F.m. Direct foreign investment.

Full sequence of accounts for households [cont.]

III.3: Other changes in assets accounts

III.3.1: Other changes in volume of assets account

Changes in assets		Changes in liabilities and net worth	
AN	Non-financial assets	AF	Liabilities
AN.1	Produced assets	K.7	Catastrophic losses
K.4	Economic appearance of produced assets	K.8	Uncompensated seizures
K.7	Catastrophic losses	K.10	Other volume changes in financial assets and liabilities n.e.c.
K.8	Uncompensated seizures	K.12	Changes in classifications and structure
K.9	Other volume changes in non-financial assets n.e.c.	K.12.1	Changes in sector classification and structure
K.12	Changes in classifications and structure	K.12.2	Changes in classification of assets and liabilities
K.12.1	Changes in sector classification and structure	K.12.22	Changes in classification of assets or liabilities other than monetization/demonetization of gold
K.12.2	Changes in classification of assets and liabilities	of which:	
K.12.21	Monetization/demonetization of gold	AF.2	Currency and deposits
K.12.22	Changes in classification of assets or liabilities other than monetization/demonetization of gold	AF.3	Securities other than shares
of which:		AF.4	Loans
AN.11	Fixed assets	AF.7	Other accounts payable
AN.12	Inventories		
AN.13	Valuables		
AN.2	Non-produced assets		
K.3	Economic appearance of non-produced assets		
K.5	Natural growth of non-cultivated biological resources		
K.6	Economic disappearance of non-produced assets		
K.61	Depletion of natural assets		
K.62	Other economic disappearance of non-produced assets		
K.7	Catastrophic losses		
K.8	Uncompensated seizures		
K.9	Other volume changes in non-financial assets n.e.c.		
K.12	Changes in classifications and structure		
K.12.1	Changes in sector classification and structure		
K.12.2	Changes in classification of assets and liabilities		
K.12.22	Changes in classification of assets or liabilities other than monetization/demonetization of gold		
of which:			
AN.21	Tangible non-produced assets		
AN.22	Intangible non-produced assets		
AF	Financial assets		
K.7	Catastrophic losses		
K.8	Uncompensated seizures		
K.10	Other volume changes in financial assets and liabilities n.e.c.		
K.12	Changes in classifications and structure		
K.12.1	Changes in sector classification and structure		
K.12.2	Changes in classification of assets and liabilities		
K.12.22	Changes in classification of assets or liabilities other than monetization/demonetization of gold		
of which:			
AF.2	Currency and deposits		
AF.3	Securities other than shares		
AF.4	Loans		
AF.5	Shares and other equity		
AF.6	Insurance technical reserves		
AF.7	Other accounts receivable		
		B.10.2	Changes in net worth due to other changes in volume of assets

Full sequence of accounts for households [cont.]

III.3.2: Revaluation account

Changes in assets		Changes in liabilities and net worth	
K.11	Nominal holding gains(+)/losses(-) ¹ :	K.11	Nominal holding gains(-)/losses(+) ¹ :
AN	Non-financial assets	80	
AN.1	Produced assets	35	AF Liabilities
AN.11	Fixed assets	28	AF.2 Currency and deposits
AN.12	Inventories	2	AF.3 Securities other than shares
AN.13	Valuables	5	AF.4 Loans
AN.2	Non-produced assets	45	AF.7 Other accounts payable
AN.21	Tangible non-produced assets	45	
AN.22	Intangible non-produced assets	0	
AF	Financial assets	16	
AF.2	Currency and deposits	0	
AF.3	Securities other than shares	6	
AF.4	Loans	0	
AF.5	Shares and other equity	10	
AF.6	Insurance technical reserves	0	
AF.7	Other accounts receivable	0	
		B.10.3 Changes in net worth due to nominal holding gains/losses 96	

¹ Differences between data on individual items and totals of holding gains/losses may not be entirely consistent due to rounding errors.

Full sequence of accounts for households [cont.]

III.3.2.1: Neutral holding gains/losses account

Changes in assets		Changes in liabilities and net worth	
K.11.1 Neutral holding gains (+)/losses (-) ¹ :		K.11.1 Neutral holding gains (-)/losses (+) ¹ :	
AN	Non-financial assets	56	
AN.1	Produced assets	34	AF Liabilities
AN.11	Fixed assets	28	AF.2 Currency and deposits
AN.12	Inventories	2	AF.3 Securities other than shares
AN.13	Valuables	4	AF.4 Loans
AN.2	Non-produced assets	22	AF.5 Shares and other equity
AN.21	Tangible non-produced assets	22	AF.6 Insurance technical reserves
AN.22	Intangible non-produced assets	0	AF.7 Other accounts payable
AF	Financial assets	36	
AF.2	Currency and deposits	17	
AF.3	Securities other than shares	4	
AF.4	Loans	0	
AF.5	Shares and other equity	8	
AF.6	Insurance technical reserves	6	
AF.7	Other accounts receivable	1	
		B.10.31 Changes in net worth due to neutral holding gains/losses 87	

¹ Differences between data on individual items and totals of holding gains/losses may not be entirely consistent due to rounding errors.

III.3.2.2: Real holding gains/losses account

Changes in assets		Changes in liabilities and net worth	
K.11.2 Real holding gains(+)/losses(-) ¹ :		K.11.2 Real holding gains(-)/losses(+) ¹ :	
AN	Non-financial assets	24	AF Liabilities
AN.1	Produced assets	1	AF.2 Currency and deposits
AN.11	Fixed assets	0	AF.3 Securities other than shares
AN.12	Inventories	0	AF.4 Loans
AN.13	Valuables	1	AF.7 Other accounts payable
AN.2	Non-produced assets	22	
AN.21	Tangible non-produced assets	22	
AN.22	Intangible non-produced assets	0	
AF	Financial assets	-20	
AF.2	Currency and deposits	-17	
AF.3	Securities other than shares	2	
AF.4	Loans	-0	
AF.5	Shares and other equity	2	
AF.6	Insurance technical reserves	-6	
AF.7	Other accounts receivable	-1	
		B.10.32 Changes in net worth due to real holding gains/losses 9	

¹ Differences between data on individual items and totals of holding gains/losses may not be entirely consistent due to rounding errors.

Full sequence of accounts for households [cont.]

IV: Balance sheets

IV.1: Opening balance sheet

Assets			Liabilities and net worth		
AN	Non-financial assets	2 822	AF	Liabilities	289
AN.1	Produced assets	1 698	AF.2	Currency and deposits	10
AN.11	Fixed assets	1 423	AF.3	Securities other than shares	2
AN.12	Inventories	97	AF.4	Loans	169
AN.13	Valuables	178	AF.7	Other accounts payable	108
AN.2	Non-produced assets	1 124			
AN.21	Tangible non-produced assets	1 124			
AN.22	Intangible non-produced assets	0			
AF	Financial assets	1 819			
AF.2	Currency and deposits	840			
AF.3	Securities other than shares	198			
AF.4	Loans	24			
AF.5	Shares and other equity	411			
AF.6	Insurance technical reserves	291			
AF.7	Other accounts receivable	55			
			B.90	Net worth	4 352

IV.2: Changes in balance sheet ¹

Assets			Liabilities and net worth		
Total changes in assets			Total changes in liabilities		
AN	Non-financial assets	110	AF	Liabilities	33
AN.1	Produced assets	61	AF.2	Currency and deposits	0
AN.11	Fixed assets	47	AF.3	Securities other than shares	0
AN.12	Inventories	4	AF.4	Loans	28
AN.13	Valuables	10	AF.7	Other accounts payable	5
AN.2	Non-produced assets	49			
AN.21	Tangible non-produced assets	48			
AN.22	Intangible non-produced assets	1			
AF	Financial assets	199			
AF.2	Currency and deposits	68			
AF.3	Securities other than shares	35			
AF.4	Loans	5			
AF.5	Shares and other equity	13			
AF.6	Insurance technical reserves	38			
AF.7	Other accounts receivable	40			
			B.10	Changes in net worth, total due to:	276
			B.10.1	Saving and capital transfers	178
			B.10.2	Other changes in volume of assets	2
			B.10.3	Nominal holding gains/losses	96
			B.10.31	Neutral holding gains/losses	87
			B.10.32	Real holding gains/losses	9

¹ Differences between data on individual items and totals of holding gains/losses may not be entirely consistent due to rounding errors.

Full sequence of accounts for households (cont.)

IV.3. Closing balance sheet ¹

Assets			Liabilities and net worth		
AN	Non-financial assets	2 932	AF	Liabilities	322
AN.1	Produced assets	1 759	AF.2	Currency and deposits	10
AN.11	Fixed assets	1 470	AF.3	Securities other than shares	2
AN.12	Inventories	101	AF.4	Loans	197
AN.13	Valuables	188	AF.7	Other accounts payable	113
AN.2	Non-produced assets	1 173			
AN.21	Tangible non-produced assets	1 172			
AN.22	Intangible non-produced assets	1			
AF	Financial assets	2 018			
AF.2	Currency and deposits	908			
AF.3	Securities other than shares	233			
AF.4	Loans	29			
AF.5	Shares and other equity	424			
AF.6	Insurance technical reserves	329			
AF.7	Other accounts receivable	95			
			B.90	Net worth	4 628

¹ Differences between data on individual items and totals of holding gains/losses may not be entirely consistent due to rounding errors.