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**The Johns Hopkins Comparative  
Nonprofit Sector Project**

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**THE NONPROFIT SECTOR IN THE  
UNITED NATIONS SYSTEM OF  
NATIONAL ACCOUNTS: DEFINITION,  
TREATMENT, AND PRACTICE**

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By  
**Helmut K. Anheier**  
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Working Paper Number 4  
June 1992

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# **WORKING PAPERS**

of the

**The Johns Hopkins Comparative Nonprofit Sector Project**

Lester M. Salamon, Director  
Helmut K. Anheier, Assistant Director

**THE NONPROFIT SECTOR IN THE UNITED NATIONS**

**SYSTEM OF NATIONAL ACCOUNTS:**

**DEFINITION, TREATMENT, AND PRACTICE**

Helmut K. Anheier,  
Gabriel Rudney  
and  
Lester M. Salamon

1992

## PREFACE

This is one in a series of Working Papers produced by The Johns Hopkins Comparative Nonprofit Sector Project, a collaborative effort by scholars in over twenty countries to understand the scope, structure, and role of the nonprofit sector using a common framework and approach.

The Working Papers provide a vehicle for the initial dissemination of the work of the Project to an international audience of scholars, practitioners and policy analysts interested in the social and economic role played by nonprofit organizations in different countries, and in the comparative analysis of these important, but often neglected, institutions.

Working Papers are intermediary products, and they are released in the interest of timely distribution of Project results to stimulate scholarly discussion, and to inform policy debates. A full list of these papers is provided on the inside of the back cover.

The production of these Working Papers owes much to the devoted efforts of our project staff, in particular Regina Rippetoe, as the program manager, and Wendell Phipps, the project's secretary. We also want to express our deep gratitude to our colleagues on this project, to the International Advisory Committee that is helping to guide our work, and to the many sponsors of the project listed at the end of this paper.

The views and opinions expressed in these papers are those of the authors and do not necessarily represent the views or opinions of The Johns Hopkins University, its Institute for Policy Studies, or any of its officers or supporters, or the series' editors.

We are delighted to be able to make the early results of this project available in this form and welcome comments and inquiries either about this paper or the project as a whole.

Lester M. Salamon  
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# THE NONPROFIT SECTOR IN THE UNITED NATIONS SYSTEM OF NATIONAL ACCOUNTS: DEFINITION, TREATMENT, AND PRACTICE

## ABSTRACT

This paper describes how the nonprofit sector is conceptualized in the United Nations System of National Accounts (SNA) and related systems, and identifies some of the rationales underlying the way the sector is defined and treated. The paper compares the UN guidelines to the actual treatment and practice in several countries, and comes up with an overall assessment in terms of scope of coverage and data quality. Finally, in the light of the present revision of the SNA, the paper outlines some implications for the status of the nonprofit sector.

## INTRODUCTION

Evidence from countries included in the Johns Hopkins Comparative Nonprofit Sector Project (Salamon and Anheier, 1992a) suggest that the economic importance of the nonprofit sector has increased worldwide (Anheier, 1991; Kendell and Knapp, 1992; Archambault, 1992; Salamon, 1992). Yet despite its growing importance, the nonprofit sector is the perhaps least understood part of the United Nations System of National Accounts (SNA). As we will see, most countries neglect this part of the national economy when reporting on economic activities. This paper is an attempt to analyze why this is the case. We will first describe how the nonprofit sector is conceptualized in the SNA and related systems and identify some of the rationales underlying the way the sector is defined and treated. Following this, we will compare the UN guidelines to the actual treatment and practice in several countries, and come up with an overall assessment in terms of scope of coverage and data quality. Finally, in the light of the present revision of the SNA, we will outline some implications, and make suggestions aimed at improving the status of the nonprofit sector within the present and future system.

The SNA is a comprehensive system of reporting about activities and transactions in national economies. Together with near identical systems like the European System of Integrated Accounts (Eurostat, 1979), the SNA is unique in the way it provides comprehensive and comparative data cross-nationally. The SNA has evolved over the past four decades, and has undergone several revisions aimed at improving the quality of the system both in terms of the coverage of economic units included and the data reported. Although an introduction to the SNA is beyond the scope of this paper, and can, in any case, be found elsewhere (e.g., Al and Bochove, 1988), it is useful to recall several key elements that make up the structure of the SNA as far as the nonprofit sector is concerned.

## SNA TREATMENT OF THE NONPROFIT SECTOR

The SNA provides a macroscopic view of national economies in terms of activities of, and exchanges between, economic actors or transactors. For convenience, certain types of transactors are grouped into broad classes or sectors. Sectors include transactors that are similar in the way in which they participate in the production and use of goods and services. At the highest level of aggregation, the SNA distinguishes four sectors: enterprises, government, nonprofit institutions, and households. At the next lower level of aggregation, the SNA distinguishes between two additional classes of transactors, production units on the one hand, and financial units such as banks and credit institutions that provide the funds for the production of goods and services, on the other.

The activities and exchanges that occur in each sector of the economy are broadly seen as transactions, i.e., exchanges within and between sectors. Such transactions include two major types: first, flows of goods and services (production); and second, transfers of finances. The non-financial transactors in each sector are engaged in three basic types of economic activity: the production of goods and services, the consumption of goods and services, and the accumulation of capital.

Thus, the production account for each of the sectors includes a cost side (which equals the value of the incoming flows of goods and services from other sectors as intermediate inputs plus the compensation for employees, the consumption of fixed capital, and indirect taxes) and a (gross) output side (which equals the value of the goods and services produced both for sale and own consumption). The value of the gross output less the value of intermediate inputs would equal the value added of the nonprofit sector.

It will be useful to keep in mind several underlying assumptions of the SNA, some of which become clear in their consequences when we examine the definition of the production of market and nonmarket goods and services. First, transactors that make up the enterprise sector are "establishments the activities of which are financed by producing goods and services for sale in the market at a price that is normally designed to cover the cost of production (United Nations, 1968:72)." Such production of goods and services for market sale is called the production of commodities, which is set apart from the production of "non-market" goods and services to be provided by government and nonprofit institutions not via the market mechanism but through some other form of distribution.



Within the logic of the SNA, producers of commodities are by definition market producers selling at market prices to cover their costs. This implies that market producers are not necessarily for-profit producers. In the SNA the notion of the market does not connote profit maximizing behavior. The SNA definition of the enterprise sector includes for-profit businesses as well as cooperatives, own account public utilities, and other public nonprofit enterprises selling at cost but not for profit. Quite apart from market producers, however, are what SNA defines as producers of nonmarket services. These producers sell at prices that do not cover costs either because pricing is difficult (collective goods) or because involuntary or voluntary contributions make the establishment of a market price to cover costs unnecessary.

### Early Treatment of the Nonprofit Sector

The first version of the SNA, completed in 1953, did not classify nonprofit organizations separately. The 1953 SNA envisioned three sectors of the economy: (1) enterprises; (2) households and private nonprofit institutions; and (3) general government (United Nations, 1953:11). Thus, nonprofit organizations were generally grouped together with residents and unincorporated businesses. The basic rationale for this treatment was the notion that these organizations were not producing goods and services that entered the commercial market but rather were vehicles through which households and individuals cooperated to assist each other outside the market. The one exception was a class of nonprofits that the 1953 SNA considered to be part of the enterprise sector because they primarily served businesses. According to the SNA:

"Non-profit institutions serving enterprises . . . , while not principally engaged in commercial activity, are established by particular branches of business in order to increase their efficiency or their earning capacity. These institutions are included among enterprises even though they are not covered by the general definition above" (United Nations, 1964:11). (According to this definition, enterprises include all firms, organizations and institutions which produce goods and services for sale at a price intended approximately to cover the cost of production.)

The early SNA version was less explicit about the relationship between the nonprofit sector and government. Nonprofit organizations serving primarily government were treated differently from those serving business and left in the household sector. This is implicit in the definition of the sector provided in the 1953 SNA:



"Households and Private Non-profit Institutions comprise all individuals who are normal residents and private organizations, whether or not in the form of corporations, such as associations, clubs or foundations, which are not established primarily with the aim of earning a profit and are not primarily rendering services to enterprises."

More specifically, the SNA distinguished the nonprofit sector from enterprises and government in terms of their cost structure:

"The institutions included here are maintained principally through fees and dues from members and grants from enterprises, households and government. In addition, however, they will frequently obtain revenue from direct sales of their services in such forms as fees to private hospitals and schools, and sales of publications" (United Nations, 1953:11).

The SNA thus established a "client/revenue" criterion for defining and classifying the nonprofit sector, and, as we will see, this criterion has largely remained in force through subsequent revisions. According to this criterion, nonprofits were treated as parts of the sector they mostly served and from which they received the majority of their revenue. Thus, business associations were treated as an extension of the corporate world, setting them apart from other nonprofit organizations, including professional associations and unions. So, too, with other nonprofit organizations primarily supported by sales at market prices. Only organizations supported mainly by dues from members and gifts from enterprises, households, and government were treated as nonprofit institutions, and even then they were classified as part of the household sector. Examples of organizations mentioned in the 1953, 1960 and 1964 SNA as falling into this category were trade unions (but not employer and business associations), charitable bodies, clubs, foundations, sport associations, research institutions, schools, universities and hospitals.

### The 1968 Revision

Two subsequent revisions of the SNA (United Nations, 1960:11; 1964:11) saw no change in the definition and treatment of private nonprofit organizations. In 1968, however, far-reaching changes were introduced in the SNA set-up as a whole, and in the way the nonprofit sector was defined and treated in particular. As we shall see, however, the 1968 revision preserved the basic rationale of the 1953 treatment. Since the present SNA essentially maintains the 1968 system, it is useful to examine the 1968 SNA's treatment of the nonprofit sector in more detail.

The heart of the 1968 revision were the three major changes in the definition and treatment of nonprofit organizations: first, whereas the previous SNAs spoke of private nonprofit institutions as a whole, the 1968 SNA explicitly distinguished different types of nonprofit organizations; second, the 1968 SNA designated one particular type -- private nonprofit institutions serving households -- to form a separate economic sector next to business, government and households; and third, nonprofit organizations were identified as performing a role "in certain respects similar to that of some of the producers of government services in that they furnish social and community services to households on convenient terms which would not otherwise be available." (United Nations, 1968:76).

The central thrust of the 1968 revision was to separate out a nonprofit sector differentiated from the household sector of which it was formerly a part, but to do so in a way that retained the basic rationale of the 1953 system, which assigned to the business sector those nonprofits that received half or more of their income from market-type sales. The key to doing this was to broaden the "client/revenue criterion" mentioned above.

Thus, the 1968 revision defined nonprofit institutions serving households as producers that "primarily furnish services to households such as education, medical and dental care, welfare assistance, religion, and cultural, recreational, and social facilities" (United Nations, 1968:76), but that do not cover the costs of these services through sales on the market:

"Though the private nonprofit producers may sell some of their services to households, the receipts from these sales will not fully recover the costs of producing all of these services and goods they furnish . . .

Much of the activities . . . is usually financed through the dues of members, contributions, grants and endowments from individuals, business units and government, and income from property." (United Nations, 1968:76).

More or less explicitly, the SNA introduces two aspects that distinguish nonprofit organizations from others: first, the SNA establishes, in fact, a deficit constraint on the economic behavior of nonprofit organizations. This deficit constraint requiring private or public subsidy is very different from the "non-distribution constraint" that is seen as a major characteristic of nonprofit organizations in the United States and elsewhere (Hansmann, 1987). In other words, the way operating surplus or profits are distributed is irrelevant for the definition of nonprofit and forprofit organizations in the SNA. Rather, what differentiates nonprofit from businesses is that businesses produce (market) commodities to be sold to cover entirely the cost of production whereas nonprofit organizations do not

produce and sell commodities to cover production costs. If they did, they would be classified as businesses and not as nonprofit organizations.

Second, the SNA treats nonprofit organizations as chronically subsidized organizations. The assumed cost function differentiates the nonprofit sector from the other three sectors in ways in which voluntary contributions (donations and grants), and to some extent involuntary contributions such as compulsory levies and taxes, function to subsidize production costs. This, in turn, makes it unnecessary for the organization to cover all production costs through market participation, since not the full amount of costs has to be recuperated via sales.

Market and non-market orientation. The concept of market vs. non-market orientation is crucial to the SNA's assignment of nonprofit organizations. The scope of the separate SNA nonprofit sector is limited to only non-market organizations serving households, individually or collectively. The sector includes entities established to provide certain kinds of individual services which cannot easily be provided on a market basis, and to provide certain kinds of non-market services which are not provided on a collective basis by government.

Private voluntary contributions are the main financial resource of the non-market nonprofits in the SNA nonprofit sector. According to UN specifications, non-market nonprofits are not established for the purpose of generating an income, or providing a financial return. Further, any financial surplus is not for the benefit of owners or those that control or govern them. The inclusion of only non-market nonprofits serving households arises from the SNA intent to assign other nonprofit entities with strong business or government agency characteristics to the corporate and governmental sectors, respectively.

As a result of this categorization and assignment system, the nonprofit sector includes only organizations providing non-market services to individuals. The nonprofits of the SNA nonprofit sector are substantially subsidized by private donations. They provide community (collective) or individual services without charge or at prices or fees not determined by production costs. For example, the SNA private nonprofit sector includes charities, churches, trade unions, political parties, professional associations, etc.

By contrast, nonprofit organizations that receive half or more of their income from market sales are treated not as part of the nonprofit sector but rather as part of the enterprise sector. Similarly, nonprofits that receive half or more of their income from government are treated as part of the government sector.



It becomes clear that within the logic of the SNA, the nonprofit sector becomes a residual, presumably a sector of little importance that neither produces nor sells goods and services in the market. Organizations in the sector are either removed from the market by virtue of their activity (e.g., a social club) or disqualified from market participation through private or governmental subsidies. In fact, the term "private, non-profit institution" is somewhat misleading, since the treatment of the sector would make the label "private, non-market organizations" more appropriate. (This is in fact close to the term used by the French statistical office, INSEE).

Thus, the distinction between market and nonmarket service is important to understand the treatment of nonprofit organizations in the SNA. Eurostat (1979:26) makes the underlying distinction between market and nonmarket services explicit: It distinguishes between the principal function of a transactor and principal resources. The principal function of enterprises is the production of goods and market services; their principal resource are the receipts from sales of output. The principal function of government is the production of non-market services for collective consumption; its principal resources are compulsory levies; finally, the principal function of the nonprofit sector is the production of non-market services for particular groups of households, and its primary resource consists of voluntary contributions made by households as consumers, in addition to income from property, and to some extent, grants from businesses and government.

#### Types of Nonprofit Organizations and Sectoral Allocation

Given this general approach, several different types of nonprofit organizations thus exist, and the 1968 SNA system assigns them to different sectors. The 1953 SNA already introduced the distinction between nonprofit organizations serving businesses and other nonprofits. The 1968 SNA differentiates between several additional types by applying the client/revenue criterion first developed in the 1953 SNA. Thus, the SNA groups nonprofit organizations as shown in Figure 1 for the purpose of assignment to nonprofit, business, government or household sectors:

##### A. Types of nonprofit organizations assigned to the enterprise sector

Nonprofit providing market services. The SNA applies an economic test to distinguish between market and non-market nonprofit operations. Organizations that are identified by the SNA as market producers are those that charge fees or prices which are intended to cover much, if not all, production costs. The organizations may be in education,



Figure 1. Types of Nonprofits

1. Nonprofits providing market goods and services
  - a. Nonprofit providing non-financial services
  - b. Nonprofits providing financial services
2. Nonprofits serving business
  - a. Nonprofits with own business-oriented members
  - b. Other
3. Nonprofits providing non-market goods and services
  - a. Nonprofits serving government
  - b. Nonprofits serving households
    1. Nonprofits with mostly government subsidy
    2. Nonprofits with large business subsidy
    3. Nonprofits with large household subsidy
    4. Nonprofits operated by volunteers or few paid employees
  - c. Nonprofits serving individually-oriented members
  - d. Nonprofits with foreign operations

health, child care, for example. As market producers, the SNA excludes them from the nonprofit sector, and assigns them as businesses to the private corporate sector.

Secondary or subsidiary economic activities are related to the provision of market services. According to the SNA, commercial activities of nonprofit organizations that are operated as secondary or subsidiary economic activities are to be separated from the main activities. In such cases, the commercial activities of nonprofit organizations are part of the enterprise sector, if they constitute separate legal entities.

Nonprofits serving business. Nonprofit associations of businesses created to promote business interests are treated by the SNA as market producers. They include manufacturing and trade associations, chambers of commerce, agricultural associations, employers' associations, research and testing laboratories, etc. The organizations are financed by dues, subscriptions or contributions by members. The SNA considers such financing as payments for services rendered. Hence they are included in the corporate sector as market producers.

Nonprofits providing financial or non-financial services. Among nonprofit market entities, the SNA further distinguishes between organizations with non-financial and financial operations, and assigns them to non-financial and financial subsectors of the corporate sector. For example, business trade associations are assigned to either the non-financial or financial corporate sectors, depending on whether the associations serve non-financial or financial enterprises. The dues and charges are treated as market prices paid for services rendered to association members. Private grant-making organizations (foundations) and community fundraising/grantmaking organizations are excluded from the SNA nonprofit sector. The entities are viewed by the SNA as financial enterprises and the productive aspects of their operations are included in the financial corporate sector.

#### B. Types of nonprofit organizations assigned to government sector

Nonprofits providing non-market services to government. The SNA identifies non-market nonprofits serving government (as in research) and assigns the nonprofits to the government sector.

Government-subsidized nonprofits serving households. Nonprofits frequently provide services to households which are paid for, in whole or in large part, by government. The SNA classifies these entities as government organizations. If the service is free, the SNA treats the transaction as a government transfer to households. If the household makes some

payment, then the partial payment is treated as a purchase of the service from government, not from the nonprofit sector.

### C. Types of nonprofit organizations assigned to nonprofit sector serving households

Nonprofits serving individuals. With these major components of the nonprofit sector excluded, the SNA includes in its nonprofit sector non-market nonprofits providing charitable services to third-party individuals, that is, individuals who are not associated with the nonprofit as members. The nonprofits are funded by donations and subscriptions from individuals, business, or government.

Nonprofits serving their own members. The SNA nonprofit sector also includes associations of individuals organized primarily to provide individual and collective services for the benefit of members themselves. These associations are categorized as non-market producers, and are treated differently from associations of businesses, which are considered to be market producers and which are assigned to the corporate sector. Non-market nonprofits serving individuals include professional and learned societies, political parties, trade unions, consumer associations, churches and religious associations, and social, recreational and sports clubs. The associations also include individuals engaged in community activities such as construction of buildings and infrastructure facilities. The resources of the associations come from members, individuals, and businesses in the community, as well as partial funding from government.

Additional criteria used in the allocation of nonprofit organizations are size and nationality.

Nonprofits operated by volunteers or by few paid employees. The SNA nonprofit sector excludes organizations operated solely by volunteers, and includes only entities which employ at least two full-time workers. A primary SNA concern is the difficulty of collecting data on very small units. The excluded entities are included as units of the household sector, not of the nonprofit sector.

The SNA concept is presumably justified by the fact that small units are established by the joint efforts of individuals, but the units have not matured sufficiently in economic importance to be treated as nonprofit institutions for SNA measurement purposes. Although the difference of minimum employee threshold may not make a substantial impact on financial measurements of the nonprofit sector, the difference does have a substantial impact on the measurement of number of nonprofit entities in a country.



Nonprofits with foreign operations. Some nonprofit organizations operate in more than one country. The SNA utilizes a length-of-time guideline. If a branch or unit of a nonprofit organization has operated in a foreign country for one year or more, the branch or unit is considered as a resident nonprofit of the foreign country and valuation of output, production costs, and other measures associated with the foreign branch are excluded from the data of the organization included in the domestic nonprofit sector.

### Implications

Having examined the various types of nonprofit organizations in the SNA, and the way they are treated in the allocation of transactors to different sectors in the economy, we are now in a better position to understand the SNA definition (Figure 2):

"This sector includes institutions not mainly financed and controlled by general government and employing the equivalent of two or more persons, that furnish educational, health, cultural, recreational and other social and community services to households free of charge or at prices which do not fully cover their costs of production". (United Nations and OECD, 1984:6).

Similarly, the Eurostat (1979:32) defines the sector as follows:

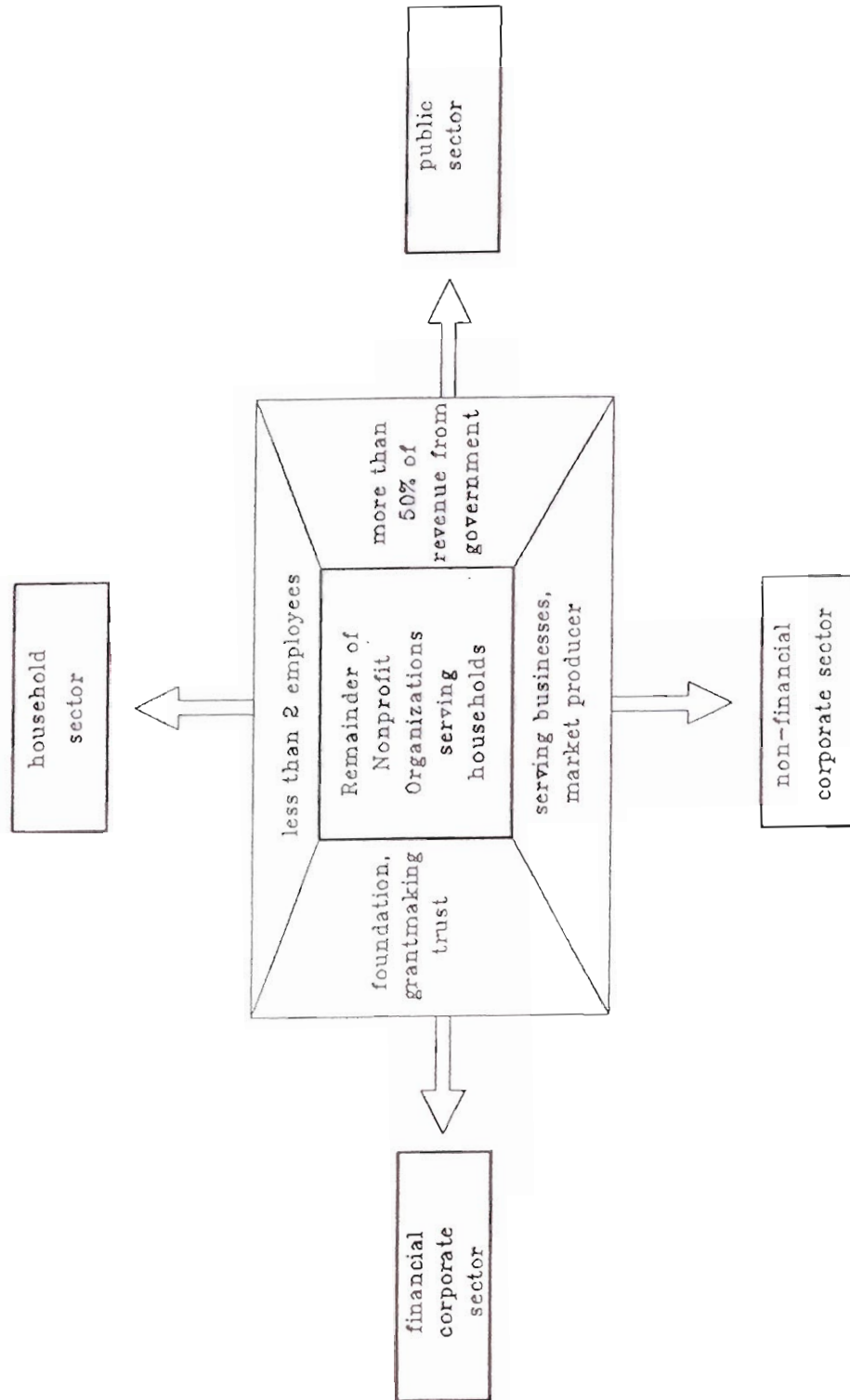
"The sector private non-profit institutions consists of private-nonprofit institutions which are separate legal entities, which serve households and which are principally engaged in the production of non-market services for particular groups of households. Their principal resources, apart from those derived from occasional sales, are derived directly or indirectly from voluntary contributions from households in their capacity as consumers, and from property".

Like the SNA, Eurostat recognizes a larger group of nonprofit institutions, but a smaller nonprofit sector, according to the following classification:

- Nonprofit organizations principally engaged in the production of goods and non-financial services are in the subsector "corporate and quasi-corporate enterprises";
- Nonprofit organizations principally engaged in finance are in the subsector "credit institutions";



Figure 2. Allocation of the Universe of Nonprofit Organizations in the UN System of National Accounts



- Nonprofit organizations principally engaged in insurance are located in the subsector "insurance";
- Nonprofit organizations principally engaged in the production of non-market services are shifted to the sector "general government" if their resources come mainly from government;
- Nonprofit organizations principally engaged in the production of non-market services are classified in the sector "private non-profit institutions" if their resources come mainly from voluntary contributions, or property income.

Eurostat (1979:32) adds that where nonprofit institutions are not very important, they are not included in the nonprofit sector, but treated as part of the household sector. Similarly, the SNA (United Nations, 1984:7) recommends including nonprofit institutions residually in some other sector, usually households, should data coverage of the sector be significantly sparse and incomplete.

The SNA limits the coverage of the nonprofit sector by distinguishing institutions based on their source of funds. Non-market nonprofits serving households which receive largely donations and contributions are included in the SNA nonprofit sector. However, non-market nonprofits serving households primarily supported by government are classified as government establishments. Eurostat specifically designates certain services as market and non-market (1979:25-6; 1970):

- the production of goods is always deemed to be market production;
- the production of specific services (e.g., wholesale services, lodging and catering, transport services, real estate services, communication services, cinemas) is always treated as market production;
- the production of specific services (e.g., services of government, administration of cemeteries, social work, trade unions, religious organizations and learned societies, tourist information) is always a nonmarket production;
- the production of a third group of services is market production if the sale of the service is at market price, independent of what the price is called (i.e., whether it is a charge, fee, duty, voluntary or compulsory contribution of a quasi-fiscal nature); and non-market if the resources of the producer are

mainly from sources other than the sale of output, like government transfers, voluntary contributions, or property income (e.g., refuse disposal and sanitation; schools; research; hospitals, clinics, and other health institutions; social homes; professional associations; employers federation; museums, libraries, or recreation services).

To indicate whether the service is either a market or nonmarket service, Eurostat adds the letter A, B, or C to the appropriate division, classes and groups of the European classification of economic activities, namely Division 9: Other Services (Eurostat, 1985:55-60). Thus, the code 93A indicates an educational service of general government, code 93B would refer to an educational service by private nonprofit organizations, and 93C a market service; code 93B1 indicates nonprofit higher education, and code 93B2 a nonprofit secondary school.

Both Eurostat and SNA classify nonprofit establishments (not institutions) according to specific kinds of economic activity in which they primarily engage. However, in contrast to Eurostat, the SNA classification, or International Standard Classification of All Economic Activities does not separate market from nonmarket services. The groupings are designated as industries. Each industry reflects the grouping of establishments with similar producing characteristics. For example, hospital services, educational services, research services, publication, printing, sale of periodicals provided by nonprofit establishments are classified in their respective industries.

The concept of a SNA industry is more extensive than just the nonprofit content of the industry. The SNA industry includes establishments owned and controlled by individuals, businesses, government agencies, as well as by nonprofit organizations. The SNA makes no distinction by type of ownership in the measurements of an industry.

It is important to note that the SNA, in the allocation of nonprofits to the business and government sectors does not maintain the identity of nonprofit entities in those sectors; yet Eurostat does at least partially.

However, both systems essentially define the nonprofit sector away, at least as it is conventionally conceived. In the U.S., for example, private universities typically receive half or more of their income from fees paid by students. They would consequently be treated as part of the business sector in the SNA system even though U.S. law and practice treat



them as nonprofit organizations. Significant shares of the American nonprofit sector -- in health, social services, and the arts -- are, in fact, excluded from the nonprofit sector under this usage.

### Components of Economic Data

One of the main purposes of the SNA is to provide several key figures on the sectors of national economies, such as gross revenue, value added, consumption and accumulation. In what follows we will briefly examine how data on the nonprofit sector are compiled and handled within the SNA.

Gross revenues. As noted earlier, the scope of the SNA nonprofit sector is limited to non-market organizations serving households. Nonprofits serving business or government are included in the corporate and government sectors respectively, and their revenue and expenditure data are merged with similar data on for-profit and government enterprises respectively.

The SNA does not provide much detail on nonprofit revenue by source. The receipts side of the income and outlay account for nonprofits serving households, as usually published by the SNA, includes operating surplus, property and entrepreneurial income, and current transfers.

The SNA's operating surplus is a consolidation of sources and uses of funds in the normal operation of the nonprofit. Operating surplus is the sum of sales of services and gifts of services (at producer's values) netted against the sum of nonprofit purchases of goods and services, labor costs, fixed capital costs, and indirect taxes paid, reduced by subsidies received.

Property income of nonprofits includes actual and imputed transfers of income accruing from the ownership of financial assets, and ownership of agricultural and other land, patents, copy rights, concessions, and similar intangible assets.

Entrepreneurial income includes income from the nonprofit ownership of business enterprise.

Government and corporations frequently make current transfers to nonprofits in the form of donations and grants. These are treated as current transfers from the government and corporate payers to the current income of the nonprofit organization.



Gross expenditures. For nonprofits serving households, the SNA tabulates the components of gross output expenditures and the components of new physical capital expenditures. The SNA generally measures the value of output of nonprofit services for individuals as equivalent to the costs of production. Production costs include labor and current fixed capital costs and the costs of goods and services purchased by nonprofits to produce their services. Labor and capital costs measure the value added by nonprofits to gross output. Value-added excludes, of course, the cost of nonprofit purchases of goods and services from others.

According to SNA convention, the value added by nonprofits does not include the use of office and other buildings owned and occupied by nonprofits. The SNA rule treats the use as imputed rents received by the nonprofit as a fictional leaser. Net imputed rent after expenses is included in the operational surplus of the nonprofit.

The SNA concept of final consumption expenditures of nonprofit organizations serving individuals is the gross output of the nonprofits less sales of nonprofit output. But the expenditures include the services which the nonprofits produce and consume among themselves.

The SNA's expenditure components of gross output include the following:

	Gross output (producer's value)
<i>less:</i>	Intermediate consumption
<i>equals:</i>	Gross domestic product
<i>less:</i>	Indirect taxes less subsidies
<i>less:</i>	Consumption of fixed capital
<i>less:</i>	Domestic factor incomes
<i>less:</i>	Compensation of employees
<i>equals:</i>	Operating surplus

The SNA's components of new capital formation include the increases in stocks, investments and other outlays for fixed capital, purchases of real estate, and incoming capital transfers.

The SNA's disbursements of nonprofits serving households include final consumption expenditure, property payments, direct taxes, transfers to general government, other current transfers, and net savings.

The SNA is basically a description of an economic system. Its fundamental use is to describe economic institutions and activities and to analyze economic change. It importantly contributes information to economic decision-making. The SNA emphasis is on both private and public economics. The emphasis on private economics is reflected in its separation of private market-oriented nonprofits and nonmarket-oriented nonprofits. The emphasis on public economics is reflected in its separation among non-market-oriented nonprofits those that are substantially dependent on government funds and/or are under government control, and those that are substantially dependent on private sources of support and under private control. This macro-economic orientation plays an important role in SNA assignment of nonprofit institutions to the business, government and household sectors, as well as to the private nonprofit sector. But, the SNA treatment represents an understatement of the nonprofit sector in terms of organizations which may produce market as well as non-market services for social purposes. Nonprofits are often viewed as institutions established primarily for social purposes. Social policy and other societal considerations as well as economics play an important role.

Main aggregates. The SNA data show the contribution the private nonprofit sector serving households makes to the gross domestic product (GDP) of a country. The SNA nonprofit sector's contribution to GDP is understated and the government as well as the business sector are overstated because of the SNA treatment of nonprofits discussed earlier: Large parts of the nonprofit sector are assigned to the government and enterprise sector. The same can be said for the comparison of the value added to output of the SNA nonprofit sector with the value added by other institutional sectors.

Final consumption expenditures by households. The SNA shows the distribution of final consumption expenditure of households by goods and services. The published SNA data show the aggregate provision of nonprofit services. Here also, the consumption of nonprofit services by households is understated and the provision of government services to households is overstated because of the SNA treatment of the nonprofit and government sectors.

Government outlays by function and type. The SNA provides the distribution of government outlays by function and type. The government outlays are overstated in functions in which nonprofits operate because of the SNA practice of assigning certain nonprofits to the government sector as in health and educational activities. The SNA measures the amount government transfers to nonprofits serving households. This amount is understated because it does not include the nonprofits assigned to the government sector by the SNA treatment.

Other data items. Other data items have the same understatement problem with regard to the private nonprofit sector. They include the output and input components of the sector, disbursements and receipts, capital accumulation, etc.

In short, the SNA treatment of the nonprofit sector results in a systematic understatement of the sector's economic activities.

### International Application of the SNA System to Nonprofits

If one makes a cross-country comparison of nonprofits as measured by SNA, it is most likely that most of the differences among countries are due to the impact of these definitional issues relating to the allocation of nonprofit establishments among sectors and the measurement of their activities. Of the total of 168 countries included in the SNA, only France and Japan provide a (near) complete set of data on the nonprofit sector, and thirty other countries report at least partial information on the sector. Using this pool of thirty-two countries as the basis, it is possible to construct a table that reports comparative information on the nonprofit sector. This table is based on data reported in Table 1.9, *Gross Domestic Product by Institutional Sectors of Origin* of the National Accounts Statistic. (Other tables relating to input and output measures, and transfers to nonprofit organizations from the government, enterprise and household sectors, do not yield sufficient data coverage across countries to allow for meaningful comparisons.)

The resulting table, Table 1, reports the sum of the total compensation for employees and the operating surplus for the nonprofit sector. Because of incomplete information on the nonprofit sector's share in subsidies, we decided to relate the domestic factor income (wage bill and operating surplus) of the nonprofit sector to GDP. This means that the actual contribution of the various nonprofit sectors included in Table 1 may be somewhat higher in reality. This is also suggested by data on value added by the nonprofit sector available for Germany (2.03% of GDP) and France (0.25% of GDP). Information on the value added by the nonprofit sector in Italy (approximately 0.33% of GDP) and the United Kingdom (about 1%) can be found in the relevant Eurostat publications.

Table 1 reveals several results. First, there seem to be two groups of countries, those where the nonprofit sector is negligible (France, Cameroon, Congo, Ivory Coast, Sweden), and those where the nonprofit sector appears more prominent (Germany, Japan, U.S., Tonga and Zimbabwe). These are, however, two diverse groups, and data vary not only substantially according to level of development (U.S. with 3.69% versus Congo with 0.08%) and type of economy (U.S. versus a "welfare state" like Sweden with 0.72%).



Table 1. Compensation of Employees and Operating Surplus of the Nonprofit Sector  
in Percent of GDP

COUNTRY	1970	1980	1988
France	0.22	0.26	0.22
Germany	1.18	1.56	1.85
Japan	0.89	1.64	1.85
U.S.	2.76	3.07	3.69
Cameroon	0.42	0.39	0.37
Congo		0.11	0.08
Ivory Coast	0.31	0.32	
Jordan	1.49	1.38	
Solomon Islands			0.92
Sweden	0.75	0.72	
Tonga		3.96	
Zimbabwe	2.22	2.55	2.13

Source: United Nations, 1990, Table 1.9.

Notes:

Cameroon: 1975 for 1970 and 1984 for 1980  
 Congo: 1986 for 1988  
 Solomon Islands: 1986 for 1988  
 Tonga: 1980 only  
 Zimbabwe: 1985 for 1988



Moreover, there are significant differences between countries like Germany, Japan, and the United States on the one hand, and France on the other. Similar differences exist in the sectoral data for developing countries (Tonga with 3.96% and Zimbabwe with about 2% versus Cameroon and Congo, both with less than 0.5% of GDP). Most likely, these differences reveal the impact of issues relating to the allocation of establishments and the measurement of their activities.

The second major result of Table 1 is that countries in the first group seem to report about the same percentage for the nonprofit sector in different years with only minor fluctuations. Countries in the second group, Japan, Germany and the United States in particular, show substantial growth rates between 1970 and 1988. This suggests two conclusions: first, the nonprofit sector in countries where it is economically important experiences higher growth rates than in countries where nonprofit organizations are less important. Second, one may conclude that issues of measurement and allocation are responsible for much of the differences in both the share and the growth rate of the sector. In this likely scenario, one may argue that because countries vary by the way they allocate and measure the nonprofit sector, they will differ in their estimates. Moreover, because of this, some countries will pick up sector growth, while the practice in others will be insensitive to either expansion or decline of the sector's economic activities.

As discussed earlier the SNA includes only parts of the universe of nonprofit organizations to form the nonprofit sector. Within the logic of the SNA, the economic contribution of nonprofit organizations serving households occurs in the form of non-market services that are valued not at market prices but through the addition of major cost components (minus subsidies). Both factors, the exclusion of many nonprofit organizations and the valuation at non-subsidized cost items decrease the nonprofit contribution to GDP. Thus, most countries have been reluctant to follow SNA guidelines in reporting on the sector.

Few countries report on the nonprofit sector in the SNA tables, and most that do, merge nonprofit organizations with the household sector. As mentioned above, of the 168 countries included in the SNA, only France and Japan report all data called for, and another 30 countries provide some information on the sector. This means that more than 130 countries do not report data on the nonprofit sector specifically. Countries reporting on the nonprofit sector usually do so to improve the quality of the government sector and the enterprise sector. By implication, this would also increase the accuracy of the household sector account.

Venanzoni (1981:81) makes a useful comparison in describing the measurement problems countries encounter when attempting to compile data on the nonprofit sector: He compares the nonprofit sector to the insurance industry. Both tend to have about the same share of GDP in some European countries, yet we know much more about the insurance industry than we know about the nonprofit sector. While the basic reason for this is the way nonprofit organizations are conceptualized (Salamon and Anheier, 1992b), Venanzoni points out that the assumed structure and composition of the sector plays an important role, too: In most countries, the nonprofit sector is assumed to be made up of many small, often very different types of organizations, whereas the insurance industry tends to be concentrated in few comparatively large firms, all subject to publicity requirements and public oversight. Thus, it is believed that the composition of the nonprofit sector would make it relatively time-consuming to collect data on nonprofit organizations in relation to the overall GDP contribution of the sector. Given the often strained financial situation at statistical offices in many countries, it is then believed to be economically more feasible to collect data on some other sector, like the insurance industry.

## REVISION OF SNA

As we will see below, in the course of the current SNA revisions, several questions were raised about the future treatment of the nonprofit sector in the SNA (United Nations, 1987). Some countries questioned the utility of having a separate nonprofit sector in its present form; others felt that the allocation of nonprofit institutions to different sectors (enterprises, government, households) needed to be improved.

Two main difficulties emerged as a result of the UN deliberations: First, most countries had only limited knowledge about the nature, type and transactions of institutions classified as nonprofit institutions within the legal and economic framework of their country. As a result, data coverage was poor. Second, countries use different classification systems and ways to allocate and measure nonprofit organizations (Ruggles and Ruggles, 1986:249-30). In fact, many countries failed to implement the SNA system as regards the nonprofit sector and continue to report in accordance with the 1953 SNA version, which merged most nonprofit organizations into the household sector.

As a consequence, the SNA definition and treatment of the nonprofit sector results in a residual sector, rather than a sector *sui generis*. Most countries perhaps rightly feel that the exact classification and measurement of this sector can be neglected relative to other, more important economic areas such as banking or manufacturing. The system based on

the SNA guidelines regarding the nonprofit sector is not, or only partially, implemented. Instead, the sector's contribution is estimated based on selected benchmark data, usually taken from larger charities, churches and political parties. These estimates are then either reported separately for the nonprofit sector, or merged with the household or government sector. These problems and practices are clearly borne out in the summary of statements made by country representatives in the course of the deliberation about the future treatment of the nonprofit sector in SNA provided in Figure 3. It seems that because of the very logic of the SNA, the nonprofit sector faces a dilemma: the SNA definition and treatment reduces its size and importance, which in turn decreases the incentive countries have in seeking adequate reporting about this part of the economy.

Given the inherent ambivalence in the treatment of the nonprofit sector, it is not surprising that the various countries and regions represented in the United Nations expert group on the revision of the SNA report sometimes significant differences in the allocation of specific types of nonprofit organizations (see Appendix). For example, research and scientific institutions are allocated to the government sector in some countries, and to either households or the enterprise sector in others. Depending on the country, labor organizations and unions may be found in either the nonprofit, government or household sector. Thus, similar nonprofit organizations are "allocated in one country or region to one sector and by another country to another sector" (United Nations, 1987:4). With regard to the different practices in the treatment of nonprofit organizations within the European Community (see Figure 3), Eurostat argued that the strict application of the various "nonprofit criteria" would reduce the sector's size significantly. For example, many nonprofit hospitals and schools would have to allocate either to the government or the enterprise sector (Ruggles, 1986:113).

The United Nations expert group on the revision of the SNA examined two central questions regarding the definition and the treatment of the nonprofit sector:

1. "Should private non-profit institutions be considered as a whole instead of making reference only to private non-profit institutions serving households?"
2. "If so, what would be an appropriate definition of private non-profit institutions . . . ?" (United Nations, 1987:4).

Two major positions emerged in the deliberations about the treatment of the nonprofit sector in the future SNA. The first position, recognizing the difficulty of fully implementing the SNA guidelines on the treatment of nonprofit institutions, advocated that



Figure 3. Proposed Treatment of Nonprofit Organizations

USA	It would probably be pragmatic for the SNA to consolidate what has been a separate sector into the accounts of the household sector.
ESCAP	In the context of diverse social structure in the Asian and Pacific countries, for international reports private non-profit institutions serving households should form a sub-sector of the household sector. However, countries already preparing separate accounts for non-profit institutions, for their requirements of social and economic analysis, should continue to follow the SNA. Countries which have not yet compiled accounts for these institutions could combine them with household sector.
ECA	There is a need to take into account traditional savings and credit institutions in sector classification; reject proposal to treat PNPI as a subsector of the households. Recommend retention of present SNA treatment although this gives undue prominence to the PNPI sector in relation to others. Countries could make practical adaptations e.g. some African region countries continue to treat PNPI as part of the household sector. Besides these institutions are financed mostly by the external sources sometime through national governments.
AMERICA-LATINA	Nonprofit institutions should be considered as part of the institutional household subsector which also includes non-financial unincorporated enterprises.
INDIA	Private non-profit institutions serving households should form part of the household sector, as it is not possible to get separate data on them.
EUROPEAN COMMUNITY	The working party agreed that the office should propose in the revision of the SNA, that the private non-profit institutions should be downgraded to a subsector of the household sector. It was noted that this would need to be integrated with other changes proposed, in particular the distinctions between individual and collective consumption. Some participants expressed the view that this may be realistic pragmatic proposal, but it does not to a certain extent represent a step backwards in terms of harmonization. The Federal Republic of Germany, France and Italy will continue to identify the sector for national purposes.

Source: adopted from United Nations, 1987.

the allocation of nonprofit institutions to sectors should be based on whom they serve. Thus, nonprofit institutions serving government would be allocated to the government sector, nonprofit institutions serving enterprises would be part of the enterprise sector, and nonprofit institutions serving households would be put into a subsector of the household sector (International Monetary Fund, 1988:14-15; United Nations, 1987a:7). The adoption of this position would have resulted in the dissolution of the nonprofit sector as a full sector alongside government, enterprises and households.

Whereas the first position resonates with the experience of many countries on the difficulty on collecting adequate data on nonprofit organizations given the current knowledge about the sector (United Nations, 1987), the second position argues that the treatment of the nonprofit sector as a subsector of the household sector would represent a step in the wrong direction: it would have reversed the general policy to improve the SNA (in the course of several revisions) by seeking a closer correspondence between its conceptual and methodological foundations on the one hand, and that of national economies on the other. Contrary to previous SNA revisions, the new SNA would have adjusted itself to the data currently available to national statistical offices, and not the other way around, as had been the previous policy. Thus, merging households and nonprofit institutions would make the whole SNA simpler but not necessarily more correct and useful.

Initially, many countries treated the household sector as a residual sector. This made it difficult to examine trends in income distribution and consumption expenditure within and between countries. Thus, merging nonprofit institutions with households would consequently further reduce the quality of estimates and data not only for the nonprofit sector but also for information needed about the behavior of households. In this respect, the second position advocated to maintain the sector "private nonprofit institutions serving households" while urging statistical offices to improve the quality of data reporting on this set of institutions. This position was most forcefully put forth by Ruggles and Ruggles (1986), when they wrote "it is difficult to see any reason to keep nonprofit organizations in the household sector, apart from lethargy" (1986:249).

After some debate, the expert groups decided to retain the nonprofit sector serving households as a separate account in the future SNA:

"The meeting unanimously recommended that private non-profit institutions serving households will constitute a full sector instead of a sub-sector of the household sector as earlier decided" (United Nations, 1991:4).

In the revised SNA, nonprofit institutions are defined as "legal entities created for the purpose of producing goods or services whose status does not permit them to be a source of income, profit or other financial gain to the units that establish, control or finance them" (United Nations, 1992:27, 72). The nonprofit sector is the set of all resident nonprofit institutions except (i) nonprofit market producers, and (ii) non-market nonprofits either controlled or mainly financed by government.

In the revised SNA, the nonprofit sector includes primarily two kinds of nonprofits (United Nations, 1992:73):

- trade unions, professional associations, learned societies, consumers' associations, political parties, churches and religious societies, and social, cultural and recreational and sports clubs;
- charities, relief and aid organizations financed by voluntary contributions.

## RECOMMENDATIONS

In the 1991 SNA revision, the treatment of the sector and the sectoral allocation of nonprofit institutions will remain virtually unchanged. However, contrary to the 1968 revision, the new SNA guidelines are more likely to be implemented. Thus one may expect that more countries will drop the "residual approach" of moving most nonprofit organizations into the household sector. In addition, one may expect greater homogeneity in the treatment and sectoral allocation of specific nonprofit organizations across countries, and a considerable change in the differences revealed in cross-country comparisons presented in Figures 2 and 3. However, while both expectations would lead to higher estimates of the value added of the nonprofit sector, some of the major measurement factors that are responsible for the underestimation of the sector's economic contribution will remain. Yet for public policy and other purposes, the aggregation of nonprofit organizations into one industry or activity group such as hospitals, education or research, may be important, independent of their allocation to other sectors for SNA purposes.

The optimal way to overcome these problems, would be to change the basic treatment of the nonprofit sector in the SNA system. Instead of defining the nonprofit sector using a "client/revenue criterion," we suggest a "structural/operational definition" based on the underlying operational character of these organizations (Salamon and Anheier, 1992b). This is consistent with the definitions used with the other sectors, which are based



on the character and operations of the organizations rather than their principal source of income. Under this approach, the SNA system would define a set of institutions that meet the basic operational criteria of the nonprofit sector and then separately collect information on the key economic variables related to these organizations.

As a first step toward this ultimate solution to the underestimation problem, SNA may adopt and expand the Eurostat technique of identifying nonprofit institutions even when they are allocated to the corporate, government and household sectors. This would at least provide the means to make reallocations for analytical purposes based on SNA data, such as the establishment of satellite accounts to measure and analyze the contribution of the nonprofit sector in fields like education, health, social services or recreation.

As the nonprofit sector grows in importance, as now seems to be the case, it becomes increasingly important to represent it more fully and fairly in the basic economic reporting systems in the world. Although the recent revision of the SNA system usefully and wisely retained the nonprofit sector as a separate reporting category, important work remains to define the sector more appropriately and to collect the data that will bring it into full focus.

Appendix

Private Non-Profit Institutions by Sector of Allocation, Country/Region and Category

SECTOR	INSTITUTIONS	COUNTRY/REGION
RESEARCH AND SCIENTIFIC INSTITUTIONS		
Enterprise	Research Institutions	ESCAP
Government	Scientific and Research Institutions	India
Government	Research Centers and Institutions	France
Household	Medical Research (Venereal Disease, Tuberculosis, Cancer etc.)	"
EDUCATION SERVICES		
Nonprofit Sector	Non-profit Schools	USA
Nonprofit Sector	Education and Research Institutions	ESCAP
Government	Education Services	France
Enterprise	Other Assocs. in Service, Training Institutes, etc.	ESCAP
Enterprise	Universities	ECA
Nonprofit Sector	Education Services	India
Government	Universities	"
Government	French Association for Technical Education Develop.	France
Government	Establishments of pvt. education under contract	"
Government	Association for management of maritime schools	"
Government	Association for management of agricultural pvt. education	"
Government	Association for promotion of industrial development	"
Government	Association for research and development of methods and ind. processes	"
Government	Association for professional training of adults	"
MEDICAL AND OTHER HEALTH SERVICES		
Nonprofit Sector	Non-profit hospitals	U.S.A
Nonprofit Sector	Hospitals and clinics	ESCAP
Government	Medical and Other Health Services	ECA
Enterprise	Health Services	ECA

Appendix

Private Non-Profit Institutions by Sector of Allocation, Country/Region and Category (cont'd)

SECTOR	INSTITUTIONS	COUNTRY/REGION
WELFARE AND CHARITIES		
Nonprofit Sector	Charitable and Welfare Institutions	U.S.A.
Nonprofit Sector	Religious and Welfare Organizations	ESCAP
Nonprofit Sector	Charitable Institutions	"
Nonprofit Sector	Orphanages and Other Homes	"
Nonprofit Sector	Red Cross	"
Nonprofit Sector	Other Relief Organizations	"
Nonprofit Sector	Charities	"
Government	Welfare Services	ECA
Household	Welfare and Religious Charities	France
Household	Disabled Veteran's Associations	"
Household	Aged, Combatants, Deported and The Resistance Associations	"
Household	Disabled, Paralytic Associations	"
Household	Childhood Assistance Associations	"
Household	Childhood and Adolescents Associations	"
Household	Mutuels	"
Household	Red Cross	"
RECREATION AND AMUSEMENT SERVICES		
Nonprofit Sector	Social and Athletic Clubs	U.S.A.
Nonprofit Sector	Association of Clubs	ESCAP
Government	Recreational Services	ECA
Household	Friends Associations	France
Household	Sport Association	"
Household	Tourism National Association	"
Household	Federation of Hunting and Fishing Associations	"
Household	Young's Associations	"



Appendix

Private Non-Profit Institutions by Sector of Allocation, Country/Region and Category (cont'd)

SECTOR	INSTITUTIONS	COUNTRY/REGION
<b>RELIGIOUS ORGANIZATIONS</b>		
Nonprofit Sector	Religious Organizations	U.S.A
Nonprofit Sector	Religious Organizations	ECA
GOV/Nonprofit Sector	Religious Organizations	ECA
Household	Worship and Religious Associations	France
<b>LABOR AND PROFESSIONAL ORGANIZATIONS</b>		
Nonprofit Sector	Labor Organizations	U.S.A
Nonprofit Sector	Professional and Labor Organizations	ECA
Enterprise	Trade Associations	U.S.A
Enterprise	Chambers of Commerce, Farmers, Industries, etc.	"
Enterprise	Professional Association of Engineers, Economists, Lawyers, etc.	"
Government	Labor Organizations	ECA
Household	Labor Unions	France
Household	Committee of Enterprises	"
Household	(Incl. Charities directly managed and controlled)	"
Household	Art Students Association	"
Household	Artist Home	"
Household	Retired Artist Home	"
<b>CULTURAL ASSOCIATIONS</b>		
Nonprofit Sector	Institution for Promotion of Arts, Cultural, Physical and Mental Health	ESCAP
Government	Association Francaise du Festival International du Film	France
Government	Association Nationale pour La Diff. des films a l'etranger	"
Government	(UNIFRANCE Government Association for support of private theater	"
Government	Association Techniques pour l' action Culturelle (ATAC)	"
Government	Union Centrale des Arts Decoratifs (UCAD)	"

## Appendix

## Private Non-Profit Institutions by Sector of Allocation, Country/Region and Category (cont'd)

SECTOR	INSTITUTIONS	COUNTRY/REGION
	<b>CULTURAL ASSOCIATIONS (Continued)</b>	
Government	Association of co-partnership for voluntary work of youngs	"
Government	Association pour les déplacements a but educatif des jeunes (COGKDP)	"
Household	Musical Associations	"
Household	Literary Circles and Associations	"
Household	History and Archaeology Societies	"
Household	Cine Clubs	"
Household	Aesthetic Societies	"
Household	Archaeology Societies	"
Household	Libraries and centers of public reading	"
Household	Alliance Francaise	"
	<b>CIVIC ASSOCIATIONS</b>	
Nonprofit Sector	Civic Organizations	ECA
Government	Confederation nationale du mouvement francaise pour la planning familial	France
Government	Union Nationale des Associations Familiales (UNAF)	"
Government	Association pour la rehabilitation pour la travail protege	"
Government	Assoc. francaise pour la sauvegarde du l'enfance/l'adolescence (AFSEA)	"
Government	Centre d'entrainement aux methodes d' education active (CEMEA)	"
Government	Union nationale des associations du parents d'enfants inadaptes (UNAPEI)	"
Government	Association francaise de la normalisation (AFMOR)	"
Government	Association de coordination des techniques agricoles (ACTA)	"
Government	Association du coordination techniques pour l'industrie agro-alimentors (ACTIA)	"
Government	Association nationale du developpement agricole (ANDA)	"
Government	Association controls sanitaire etudé et developp. de l'insemin. artif. (ACSDIA)	"

Source: adopted from United Nations, 1987.

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The project utilizes a comparative, empirical approach that relies heavily on a team of local associates in the target countries and involves a network of local advisory committees.

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