

September 2012

# THE MEXICAN NONPROFIT SECTOR IN COMPARATIVE CONTEXT

a publication of  
**THE JOHNS HOPKINS UNIVERSITY**  
**CENTER FOR CIVIL SOCIETY STUDIES (JHU/CCSS)**  
and  
**THE MEXICAN CENTER FOR PHILANTHROPY (CEMEFI)**

JHU/CCSS

**Lester M. Salamon,  
S. Wojciech Sokolowski,  
*and*  
Megan Haddock**

CEMEFI

**Jorge Villalobos,  
Lorena Cortés,  
*and*  
Cynthia Martínez**

with support from  
**THE W.K. KELLOGG FOUNDATION**

## LIST OF ACRONYMS

<b>JHU/CCSS</b>	Johns Hopkins University Center for Civil Society Studies
<b>CEMEFI</b>	Centro Mexicano para la Filantropía (Mexican Center for Philanthropy)
<b>CNP</b>	Comparative Nonprofit Sector Project
<b>FTE</b>	Full Time Equivalent
<b>GDP</b>	Gross Domestic Product
<b>GVA</b>	Gross Value Added
<b>LFFAOSC</b>	Federal Law for the Encouragement of CSO Activities
<b>IFAI</b>	Federal Institute for Access to Public Informa- tion (Instituto Federal de Acceso a la Informa- ción y Protección de Datos)
<b>INEGI</b>	Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography)
<b>JHU</b>	Johns Hopkins University
<b>SNA</b>	System of National Accounts
<b>PAN</b>	National Action Party
<b>NAFTA</b>	North American Free Trade Agreement
<b>NPI</b>	Nonprofit Institution
<b>NPISA</b>	Nonprofit Institution Satellite Account
<b>NPISH</b>	Nonprofit Institutions Serving Households
<b>NPO</b>	Nonprofit Organization
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>PRI</b>	Institutional Revolutionary Party
<b>UN</b>	United Nations
<b>UNSD</b>	United Nations Statistics Division

This is a report comparing the scope, composition, and expenditures of the nonprofit sector in Mexico to its counterparts in other countries. The report draws on the important new source of data on Mexican nonprofit institutions (NPIs) that has resulted from the implementation in Mexico of the **United Nations Handbook on Nonprofit Institutions in the System of National Accounts**, as reflected in the recently issued Nonprofit Institutions Satellite Account produced by Mexico's **National Institute of Statistics and Geography** (INEGI).

This publication was jointly produced by researchers at the **Johns Hopkins University Center for Civil Society Studies** (JHU/CCSS). JHU/CCSS researchers were previously involved in drafting the UN *NPI Handbook*, and have worked with national statistical offices, including that in Mexico, to develop the satellite accounts on the nonprofit sector the *Handbook* calls for. **The Mexican Center for Philanthropy** (CEMEFI) has previously carried out a great deal of research on the nonprofit sector in Mexico and houses the largest directory of non-profit organizations in the country, which includes more than 23,000 institutions. In the case of this report, the empirical findings were prepared by JHU/CCSS researchers<sup>2</sup> drawing on INEGI data as well as data from other countries that have produced NPI satellite account reports, and have been reviewed by researchers from CEMEFI. CEMEFI analysts<sup>3</sup> had principal responsibility for the preparation of the historical section of the report.<sup>4</sup>

The authors are grateful to the W.K. Kellogg Foundation and to the Argentine Centre for the Study of the State and Society (CEDES) for their support of this work.<sup>5</sup> None of these organizations is responsible for any interpretations or estimates offered here, however. That responsibility lies with the authors alone.

In generating the first-ever satellite account on the nonprofit sector in Mexico, the staff of INEGI has done a tremendous service to the Mexican civil society, or nonprofit, sector. The resulting data should be of enormous help to nonprofit and philanthropic leaders as well as to government officials in demonstrating the importance of this component of the economy and in ensuring that this resource for public problem-solving is effectively utilized. We applaud INEGI's decision to carry this work forward by updating this initial satellite account on NPIs on a regular basis in the future.

**Lester M. Salamon**  
Director,  
Johns Hopkins Center  
for Civil Society Studies

**Jorge Villalobos**  
Executive President,  
The Mexican Center  
for Philanthropy

# CONTENTS

<i>Preface &amp; List of Acronyms</i>	<i>i</i>
I. INTRODUCTION	
Background	1
Coverage of this report	3
II. FINDINGS	
1. A significant economic presence	5
2. Mexico in comparison to other countries	9
3. Composition of the Mexican nonprofit sector	12
4. Nonprofit finances	16
III. HOW DID WE GET HERE: THE HISTORY OF THE NONPROFIT SECTOR IN MEXICO	
1. Before 1960	18
2. 1960s & 1970s: The first expressions of autonomous organizations	18
3. 1980s: Growth and diversity of CSOs	19
4. 1990s: Consolidation and plurality	19
5. The civil society sector today	20
IV. CONCLUSION	22
APPENDICES	
<b>Appendix 1:</b>	<b>23</b>
Data tables from the Satellite Account on Non-Profit Insti- tutions in Mexico	
<b>Appendix 2:</b>	<b>29</b>
Defining the nonprofit sector in Mexico	
A.2.1 <i>Current SNA treatment of the NPI sector</i>	29
A.2.2 <i>UN NPI Handbook definition of an NPI</i>	29
A.2.3 <i>NPIs in-scope and out-of-scope in Mexico</i>	30
<b>Appendix 3:</b>	<b>32</b>
Sources, files and variables used in constructing the NPI Satellite Account	
A.3.1 <i>Data sources</i>	32
A.3.2 <i>Data elements</i>	32
<b>Appendix 4:</b>	
Bibliography	34
NOTES	36

## Boxes

- |  |   |
|--|---|
| 1. United Nations NPI <i>Handbook</i> definition of an NPI | 3 |
|--|---|

## Figures

- |  |    |
|--|----|
| 1. GVA, NPIs vs. selected industries, Mexico 2008  | 6  |
| 2. Employee compensation, NPIs vs. selected industries, Mexico 2008                                    | 7  |
| 3. Labor share of GVA in Mexico, NPIs vs. total economy  | 8  |
| 4. NPI share of total employment, by country   | 9  |
| 5. NPI employee compensation as a share of total compensation,<br>by country                           | 9  |
| 6. NPI contribution to GDP including volunteers, by country  | 10 |
| 7. Volunteers share of total value added by NPIs in Mexico   | 10 |
| 8. Value of volunteers as a share of NPI total value added, by country                                 | 11 |
| 9. Distribution of NPI GVA, by field, SNA basis, Mexico 2008   | 12 |
| 10. Distribution of NPI employee compensation, by field, Mexico 2008                                   | 13 |
| 11. Distribution of imputed value added by volunteers in Mexico,<br>by field                           | 14 |
| 12. Distribution of FTE volunteers in Mexico, by field   | 14 |
| 13. NPI share of GVA in selected industries, Mexico 2008   | 15 |
| 14. NPI share of employee compensation in selected industries,<br>Mexico 2008                          | 15 |
| 15. Distribution of Mexican NPI operating expenditures, 2008   | 16 |
| 16. Intermediate consumption vs. employee compensation shares of<br>NPI operating expenses, by country | 17 |

## Tables

- |   |    |
|---|----|
| 1. Measures of the NPI sector size, Mexico 2008   | 5  |
| 2. Distribution of NPI GVA among types of fields, Mexico vs.<br>15-country average  | 13 |
| 3. A.1 Production account, employee compensation, and private<br>employment of the NPIs, by major industry, 2008  | 24 |
| 4. A.2 Production account, employee compensation, and private<br>employment of the NPIs in education, by subfield, 2008                                     | 25 |
| 5. A.3 Production account, employee compensation, and private<br>employment of the NPIs in health and social assistance,<br>by subfield, 2008               | 26 |
| 6. A.4 Number of persons volunteering, by selected activity field,<br>by sex, 2008  | 27 |
| 7. A.5 Number of FTE volunteers, by selected activity field,<br>by sex, 2008  | 27 |
| 8. Production account with non-market output of market NPIs,<br>employee compensation, and value of volunteer input of the NPIs,<br>by major industry, 2008 | 28 |

- |  |      |
|--|------|
| <b>Appendix Figure A.1</b>   | 2,29 |
| Allocation of NPIs among institutional sectors of the 1993 SNA and<br>grouped together in an NPI Satellite Account |      |

# INTRODUCTION

This report compares the scope, composition, and expenditures of the Mexican nonprofit sector to its counterparts in 15 other countries. The report draws on data from the first-ever Nonprofit Institution (NPI) Satellite Account produced by Mexico's National Institute of Statistics and Geography (INEGI) in compliance with the recently issued United Nations *Handbook on Nonprofit Institutions in the System of National Accounts* (UN NPI Handbook) as well as comparable NPI satellite account data produced by the statistical offices of the 15 other countries.<sup>6</sup>

Satellite accounts are developed in order to present a more detailed picture of a particular section of the economy than is available through established statistical reporting procedures.

## BACKGROUND

The idea of creating a satellite account on the nonprofit sector reflects the increased recognition in recent years of the distinctiveness of nonprofits as economic actors and of the important role that nonprofit institutions often play in the delivery of public services and in the expression of public sentiments. NPIs are different from private businesses because they do not distribute any profit, or surplus, they may earn to shareholders, directors, or members, which allows them a certain degree of independence from market forces. They are also institutionally separate from government, and therefore not subjected to the same policy constraints as government agencies. As a result, NPIs are believed to make special contributions to the solution of public problems and the enrichment of national life.<sup>7</sup>

Until recently, reliable data on nonprofit institutions were scarce or non-existent in most countries, which posed a serious obstacle to assessing the role these organizations play in national life. An important reason for this has been the treatment of nonprofit institutions in the System of National Accounts, the guidance system for the collection and reporting of economic data by national statistical agencies around the world.<sup>8</sup>

The first effort to overcome these limitations and develop internationally comparable data on the size and scope of the nonprofit sector in Mexico was completed in 1999 by Gustavo Verduzco, Professor and Researcher at El Colegio de Mexico, as part of the **Johns Hopkins Comparative Nonprofit Sector Project** (CNP).<sup>9</sup> His work in the late 1990s to portray the basic contours of the nonprofit and volunteer sector, and to document its size and revenue, was a landmark study that established a conceptual framework for defining this set of institutions and their activities in Mexico.<sup>10</sup> More recently, research carried out by Jacqueline Butcher de Rivas sought to capture more reliable estimates of the amount and character of volunteer effort in Mexico.<sup>11</sup> These initial private research efforts demonstrated that the nonprofit and volunteer sector in Mexico represents a significant economic force, but also highlighted the need for the production of regularly updated, official data on the sector.

To this end, INEGI responded to the issuance in 2003 by the United Nations Statistical Division (UNSD) of the new *UN NPI Handbook* by committing itself to developing the satellite account on nonprofit institutions that this *Handbook* calls for. Developed in partnership with the Johns Hopkins University Center for Civil Society Studies, and drawing largely on the methodology pioneered by CNP, the *UN NPI Handbook* offers governments a useful methodology for preparing satellite accounts on nonprofit institutions as part of their regular national accounts data-collection and reporting.

The System of National Accounts (SNA) is a coherent, integrated set of macroeconomic accounts, balance sheets, and tables that government statistical agencies use to form the basis for developing estimates of their national economies (e.g., estimates of GDP). It is based on a set of internationally agreed concepts, definitions, classifications, and accounting rules. These accounts provide a comprehensive and detailed record of the complex economic activities taking place within an economy and of the interactions among the different economic actors.<sup>12</sup>

Although the SNA is an invaluable tool for measuring the economic activities of countries, its ability to provide a clear picture of the nonprofit sector has long been restricted by a methodological approach that buries significant portions of this sector in the business and government sectors, and thus only permits a portion of the nonprofit sector to be visible in the statistical data. In particular, as illustrated in **FIGURE 1.1** below, nonprofit organizations that either serve businesses (e.g., chambers of commerce) or receive substantial parts of their revenue from what are considered “market sales” (even if these sales are partially subsidized by government), are allocated to the business sector in the national accounts and lose their identity as nonprofit institutions. Similarly, organizations that receive substantial portions of their income from government are allocated to the government sector in national accounts even when they otherwise fit the *UN NPI Handbook’s* definition of a nonprofit institution. Since many nonprofits receive significant parts of their revenue in the form of such fees or payments from private individuals, from government contracts or voucher payments, or from government grants, only a very small portion of the entire nonprofit sector has been identifiable in the national accounts sector supposedly set aside for nonprofits (the Nonprofit Institutions Serving Households sector, or NPISH).

As the figure shows, the *UN NPI Handbook* addressed this limitation by developing a methodology for identifying all NPIs, regardless of the source of their income or the sector to which they have consequently been assigned, and reporting them all together.

**FIGURE A.1**

**Allocation of nonprofit institutions among institutional sectors of the SNA and their treatment in an NPI Satellite Account**

TYPE OF INSTITUTIONAL UNIT	SECTORS OF THE SNA					NONPROFIT INSTITUTIONS SATELLITE ACCOUNT
	Non-financial corporations sector (S.11)	Financial corporations sector (S.12)	General government sector (S.13)	Households sector (S.14)	NPISH Sector (S.15)	
CORPORATIONS	C <sub>1</sub>	C <sub>2</sub>				N = ΣN <sub>i</sub>
GOVERNMENT UNITS			G			
HOUSEHOLDS				H		
NONPROFIT INSTITUTIONS	N <sub>1</sub>	N <sub>2</sub>	N <sub>3</sub>	N <sub>4</sub>	N <sub>5</sub>	

## COVERAGE OF THIS REPORT

The Mexican satellite account follows the guidance provided in the UN *NPI Handbook* by defining the nonprofit (NPI) sector as the set of organizations that do not distribute any profits they may earn to their owners or directors, that are institutionally separate from government, that are self-governing and able to put themselves out of business, and in which participation is non-compulsory.<sup>13</sup>

In the context of Mexico, the following types of entities were considered by INEGI to meet the UN *NPI Handbook* criteria for nonprofit institutions and are thus covered by this report (for further detail see **Appendix 2**):

- a) Associations (consumer, professional, scientific, industrial, manufacturing, and agricultural)
- b) Foundations
- c) Clubs (social, sports, cultural, and recreational)
- d) Nonprofit organizations (NPO)
- e) Private assistance institutions (PAI)
- f) Private assistance associations (PAA)
- g) Private charity institutions (PCI)
- h) Research institutions that make their results publicly available at free or reduced prices
- i) Civil associations
- j) Religious entities
- k) Unions
- l) Political parties
- m) Chambers of commerce
- n) Employers organizations
- o) Housing and social solidarity cooperatives
- p) Private universities, if they have a legal nonprofit status as identified above
- q) Certain units that are allocated to the government sector in the Mexican national accounts, presumably because they receive substantial shares of their income from public sector sources, but have a separate legal identity and management autonomy that qualifies them as NPIs according to the UN *NPI Handbook* and INEGI analysts. Examples of these organizations include:<sup>14</sup>

### BOX 1

#### UN *NPI Handbook* definition of an NPI

The UN *NPI Handbook* defines NPIs as units that are:

- ✓ Organizations
- ✓ Non-profit distributing
- ✓ Institutionally separate from government
- ✓ Self-governing
- ✓ Non-compulsory

- 
- State universities
  - Public research centers
  - National Human Rights Commission (CNDH)
  - Federal Elections Institute (IFE)
  - National Institute of Statistics and Geography (INEGI)
  - National Autonomous University of Mexico (UNAM)
  - Autonomous Metropolitan University (UAM)
  - Autonomous Chapingo University (UACH)
  - National Institute of Ecology
  - General Hospital of Mexico
  - National Institute of Cancer
  - Mexican Museum of History
  - Museum of Natural History in Cd. Victoria

Not included in the satellite account are market producers, including cooperatives that distribute profits to their members; units controlled by public entities; and entities that take the legal form of associations but are otherwise out-of-scope of the NPI definition.

These inclusions and exclusions in the Mexican NPI satellite account appear generally consistent with the UN *NPI Handbook* guidelines. At the same time, it is important to note that the legal form of certain quasi-governmental bodies treated as NPIs in Mexico—such as INEGI, the Central Bank of Mexico, and the National Autonomous University of Mexico—is apparently different from that in most other countries that have completed the NPI satellite account, leading to the inclusion of these institutions in the Mexican NPI sector. This is significant because, although they comprise less than 1 percent of all NPI units in Mexico, these quasi-governmental NPIs constitute a significant share of the entire Mexican NPI sector’s economic weight. Because of this, we report data on these entities separately at several points so as to help readers understand the relative size of these components of the country’s NPI sector.

## 1 • A SIGNIFICANT ECONOMIC PRESENCE

In 2008, nonprofit institutions in Mexico employed slightly more than 1 million paid workers.<sup>15</sup> In addition, these organizations attracted volunteers whose collective contributions of time translate into the equivalent of another roughly 320,000 full-time equivalent (FTE) workers, bringing the total paid and volunteer workforce of Mexico's NPIs to approximately 1.3 million workers.<sup>16</sup> These workers produced goods and services that contributed 237.6 billion pesos to the Mexican economy.

To make these numbers understandable, it may be useful to compare the size of the nonprofit sector in Mexico to Mexico's other major industries, as well as to NPI sectors in other countries on which comparable data are available. These comparisons reveal that the size of the NPI sector in Mexico is relatively substantial when measured in terms of employment but considerably smaller when measured in terms of contribution to the country's gross domestic product. As noted below, this is partly because wages in Mexico's nonprofit sector are low compared to those in other economic sectors and partly because of how "value added" to the gross domestic product (GDP) is measured.

The most common approach to measuring the scale of an industry or economic sector is to look at how much value it adds to the national economy.<sup>17</sup> In Mexico, the NPI sector contributed 237.6 billion pesos to the Gross Value Added (GVA) in 2008, which represents 2 percent of the total GVA, as reported in TABLE 1. Nearly two thirds of the GVA (62 percent, or 147.8 billion pesos) was contributed by the "publicly funded" NPIs (those allocated to the government sector under the SNA rules), while the remainder (38 percent or 89.8 billion pesos) resulted from the economic activities of the NPIs allocated to the other sectors.<sup>18</sup> This is somewhat surprising given that publicly funded NPIs account for less than 1 percent of the total number of organizations, but this segment of the NPIs includes some very substantial institutions, like the National Autonomous University and several major hospitals.

As Table 1 also shows, if the value of volunteer work is added to the value added by NPI paid workers, the total value added accounted for by Mexican NPIs would increase to 2.2 percent.

# FINDINGS

### TABLE 1

#### Measures of the NPI sector size, Mexico 2008

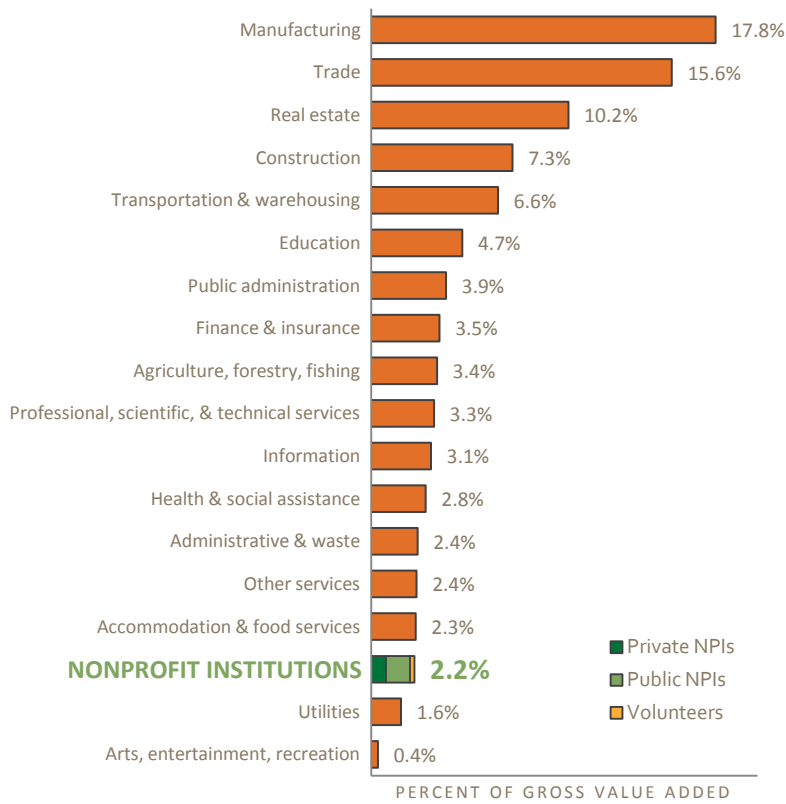
MEASURE	PUBLICLY FUNDED NPIs	OTHER NPIs	ALL NPIs
<b>Gross Value Added:</b>			
Value [Paid workers](MXN billion)	147.8	89.8	237.6
Value [Volunteer time]			28.6
Share of total GVA [Paid workers]	1.2%	0.8%	2.0%
Share of Total GVA [Volunteers]			0.2%
Share of Total GVA [Paid + volunteer]			2.2%
<b>Employee Compensation:</b>			
Value (MXN billion)	125.2	46.2	171.4
Share of total employee compensation	3.7%	1.4%	5.0%
Value of volunteers as a percent of total employee compensation			0.8%
Share of employee compensation + volunteers*			5.9%
<b>Workforce:</b>			
Paid workers	508,100	497,070	1,005,170
Volunteers			323,791
<b>TOTAL</b>			<b>1,328,961</b>
Share of total Mexican workforce			3.6%
Share of total paid employment w/o volunteers			2.7%

\* Figures may not be additive due to rounding.



**FIGURE 1**

**Gross Value Added, NPIs vs. selected industries, including volunteers, Mexico 2008**



Source: INEGI

As shown in **FIGURE 1**, this puts the NPI sector in Mexico well ahead of the value added by the utilities industry and the arts, entertainment, and recreation industry, and quite close to accommodation and food services. However, the NPI sector ranked below most other industries in terms of GVA.

A far different, and likely more accurate, picture of the relative importance of the nonprofit sector in the Mexican economy emerges from data on the nonprofit workforce, both paid and volunteer. This is so for several reasons. First, nonprofits tend to concentrate in labor-intensive service industries, many of which have low wages. Second, these organizations provide a substantial amount of services at free or reduced prices to recipients. Finally, these organizations utilize many volunteers who do not receive compensation for their services but who make important contributions. In Mexico, the total amount of time contributed by volunteers in 2008 was equivalent to 323,791 FTE jobs, whose monetary value is conservatively estimated at 28.6 billion pesos, or 0.2 percent of the GDP, and this is without including the volunteering carried out in religious organizations. Therefore the workforce employed to deliver these services is usually the most direct indicator of the scale of nonprofit activity in most countries.

However, although we have estimated the total paid workforce at 1 million employees and the total paid and volunteer workforce at 1.3 million FTE workers—or about 3.6 percent of the overall workforce in the country—this is based on a rough estimate of the workforce in the predominantly publicly funded NPIs since actual employment data on these organizations are not currently available.<sup>19</sup> One useful substitute for employment data, however, is the amount of compensation paid to employees. Using this as a measure, it turns out that the Mexican NPI sector spent 171.4 billion pesos on employee compensation. This represents 5.8 percent of total employee compensation with the imputed value of volunteer time included, and 5 percent without volunteers.

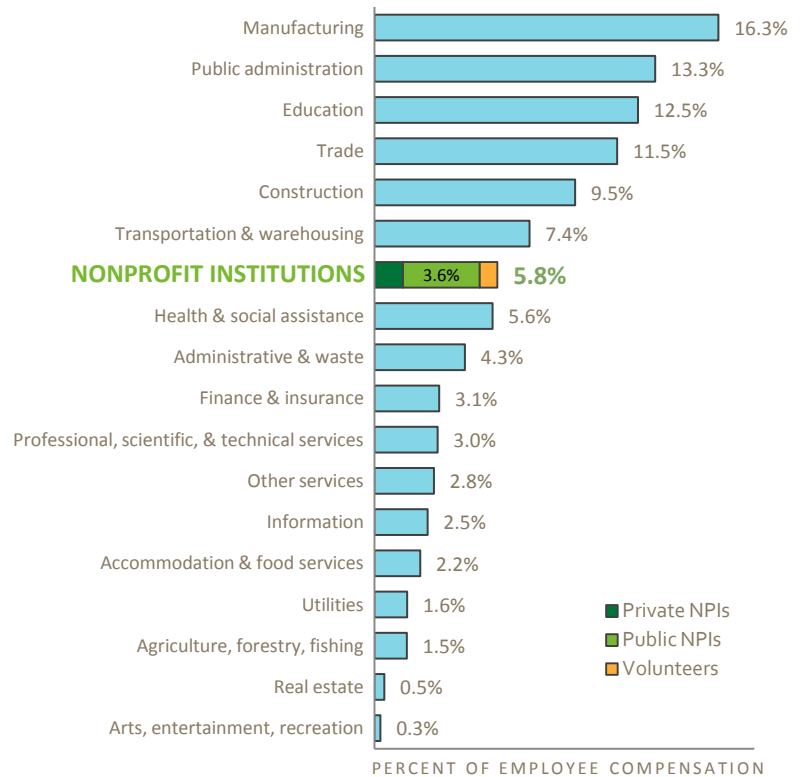
To put this into context, **FIGURE 2** compares the NPI share of Mexico's total employee compensation as of 2008 to that of the country's major industries. By this measure, the NPI sector accounts ranks 7<sup>th</sup> out of 18 industries, ahead of health and social services; administrative and waste management; finance and insurance; professional, scientific, and technical services; information services; accommodation and food services; utilities; agriculture, forestry and fishing; real estate; arts, entertainment, and recreation; and other services.<sup>20</sup>

How do we explain this apparent discrepancy in the measures of the NPI sector's relative size in Mexico? There are two possible answers: a) differences in employee compensation, and b) differences in the labor share of value added.

**a) Differences in employee compensation.** The value added to the economy by an institutional unit depends, to a large extent, on the value of the labor time it engages. The higher the employee compensation, the higher the value of goods and services added to the national economy. Likewise, if the compensation of employees in a particular sector of the economy is lower than that in other sectors, the value added of that sector will also be lower, even though the number of people it employs may be relatively high. In many countries nonprofits pay lower wages than for-profit businesses in order to make their services more affordable. This difference in wages represents a form of charitable contribution that nonprofit workers make to the beneficiaries of their services, but these lower wages could also lower their contribution to GDP.

There is some evidence that this is the case as well in Mexico, though definitive evidence is not available because of the absence of data on the actual size of the workforce in the predominantly publicly funded NPIs. Among the other NPIs, however, average wage levels do appear depressed. Compared to the average annual compensation of 246,418 pesos in the public administration, the average annual compensation of workers in the NPIs for which we do have employment and compensation data is a much lower 93,000 pesos. The complicating factor is that these organizations account for only 27 percent of all NPI employee compensation in Mexico while the publicly funded NPIs account for the other 73 percent. Since we do not have actual data on the average annual compensation of workers in these organizations it is hard to be sure what role lower worker compensation plays in explaining the disparity between the relative size of the Mexican nonprofit sector when measured in terms of employment and employee compensation vs. the relative size when measured in terms of value added.

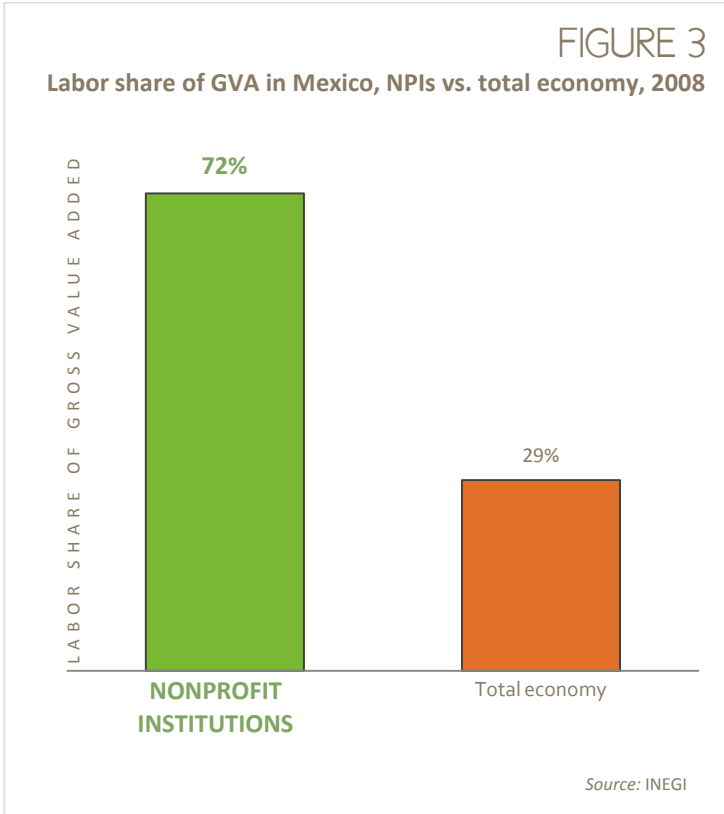
**FIGURE 2**  
Employee compensation, NPIs vs. selected industries, including volunteers, Mexico 2008



Source: INEGI

FIGURE 3

Labor share of GVA in Mexico, NPIs vs. total economy, 2008



**b) Differences in the presence of factors included in the measurement of value added.** While employee compensation represents a major component of value added, profits, savings, and taxes paid to government represent other significant components. Therefore, quite apart from the absolute scale of employee compensation, a sector that generates a larger surplus and therefore has a higher profit will have a higher value added than a sector that does not generate a surplus and also has lower savings. Since nonprofits often operate in fields where margins are slim, are prevented from distributing profits, and are therefore not profit-maximizers, it stands to reason that their value added is likely to be lower than that of comparable establishments that do.

One way to assess this is to examine the share of value added accounted for by labor compensation as opposed to profits and other possible sources. This is done for Mexico in **FIGURE 3**. What this figure shows is that among NPIs in Mexico, labor accounts for most (72 percent) of the value added contributed by NPIs whereas the other factors account for a much smaller 28 percent. By contrast the reverse is true for the economy as a whole, which generates the majority (71 percent) of its value added from profits, savings, taxes, and assorted factors and only 29 percent from labor compensation.

The actual size of the NPI sector in Mexico thus falls somewhere between these two measures – contribution to GVA (2.2 percent including volunteers) and employment as measured by share of employee compensation (5.8 percent including volunteers). Our tentative analysis suggests that the actual size of the NPI sector in Mexico is closer to 3.6 percent of the economy measured by the total number of persons employed and the full-time equivalent number of volunteer workers.<sup>21</sup>

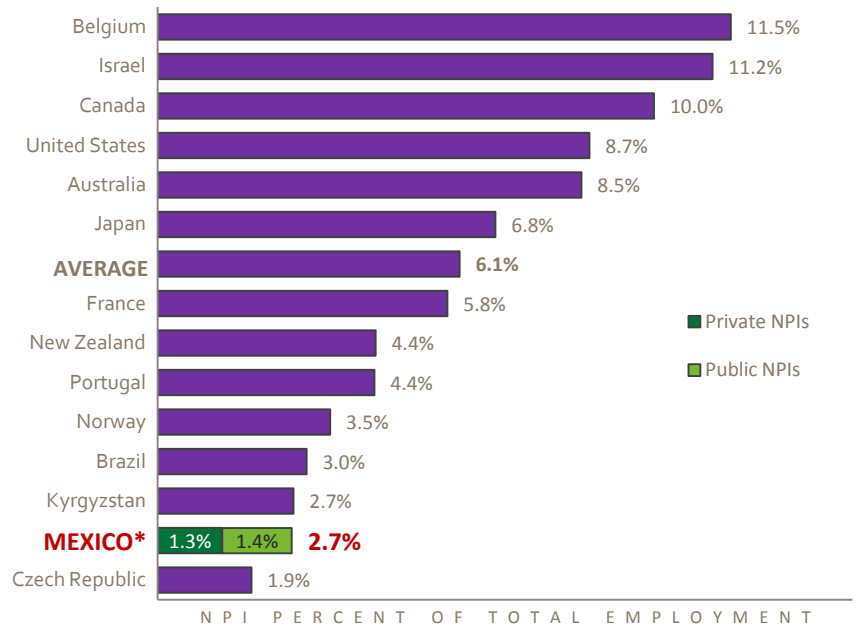
## 2 • MEXICO IN COMPARISON TO OTHER COUNTRIES

In addition to Mexico, 15 other countries have produced NPI satellite accounts to date, which makes it possible to gauge the scale of the NPI sector in Mexico by comparing it to that in other countries. This comparison can be made using three different variables: the NPI share of the paid workforce, the NPI share of employee compensation, and the NPI share of value added.

**Workforce.** Looking first at the size of the NPI paid workforce as we have conservatively estimated it, Mexico ranks above the Czech Republic and close to Kyrgyzstan and Brazil, but below the other countries on which data have been assembled, as shown in **FIGURE 4**.

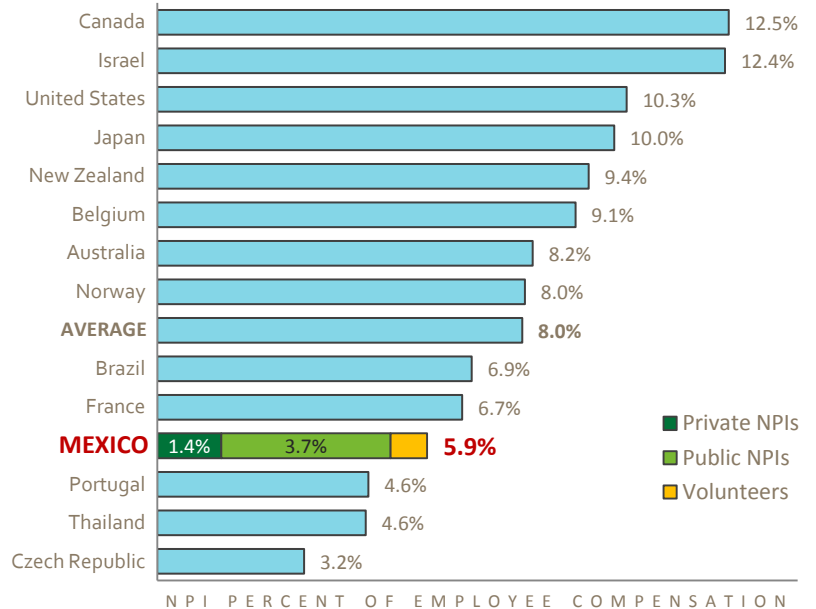
**Share of employee compensation.** Using the share of employee compensation as the measure of NPI economic activity, a slightly different picture emerges. Using this measure, as shown in **FIGURE 5**, Mexico ranks eleventh of the 14 countries for which such data are available, ahead of Portugal, Kyrgyzstan, and the Czech Republic, but behind France, Brazil, and nine other countries.

**FIGURE 4**  
NPI share of total employment, by country



\* Paid employment only; see note 15 for derivation of the Mexico estimate  
Source: JHU/CCSS

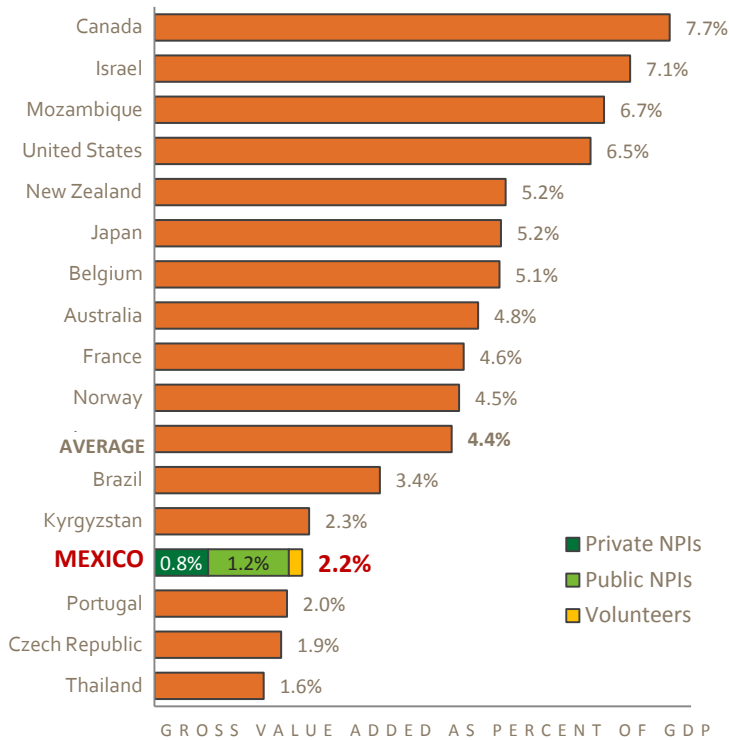
**FIGURE 5**  
NPI employee compensation as a share of total compensation, including volunteers, by country



Source: Mexico - INEGI, All other countries - JHU/CCSS

FIGURE 6

NPI contribution to GDP, including volunteers, by country

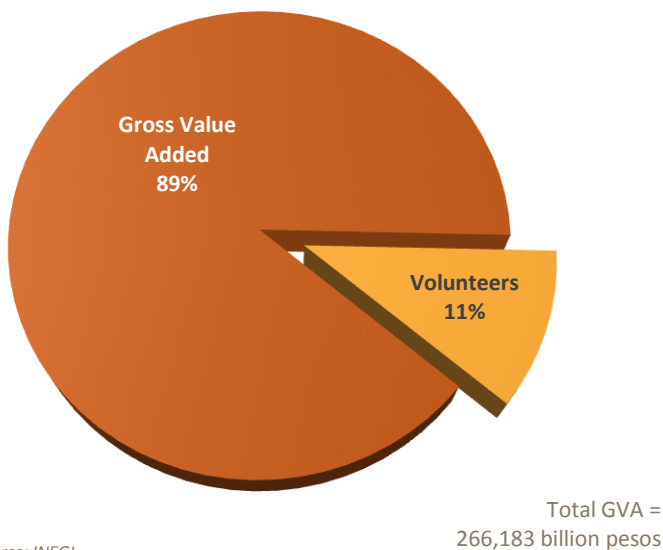


Source: Mexico - INEGI, All other countries - JHU/CCSS

**Contribution to value added.** Contribution to value added. Finally, with the contribution to value added as the metric for gauging the economic contribution of the Mexican NPI sector, Mexico’s NPI sector ends up ahead of, or on a par with, four other countries—Portugal, Kyrgyzstan, Thailand, and the Czech Republic—but still well below the international average, as shown in **FIGURE 6**.

FIGURE 7

Volunteers share of total value added by NPIs in Mexico



Source: INEGI

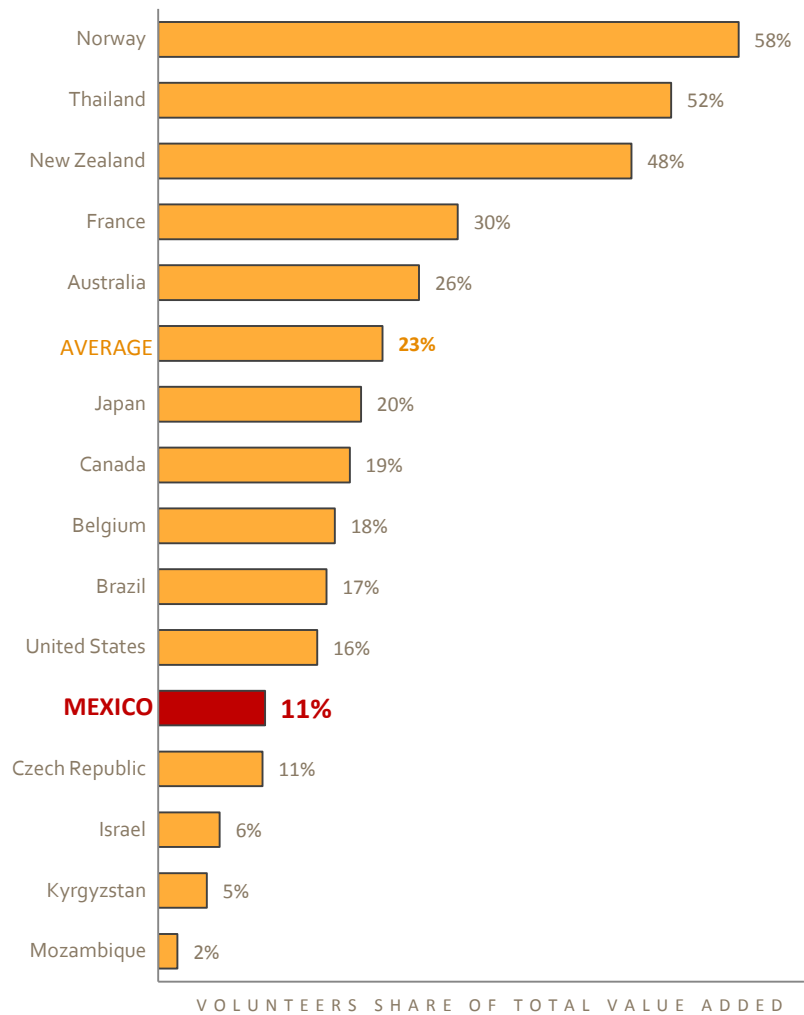
**Volunteers.** Finally, one further dimension in terms of which it is useful to compare the Mexican NPI sector to its counterparts elsewhere is its use of volunteers. As we have seen, Mexican NPIs utilize substantial numbers of volunteers, which translate into the equivalent of nearly 324,000 FTE workers. Using our rough estimate of employment in the Mexican NPI sector, this represents nearly one-quarter of the sector’s workforce. When converted into economic terms by applying an equivalent replacement-cost wage to the hours of volunteer work, this represents 11 percent of the total NPI contribution to the country’s value added, as shown in **FIGURE 7**.

While the volunteer contribution in Mexico is substantial, it still lags somewhat behind the average in other countries. Thus, as shown in **FIGURE 8**, the volunteer share of NPI value added in Mexico, at 11 percent, is higher than that in the Czech Republic, Israel, Kyrgyzstan, and Mozambique, but below the international average of 23 percent.

In sum, regardless of which measure is used—employment, employee compensation, volunteering, or contribution to GVA—the NPI sector in Mexico is relatively small in comparison to its counterparts in other countries. One possible reason for this may be gleaned from Mexico’s political history. As outlined more fully in Section 4 below, the single party rule of the National Revolutionary Party (PRI) that came to power in 1929 and ruled for most of the 20<sup>th</sup> century hindered the development of a vibrant civil society sector. As a result, Mexico ended up with a smaller civil society sector than might be expected given its level of economic development (Rueschemeyer et. al 1992: 200).

**FIGURE 8**

**Value of volunteers as a share of NPI total value added, by country**



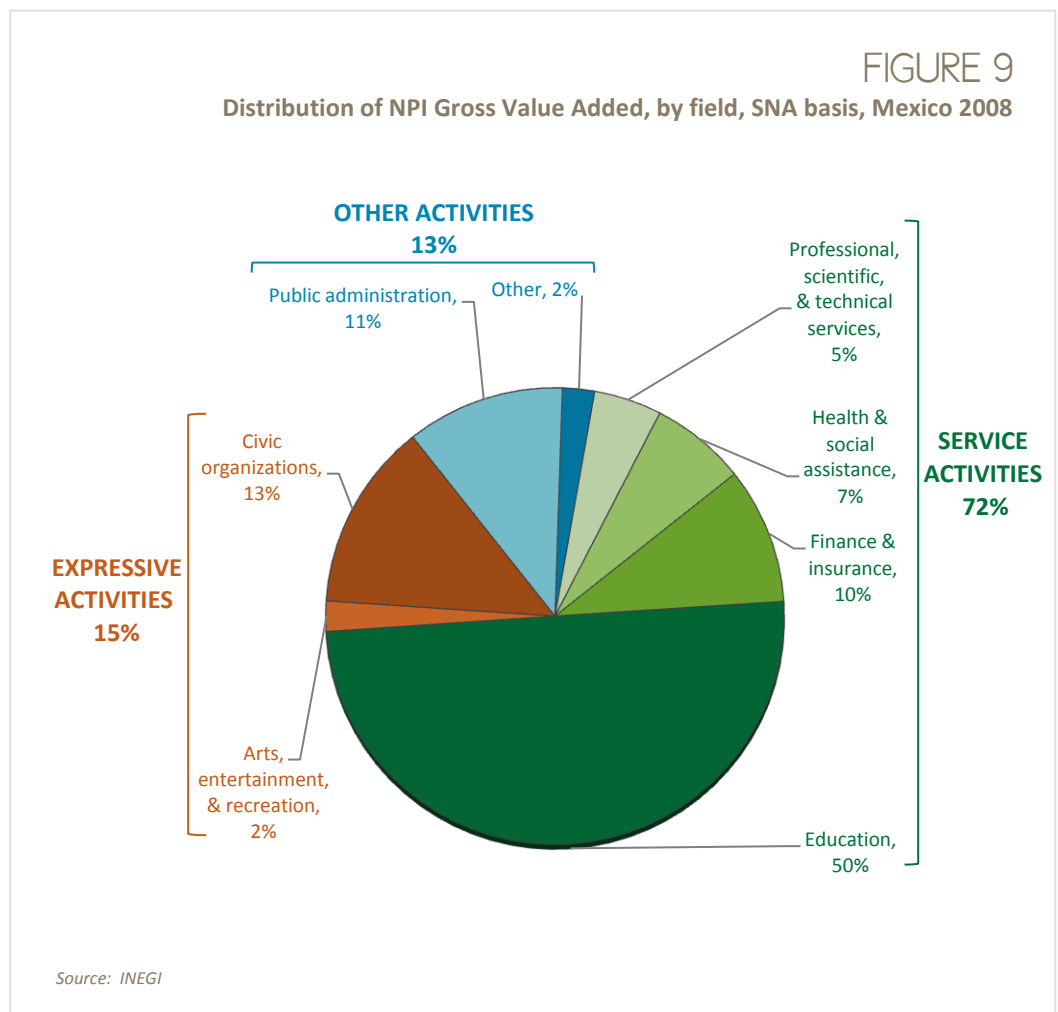
Source: Mexico - INEGI, All other countries - JHU/CCSS

### 3 • COMPOSITION OF THE NONPROFIT SECTOR IN MEXICO

Nonprofit institutions, of course, do not simply produce economic value. More importantly, they perform certain social functions that range from the delivery of human services, education, and research to cultural amenities and a wide array of civic activities. These various functions fall into two broad categories: service functions and expressive functions. Service functions involve the delivery of direct services such as education, health, housing, economic development promotion, and the like. Expressive functions involve activities that provide avenues for the expression of cultural, spiritual, professional, or policy values, interests, and beliefs. Included here are cultural institutions, sports and recreation groups, professional associations, advocacy groups, community organizations, environmental organizations, human rights groups, social movements, and the like. The distinction between service and expressive activities is approximate, as many organizations engage in both. Nevertheless, it can be helpful in comparing the composition of the nonprofit sector across different countries.

Gauging the extent to which NPIs perform these functions can be achieved in two different ways: first, by looking at how NPI economic resources (employee compensation and value added) are distributed across different activity fields; and second, by assessing the nonprofit shares of total employment and value added in the fields where NPIs are active. What emerges from such an analysis is the conclusion that the Mexican nonprofit sector is unusually heavily concentrated in terms of both value added and employee compensation in the provision of educational services, though a significantly different picture applies for volunteer work.

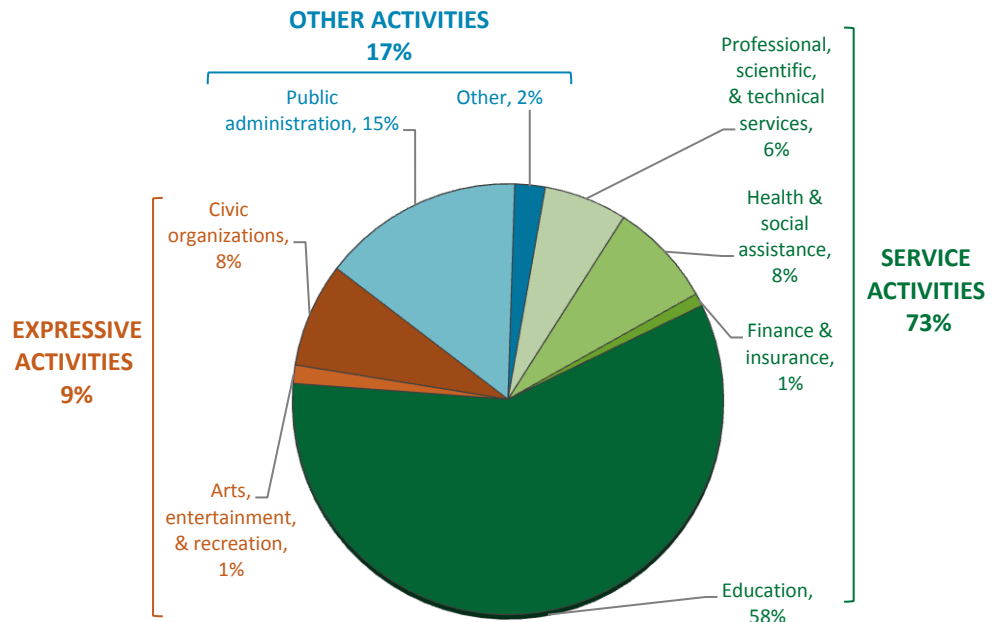
**Distribution of NPI Gross Value Added.** Thus, as FIGURE 9 shows, most NPI value added in Mexico is generated in the service fields, which represent 72 percent of the total NPI contribution to GVA. Of this, education accounts for half (50 percent), finance and insurance for 10 percent, health and social assistance for 7 percent, and professional services for 5 percent. The relatively large share represented by education very likely reflects the governance structure of Mexico’s public universities, which has allowed them to be classified as NPIs for the purposes of the satellite account. On the other hand, the small share of value added represented by NPIs in the health and social assistance field is striking given the fact that NPIs are often associated with the provision of human services of these sorts to people in need. Clearly this portion of the nonprofit sector is not attracting a very sizable share of the sector’s resources. This reinforces the observation made earlier about the relatively low average wages of a considerable part of the NPI workforce.



**Distribution of NPI employee compensation.** As shown in FIGURE 10, a similar picture emerges when employee compensation is used as the measure of NPI activity. In this case, education accounts for a similar, though even higher, share of the resources (58 vs. 50 percent), while health and social assistance claim an almost identically low 8 percent. Two factors may be involved in the low health and social assistance presence and it is difficult to be sure which is dominant: relatively low NPI employment in the health and social assistance field and relatively low wages in these fields. In the absence of data on the distribution of all NPI employment, it is difficult to sort this out precisely, but it is likely that both factors are involved.

**Comparison to other countries.** The distribution of NPI value added among the major categories of functions—service, expressive, and other—in Mexico is broadly similar to the average in the other fifteen countries on which data are available, with some significant differences. In particular, as shown in TABLE 2, the share of Mexican NPI value added that is generated by service functions, at 72 percent, is roughly equivalent to the average in the 15 other countries. However, the education share is larger in the Mexican case than in most of the other countries, very likely because of the legal structure of Mexico’s public universities. Outside of the service functions, the pattern of activity of the Mexican NPI sector differs somewhat from the 15-country average. In particular, the expressive functions, including advocacy as well as arts and culture, account for a smaller share of NPI value added while “other” activities account for a considerably larger share. This very likely reflects the legal structure of some of Mexico’s institutions performing “public administration” functions, like the Mexican statistics agency, Central Bank, and State Commissions on Sewer Systems and Drains, which allows them to be classified as NPIs for purposes of the NPI satellite account.

FIGURE 10  
Distribution of NPI employee compensation, by field, Mexico 2008



Source: INEGI

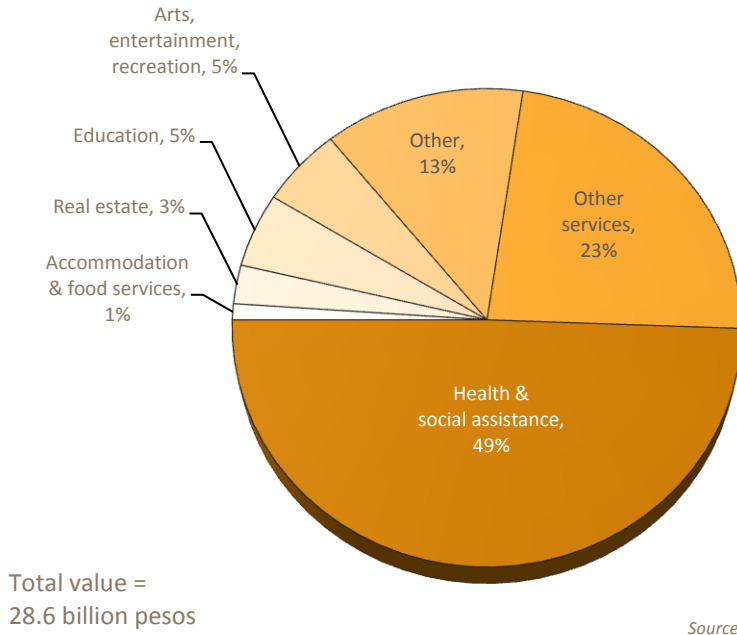
TABLE 2  
Distribution of NPI Gross Value Added among types of fields, Mexico vs. 15-country average

FIELDS	MEXICO	15-COUNTRY AVERAGE
SERVICE	72%	73%
EXPRESSIVE	15%	22%
OTHER	13%	5%
TOTAL	100%	100%



FIGURE 11

Distribution of imputed value added by volunteers in Mexico, by field



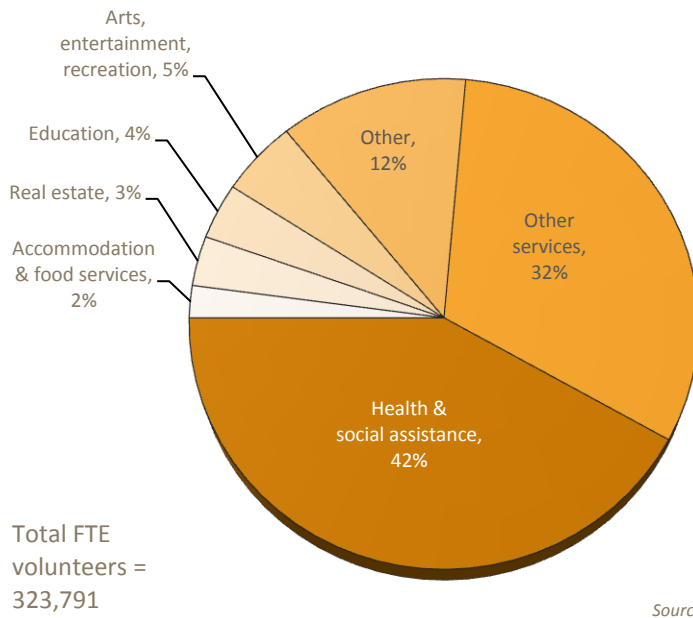
**Distribution of volunteer effort.** Significantly, while most of the economic resources of the Mexican nonprofit sector flow to the education field, most of the volunteer effort goes into health and social assistance. This can be seen both in the distribution of the imputed value added by volunteers and in the distribution of the full-time equivalent volunteer workers.

Regarding the former, unlike the distribution of overall NPI value added, most (49 percent) of the value added by volunteers in Mexico flows to the field of health and social assistance, and another 23 percent goes to support other human services, as shown in **FIGURE 11**, and this does not even include the volunteer effort channeled through religious organizations. The value that Mexican citizens are creating through the gift of their time is going to help their fellow citizens with needed services.

Not surprisingly, direct measures of volunteer effort reveal a similar message. Thus, fully 42 percent of the 328 million FTE volunteer workers devote their time to support health and social assistance and another 32 percent to other human services, as shown in **FIGURE 12**.<sup>22</sup> By contrast, education is the destination of a much smaller 4 percent of volunteer workers.

FIGURE 12

Distribution of full-time equivalent volunteers in Mexico, by field

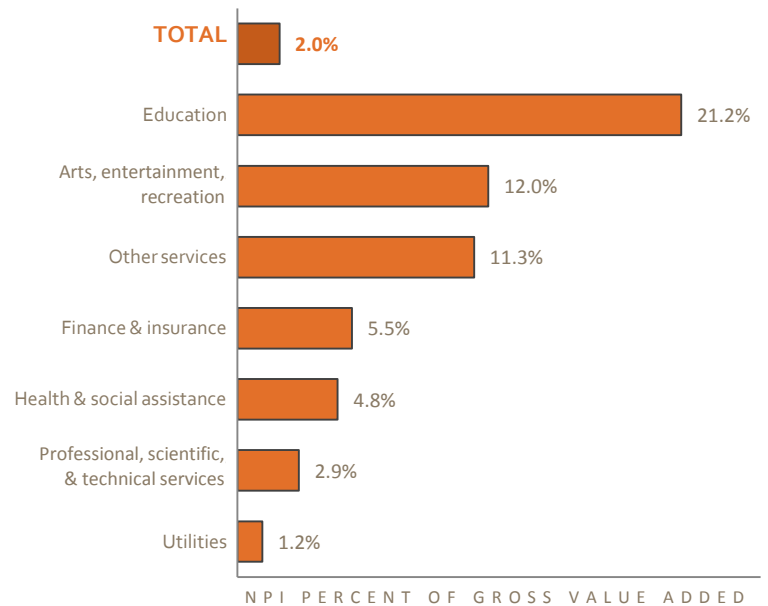


**Nonprofit role in key fields.** Although the NPI share of economic activity within the total economy is relatively small in Mexico, its shares are relatively large in certain fields, whether measured in terms of the share of value added or the share of total employee compensation. Thus, as shown in **FIGURE 13**, while NPIs account for a relatively small 2 percent of overall GVA, they account for a substantial 21 percent of all value added in the field of education, 12 percent in the field of arts, entertainment, and recreation, and nearly 5 percent in health and social assistance.

A somewhat different picture emerges, however, when employee compensation is used to measure the nonprofit presence in these key fields. Thus, as **FIGURE 14** reveals, the NPI share of total employee compensation in the education field remains substantial and is comparable to education's share of GVA (23.5 vs. 21.2 percent)—well above the 5 percent overall NPI share of employee compensation. However, the NPI share of employee compensation in the arts, entertainment, and recreation field is twice as large as the respective share of the GVA in this field (24.2 vs. 12 percent). Likewise, the NPI share of employee compensation in the professional, scientific, and technical services field is much higher than its share of GVA in this field (10.4 vs. 2.9 percent), and a similar pattern holds in the field of health and social assistance. This pattern is consistent with earlier findings about disparities between value added and employment-based estimates of nonprofit size.

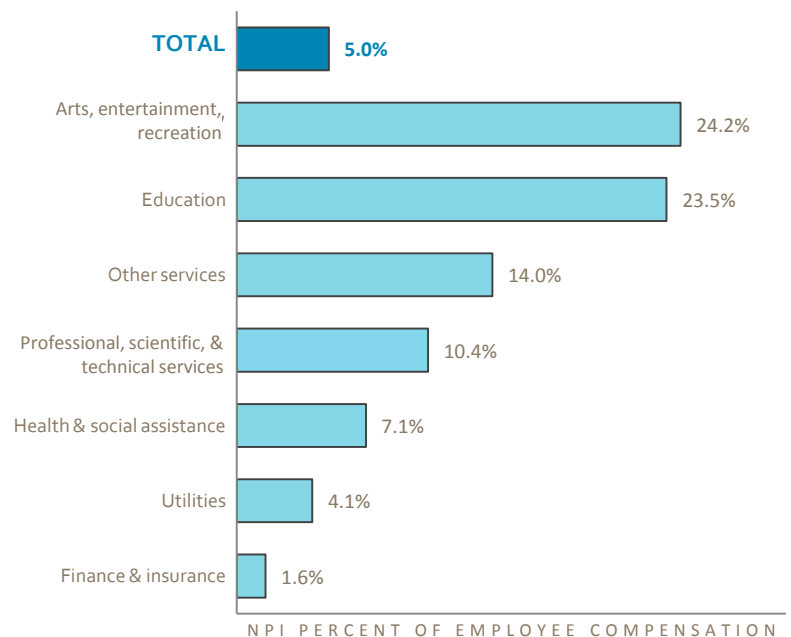
The central point is that the picture of the importance of nonprofits in Mexico that emerges from general data on their role in the overall economy significantly understates their role in a number of critical fields in which they account for a much more substantial share of the activity.

**FIGURE 13**  
NPI share of Gross Value Added\* in selected industries, Mexico 2008



\* Does not include value of volunteers.  
Source: INEGI

**FIGURE 14**  
NPI share of employee compensation, selected industries, Mexico 2008



Source: INEGI

## 4 • FINANCES

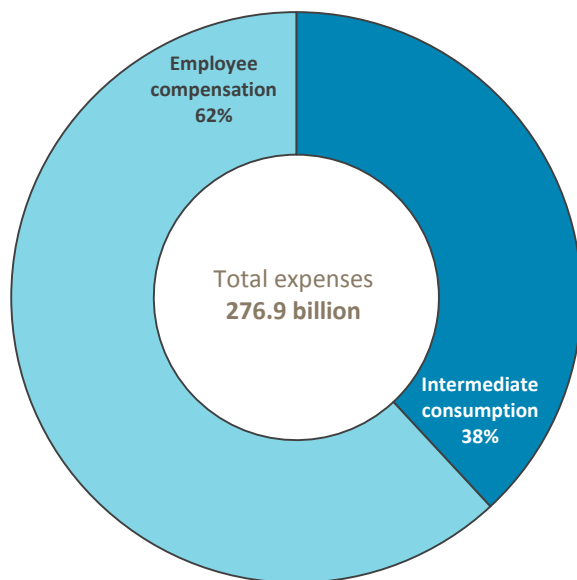
While Mexican nonprofit organizations generated 237.8 billion pesos in value added to the Mexican economy, their total expenditures were in excess of this and totaled 277 billion pesos in 2008. Where did these resources come from and where did they go?

**Revenue.** Unfortunately, data on NPI revenues are not available in the initial Mexican NPI satellite account. However, the structure of the Mexican NPI sector provides some clues to the overall revenue structure that exists. In particular, we know that 62 percent of the value added by Mexican NPIs originates from the portion of the sector that is carried in the government sector in the Mexican national accounts. As noted earlier, the reason that entities are allocated to the government sector is either that they are mostly financed by government or that they are controlled by government. The fact that the compilers of the Mexican NPI satellite account included some of the entities allocated to the government sector in the NPI satellite account suggests strongly that they believed these entities are not “controlled by” government. It follows, therefore, that they must be mostly financed by government or they would not have been allocated to the government sector in the first place. Since these entities comprise so large a part of the Mexican NPI sector in economic terms, we can conclude that a very substantial portion of the overall revenue of the Mexican NPI sector comes from government, perhaps in excess of 50 percent. This would make the revenue structure of the Mexican NPI sector very similar to that of most European countries, though the scale of government funding has not been anywhere near as substantial in Mexico to boost the size of the Mexican nonprofit sector to anything close to parity with its European counterparts.

**Expenditures.** The other side of finances relates to expenditures. These are commonly divided into three main categories: (i) purchases of goods and services needed to produce the services economic units deliver, which economists refer to as “intermediate consumption;” (ii) compensation of employees (which includes wages, benefits, and certain employment related taxes); and (iii) other expenditures, including property income paid (e.g., rents or interest) and taxes.

As shown in **FIGURE 15**, of the 277 billion pesos in operating expenditures in 2008, Mexican NPIs spent nearly two thirds (62 percent) on employee compensation, and the remaining 38 percent on intermediate consumption. Taxes are a negligible part of NPI operating expenses and are thus not reported here.<sup>23</sup>

**FIGURE 15**  
Distribution of Mexican NPI operating expenditures, 2008

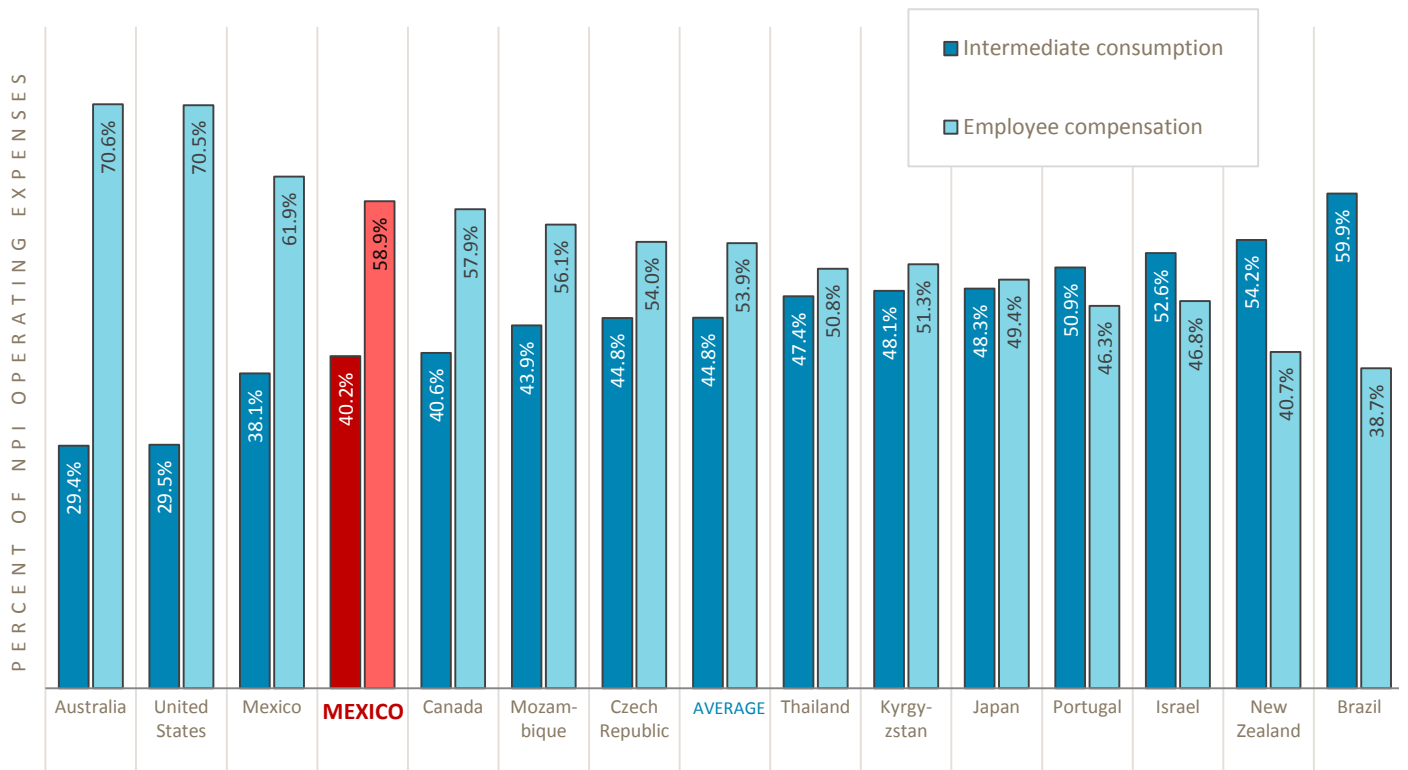


Source: INEGI

As shown in **FIGURE 16**, this puts Mexico at the upper end among countries in terms of the share of NPI expenditures that go for employee compensation, behind only Australia and the United States. This means that Mexican NPIs tend to use a higher share of their resources to compensate their employees than NPIs in most other countries do. One possible reason for this may be the structure of the Mexican NPI sector discussed at several points previously in this report and the higher average wages of at least a portion of the Mexican NPI sector that results.

**FIGURE 16**

**Intermediate consumption vs. employee compensation shares of NPI operating expenses, by country**



Source: Mexico - INEGI, All other countries - JHU/CCSS

# HOW DID WE GET HERE?

## THE HISTORY OF THE NONPROFIT SECTOR IN MEXICO

It is useful to consider the historical development of the nonprofit sector in Mexico to provide insights into why the sector takes the shape that it does in the current context.

**Before 1960.** Like most other Latin American countries, Mexico was a Spanish colony and inherited the Spanish feudal system in which the nobility and Catholic clergy played a prominent role. An extended period of internal strife triggered by the mid-19th century war of independence led to the fragmentation of the economic elites and the emergence of the state as a mediator among different elite groups. The power of the state was further enhanced by the political reforms of Benito Juárez in the 1860s that curbed the power of the Catholic Church, and consolidated government's control of the military (Rueschemeyer et al., 1992: 199-204).

Porfirio Díaz took control of the government in 1876 up to 1910 when the Mexican Revolution started. In 1924, after 13 years of political instability, Plutarco Elías Calles took control of the government, and four years later started the National Revolutionary Party (PNR), later renamed the Institutional Revolutionary Party, or PRI. The PRI used the state apparatus to promote economic change, including modernization and a major land reform. To cement its political position and forestall opposition from below, this early manifestation of the PRI incorporated organizations representing subordinate classes into the structure of a single party, thus co-opting and undermining any opposition to its rule, and leaving little room for an independent civil society sector (Rueschemeyer et. al 1992: 200).

In the years that followed, the formal recognition of individual rights and warranties was stipulated at the constitutional level. Nevertheless, in practice, the new way of governing was through an authoritarian regime based in a corporatist structure that could not see the difference between the social and governmental sphere (Olvera, 2000), and which only recognized and gave benefits to organizations and individuals affiliated with the governing political party.

Despite this control, a few social sectors managed to remain independent of the corporatist influence, including higher education institutions, the Catholic Church (Cadena Roa, 2004: 160; Reygadas, 1998), and the religious organizations focused on providing charity and social assistance. These organizations formed the nucleus of the development of a private civil society that did not seek to influence public policy.

**The 1960s and 1970s: The first expressions of autonomous organizations.** The social movement of 1968 proved to be a break-out moment for the civil society sector when students, workers and members of the urban middle-class demanded freedom for political prisoners as well as the repeal of the "social dissolution felony," which had been used to arrest activists and dissidents. This movement was brutally repressed on October 2, 1968, a few months before the opening of the Olympic Games in Mexico City; these actions deeply hurt the legitimacy of the State and contributed to the gradual gestation of a critical attitude towards the government in most of the social sectors (Cadena Roa, 2004: 171).

At the same time, a reorientation of the social doctrine of the Catholic Church was taking place in all Latin American countries (Velázquez 1978 at Reygadas 1998) that further facilitated the development of civil society organizations. Following the 1963 2nd Vatican Council, the 1968 Latin American Episcopal Conference developed a program in order to tackle poverty. The Christian secretariats in cities such as Morelia, Monterrey, Mérida, León and Cuernavaca began to deepen their ties with workers and with the rural and professional sectors, and helped to establish

---

cooperatives, saving systems and other tools to help improve social and economic situations (Reygadas, op. cit.). In 1964, more than a million cooperatives were founded that subsequently became independent of the Church. But also, a new generation of NGOs with a focus on poverty relief was created, which little by little became independent from the church.

A third factor contributing to the erosion of the corporatist system was a massive migration from the rural areas to the metropolitan zone of Mexico City, which generated an increasing demand for services that the State was not ready to absorb. With this, a new type of social actor emerged: the urban popular movements.

**The 1980s: Growth and diversity of civil society organizations.** Three main elements in the 1980s defined a period of independence and consolidation for Mexican CSOs: 1) the structural adjustment of the economy; 2) the 1985 Mexico City earthquake; and 3) the elections of 1988.

The severe economic crisis of 1982 and its readjustment process had an important effect not only on the popular sectors but also on the middle classes (Loaeza, 1988). Shortages in public service delivery stimulated the creation of new CSOs, some of which were centered on the generation of self-management alternatives linked with urban-popular movements, and some of which took action with a human rights vision.

The second factor that contributed to the rise of Mexican voluntarism, citizen participation and organized citizen activity in the 1980s came in response to the unfortunate governmental actions in the wake of the 1985 Mexico City earthquake (Cadena Roa, 2004: 180). Though a significant proportion of the city was devastated, the government tried to downplay the catastrophic effects of the earthquake, minimized the number of people affected and killed, reacted very slowly and inefficiently, and generally failed to take action and make decisions. Many historians consider this event to be a break-out period for the NPI sector in Mexico (Reygadas, 1998: 281) because the earthquake provided new perspectives on the role of citizen participation and encouraged CSO development and consolidation with respect to the diversification of their economic resources, the coordination of actions, and their public visibility (Reygadas, op. cit.).

Another characteristic of this decade was the emergence of organizations working to promote human rights, gender equity, and environmental protection, many of which were influenced by social movements in the United States and elsewhere. Increasingly, CSOs brought these debates and political struggles into the electoral field, and when the governing political party committed fraud in the 1988 Presidential elections in order to retain power (Favela Gavia, 2004: 131), CSOs strongly voiced their public opposition to the government (Butcher, 2006: 392).

**The 1990s: Consolidation and plurality.** In the 1990s, the number of Mexican CSOs grew and became more diverse, and with their increasing visibility caused more impact in the public sphere. Citizen participation was focused on: a) the strength of the democracy; b) peace efforts in Chiapas and the development of indigenous populations; c) the legal claim of CSOs; and d) the effects of free trade and the consequences of the 1995 economic crisis.

During the local elections of 1991 and 1993, and federal elections in 1994 and 1997, human rights organizations were fundamental to the development of citizen observatories as a political right (Monroy, 1993). The resulting Alianza Cívica (Civic Alliance) organizations were developed to observe and monitor the electoral process, which impacted the public sphere by demonstrating the value and potential of applied research to citizen participation as well as by generating new civil society leaders.

---

Meanwhile, the insurrection of the Zapatista Army for National Liberation (EZLN) in January 1994 ushered in a period of growth for indigenous initiatives seeking to encourage more inclusive and respectful state policies (Reygadas, 1998: 421). A few days after the Mexican army entered Chiapas, several CSOs in the region formed the Chiapas NGOs Coordination for Peace (CONPAZ), in order to monitor the humanitarian work in the zone and the accuracy of information on the conflict. The situation in Chiapas brought an international presence to Mexico, including observation missions by United Nations members, the United Nations Population Fund, the UN Food and Agriculture Organization, the International Labor Organization, and the International Committee of the Red Cross. The participation of these CSOs was essential to the peace process (Reygadas, 1998: 580).

And finally, the process of economic liberation, especially through initial discussions surrounding the North American Free Trade Agreement (NAFTA), as well as the 1995 economic crisis, also contributed to the foundation of new CSOs. An important movement of organizations, researchers, journalist, syndicates and political analysts participated in the NAFTA debate with the government and the Congress. This group formed the Mexican Network for the Free Trade Action Front in 1992 with the objective to produce applied and comparative research about NAFTA and its implications for different sectors (Icaza, 2001:8).

**The civil society sector today.** In 2000, the democratic consolidation in Mexico started with the victory of the National Action Party (PAN) over the Institutional Revolutionary Party (PRI) in the presidential elections. The new government immediately tried to establish a relationship with the civil society sector to address policy issues, such as: 1) consolidation of the right to access public governmental information; 2) the rise of corporate social responsibility initiatives; 3) the increased insecurity resulting from a rise in organized crime, especially that related to drug trafficking; and 4) the need to develop a more robust legal framework for the sector.

The leaders of CSOs that emerged in the 1970 – 80s remained very active, but during this period a new group of young CSOs started to develop that incorporated new paradigms into their approach, such as transparency and accountability. These new CSO leaders were less involved with the social movements of the previous decades, and instead represented a new generation of professionals that used international lessons and new technologies and approaches for advocacy to influence public policy. As a result, some think tanks and organizations focused on the professionalization of the sector were created under this logic.

The lack of information and transparency regarding the decisions and performance of governmental institutions drove many new organizations to press for reforms. To address these concerns, the government established the Federal Institute for Access to Public Information (IFAI - Instituto Federal de Acceso a la Información y Protección de Datos), responsible for transmitting information provided by the Ministries and other public offices to NPOs. This new environment, with a focus on transparency and access to information, also led to increased scrutiny of the role and impact of corporations on society, such as with regard to the environment for example. In one such program, CEMEFI created a mechanism to recognize corporations that have corporate social responsibility programs by fulfilling more than 100 requests in fields such as environment, relationship with the community, etc. Programs like these have helped to create alliances between corporations and NPOs, with very positive effects on the society.

Another important topic that has emerged on the NPOs agenda is the increased insecurity resulting from a rise in organized crime, especially that related to drug trafficking and violence. While kidnaping, extortions and violent assault in Mexico City were the focus of this topic in the first years of the decade, in more recent years the major problem has been the violence generated, civilian casualties, and other repercussions on the communities in the states where drug gangs fight against each other. This situation, which has touched every sector, has led to the generation of new leaders and movements with strong visibility and support, putting this topic as well as the contributions and ideas from the nonprofit sector on the public agenda.

---

Finally, in 2000 CEMEFI organized a series of national workshops addressing the role of civil society on key social concerns. These workshops ultimately led to the passage of the Federal Law for the Encouragement of CSO Activities (LFFAOSC) in 2004, and to an improved relationship between the Ministries involved in these matters and the CSOs that participated in this dialogue.

Despite the substantial growth of the third sector in Mexico during the past decade, one of the most important challenges remains the lack of economic resources needed to make their work sustainable, a problem that is strongly related to the legal framework in Mexico. An important advance in the recognition of the civil society work came with the passage of the Federal Law for the Encouragement of CSO Activities (LFFAOSC), which established that the National Institute for Social Development must maintain a Federal Register of CSOs, known as CLUNI, and through it, assign a unique code to the organizations that want to access the public resources of the governmental programs.

While the passage of the LFFAOSC holds important implications for the future legal environment, and has already contributed to accountability in the relations between civil society and the government (Hevia y García, 2009), there is still much work to be done in this area. The legal frame that regulates civil society organizations is heterogeneous and inconsistent, which often creates barriers to citizen participation (Favela, 2004 vp.124). The issuance of tax deductible receipts by organizations authorized by the Mexican Internal Revenue Service is not well coordinated, resulting in duplication of efforts and unnecessary paperwork burdens (Tapia y Robles, 2006).

What is more, despite the existence of the Encouragement of CSO Activities law, Mexico still lacks a robust CSO promotion policy to articulate the relationships between government and civil society. One of the most important challenges for Mexican civil society is the lack of mechanisms that incentivize the creation of new organizations as well as strengthen existing ones.

Despite these obstacles, however, citizens are increasingly interested in participating in activities supporting civil society, as is evident in the growth of the sector. As this report suggests, although the third sector remains smaller than that in other countries, it represents an important share of the GDP that is growing.



# CONCLUSION

The recently released NPI satellite account produced by INEGI represents a milestone effort for Mexico in putting nonprofit institutions on the economic map of the country. This breakthrough makes it possible to relate the full NPI sector to other components of the Mexican economy in a systematic fashion and also to compare Mexico's NPI sector to its counterparts in other parts of the world. Among other things, this report has revealed a nonprofit sector that is larger than previously estimated, employs a significant number of paid workers, mobilizes hundreds of thousands of volunteers, and contributes especially significantly to a number of crucial fields.

At the same time, perhaps reflecting the country's long experience with an authoritarian regime, the nonprofit sector of Mexico still lags behind its counterparts in other countries in aggregate scale, and lags behind other components of Mexican society in the level of resources it can command.

Though the nonprofit sector has achieved important gains since 2000, it is clear that it still has some distance to go to catch up to its counterparts elsewhere in the world. If this report and the data on which it is based help to put the sector's achievements into context, but also stimulate its further development, it will have served its purpose well.

Future editions of the NPI satellite account will make it possible to keep track of this sector's growth and development. In the course of compiling this satellite account, INEGI officials identified several elements of the accounts that can be improved in future updates, and so future editions should provide an even more robust and reliable picture of the nonprofit sector in Mexico.

INEGI is to be especially commended for committing itself as an institution to the regular update of these data, which will provide important strategic information about the NPI sector moving forward. While other countries have produced satellite accounts, Mexico has distinguished itself in committing to updating the data regularly. This represents a major and tangible advance for the nonprofit sector in Mexico, but it will be up to civil society leaders, researchers, policymakers, and others to make use of these data and maintain their support for the public servants who compile them.

**APPENDIX 1:****DATA TABLES FROM THE SATELLITE ACCOUNT  
ON NON-PROFIT INSTITUTIONS IN MEXICO**

This Appendix presents the basic Satellite Account on Nonprofit Institutions in Mexico. Only the elements of the production and generation of income accounts plus selected structural variables specified in the Handbook have been produced by INEGI. The tables presented here are reproduced in their original format, which departs somewhat from that specified in the Handbook.

The following tables are included:

**TABLE A1** Production account, employee compensation, and private employment of the NPIs, by major industry, 2008

**TABLE A2** Production account, employee compensation, and private employment of the NPIs in education, by subfield, 2008

**TABLE A3** Production account, employee compensation, and private employment of the NPIs in health and social assistance, by subfield, 2008

**TABLE A4** Number of persons volunteering, by selected activity field, by sex, 2008

**TABLE A5** Number of full-time equivalent volunteers, by selected activity field, by sex, 2008

**TABLE A6** Production account with non-market output of market NPIs, employee compensation, and value of volunteer input of the NPIs, by major industry, 2008

TABLE A.1

**Production account, employee compensation, and private employment of the NPIs, by major industry, 2008**  
**Cuenta de producción total y personal de las instituciones sin fines de lucro por sector de actividad económica, 2008**

Sector de actividad económica	Establecimientos	(Miles de pesos)				(Miles de pesos)			(Puestos de trabajo)	
		Valor bruto de producción	Consumo intermedio	Producto interno bruto	Remuneraciones	Otros impuestos netos de subsidios	Excedente bruto de operación	Remuneración media anual	Remunerado	No dependiente de la razón social
<b>TOTAL</b>	<b>166,472</b>	<b>343,054,198</b>	<b>105,491,143</b>	<b>237,563,055</b>	<b>171,449,170</b>	<b>9,429</b>	<b>66,104,456</b>	<b>371</b>	<b>462,308</b>	<b>34,762</b>
11 Agricultura, cría y explotación de animales, aprovechamiento forestal, pesca y caza	29	2,334	1,070	1,264	1,141	0	123	54	21	0
22 Generación, transmisión y distribución de energía eléctrica, suministro de agua y de gas por ductos al consumidor final	41	4,439,993	2,248,549	2,191,444	2,189,951	1,493	0	ND	ND	1
23 Construcción	14	31,855	4,516	27,339	5,289	1	22,049	74	71	0
31-33 Industrias manufactureras	200	586,755	322,655	264,100	102,275	-2,268	164,093	51	2,002	129
43 Comercio al por mayor	226	314,149	61,998	252,151	67,057	-4,745	189,839	55	1,221	38
46 Comercio al por menor	560	302,161	71,957	230,204	82,007	4,072	144,125	61	1,343	66
48-49 Transportes, correos y almacenamiento	38	449,633	383,462	66,170	34,516	764	30,890	73	475	15
51 Información en medios masivos	156	3,133,084	2,337,516	795,567	660,430	11,235	123,902	686	963	93
52 Servicios financieros y de seguros	433	24,933,265	1,973,964	22,959,301	1,646,165	-127,745	21,440,881	308	5,346	313
53 Servicios inmobiliarios y de alquiler de bienes muebles e intangibles	1,357	1,772,182	966,636	805,546	380,405	7,036	418,105	70	5,432	1,676
54 Servicios profesionales, científicos y técnicos	957	16,430,860	5,073,731	11,357,129	10,684,484	163,614	509,031	2,205	4,846	384
56 Servicios de apoyo a los negocios y manejo de desechos y servicios de remediación	335	831,799	291,512	540,287	246,590	4,295	289,402	86	2,865	346
61 Servicios educativos	7,436	156,915,537	38,261,374	118,654,163	100,017,495	132,006	18,504,662	426	234,968	15,662
62 Servicios de salud y de asistencia social	15,225	33,540,738	17,507,026	16,033,712	13,478,568	-41,580	2,596,724	311	43,329	3,545
71 Servicios de esparcimiento culturales y deportivos, y otros servicios recreativos	1,442	8,184,304	3,082,716	5,101,588	2,371,411	52,472	2,677,704	114	20,753	6,538
72 Servicios de alojamiento temporal y de preparación de alimentos y bebidas	281	391,473	193,265	198,208	131,012	5,737	61,459	81	1,609	255
81 Otros servicios excepto actividades gubernamentales	137,026	47,138,972	15,586,166	31,552,806	13,444,180	-386,397	18,495,024	100	134,165	5,701
93 Actividades legislativas, gubernamentales, de impartición de justicia y de organismos internacionales y extraterritoriales	716	43,655,106	17,123,031	26,532,075	25,906,195	189,438	436,442	ND	2,889	0

TABLE A.2

Production account, employee compensation, and private employment of the NPIs in education, by subfield, 2008

Cuenta de producción y personal de las instituciones sin fines de lucro privadas por sectores de actividad económica seleccionados, 2008

Sector de actividad económica	Subsector	Rama	(Miles de pesos)				(Miles de pesos)			(Puestos de trabajo)	
			Establecimientos	Valor bruto de producción	Consumo intermedio	Producto interno bruto	Remuneraciones	Otros impuestos netos de subsidios	Excedente bruto de operación	Remunerado	No dependiente de la razón social
<b>TOTAL</b>			<b>165,387</b>	<b>136,216,741</b>	<b>46,440,240</b>	<b>89,776,501</b>	<b>46,245,995</b>	<b>-624,248</b>	<b>44,154,754</b>	<b>459,654</b>	<b>34,762</b>
61 Servicios educativos			7,080	59,441,380	16,278,756	43,162,624	24,788,051	31,367	18,343,206	234,968	15,662
611 Servicios educativos			7,080	59,441,380	16,278,756	43,162,624	24,788,051	31,367	18,343,206	234,968	15,662
6111 Escuelas de educación básica, media y para necesidades especiales			4,556	24,894,304	5,760,724	19,133,580	12,915,255	127,479	6,090,846	140,686	3,974
6112 Escuelas de educación postbachillerato			76	156,216	76,331	79,885	42,909	727	36,249	757	103
6113 Escuelas de educación superior			825	31,540,992	9,453,185	22,087,808	10,677,200	-17,193	11,427,801	79,898	10,034
6114 Escuelas comerciales, de computación y de capacitación para ejecutivos			380	849,974	266,133	583,841	366,547	-1,081	218,375	3,080	414
6115 Escuelas de oficinas			151	266,988	155,132	111,856	68,521	592	42,743	1,114	411
6116 Otros servicios educativos			1,053	1,681,924	553,581	1,128,342	682,593	-17,275	463,024	8,838	690
6117 Servicios de apoyo a la educación			39	50,982	13,670	37,312	35,025	-61,882	64,169	595	36
6111 Escuelas de educación básica, media y para necesidades especiales			15,167	14,427,206	8,663,676	5,763,529	3,564,043	-133,170	2,332,657	43,329	3,545
6112 Escuelas de educación postbachillerato			137,023	46,742,392	15,336,981	31,405,411	13,314,312	-401,485	18,492,585	134,165	5,701
6113 Escuelas de educación superior			6,117	15,605,764	6,160,827	9,444,937	4,579,590	-120,960	4,986,307	47,192	9,854
6114 Escuelas comerciales, de computación y de capacitación para ejecutivos			7,080	59,441,380	16,278,756	43,162,624	24,788,051	31,367	18,343,206	234,968	15,662
6115 Escuelas de oficinas			7,080	59,441,380	16,278,756	43,162,624	24,788,051	31,367	18,343,206	234,968	15,662
6116 Otros servicios educativos			4,556	24,894,304	5,760,724	19,133,580	12,915,255	127,479	6,090,846	140,686	3,974
6117 Servicios de apoyo a la educación			76	156,216	76,331	79,885	42,909	727	36,249	757	103
62 Servicios de salud y de asistencia social			825	31,540,992	9,453,185	22,087,808	10,677,200	-17,193	11,427,801	79,898	10,034
81 Otros servicios excepto actividades gubernamentales			380	849,974	266,133	583,841	366,547	-1,081	218,375	3,080	414
Otros sectores			151	266,988	155,132	111,856	68,521	592	42,743	1,114	411

TABLE A.3

Production account, employee compensation, and private employment of the NPIs in health and social assistance, by subfield, 2008  
 Cuenta de producción y personal de las instituciones sin fines de lucro privadas por sectores de actividad económica seleccionados, 2008

Sector de actividad económica	Subsector	Rama	Establecimientos	(Miles de pesos)			(Miles de pesos)			(Puestos de trabajo)	
				Valor bruto de producción	Consumo intermedio	Producto interno bruto	Remuneraciones	Otros impuestos netos de subsidios	Excedente bruto de operación	Remunerado	No dependiente de la razón social
<b>TOTAL</b>			<b>165,387</b>	<b>136,216,741</b>	<b>46,440,240</b>	<b>89,776,501</b>	<b>46,245,995</b>	<b>-624,248</b>	<b>44,154,754</b>	<b>459,654</b>	
61 Servicios educativos			7,080	59,441,380	16,278,756	43,162,624	24,788,051	31,367	18,343,206	234,968	
62 Servicios de salud y de asistencia social			15,167	14,427,206	8,663,676	5,763,529	3,564,043	-133,170	2,332,657	43,329	
621 Servicios médicos de consulta externa y servicios relacionados			1,772	1,693,117	833,524	859,593	463,126	-28,797	425,264	7,030	
622 Hospitales			242	9,129,231	6,327,639	2,801,593	2,048,744	32,097	720,752	17,566	
623 Residencias de asistencia social y para el cuidado de la salud			1,255	1,905,069	705,336	1,199,733	506,478	-37,249	730,504	7,764	
624 Otros servicios de asistencia social			11,898	1,699,788	797,177	902,611	545,695	-99,221	456,137	10,969	
6241 Servicios de orientación y trabajo social			11,100	817,637	518,679	298,958	142,819	-79,521	235,660	2,306	
6242 Servicios comunitarios de alimentación, refugio y emergencia			342	290,119	118,286	171,833	112,918	-6,791	65,707	1,726	
6243 Servicios de capacitación para el trabajo para personas desempleadas, subempleadas o discapacitadas			40	22,616	9,076	13,540	9,670	-253	4,123	210	
6244 Guarderías			416	569,416	151,136	418,280	280,288	-12,656	150,648	6,727	
81 Otros servicios excepto actividades gubernamentales			137,023	46,742,392	15,336,981	31,405,411	13,314,312	-401,485	18,492,585	134,165	

TABLE A.4

Number of persons volunteering, by selected activity field, by sex, 2008

Trabajo no remunerado en las instituciones sin fines de lucro privadas por sectores de actividad económica seleccionados, según sexo, 2008

Sector de actividad económica	Total	Hombres	Mujeres
<b>TOTAL</b>	<b>561,328</b>	<b>342,367</b>	<b>218,961</b>
53 Servicios inmobiliarios y de alquiler de bienes inmuebles e intangibles	23,572	11,976	11,596
54 Servicios profesionales, científicos y técnicos	18,010	12,891	5,119
61 Servicios educativos	27,379	11,370	16,009
62 Servicios de salud y de asistencia social	246,196	158,005	88,191
71 Servicio de esparcimiento culturales y deportivos, y otros servicios recreativos	33,938	27,591	6,347
72 Servicios de alojamiento temporal y de preparación de alimentos y bebidas	13,339	6,316	7,023
81 Otros servicios excepto actividades gubernamentales	153,101	92,310	60,791
Otros sectores	45,793	21,908	23,885

TABLE A.5

Number of full-time equivalent volunteers, by selected activity field, by sex, 2008

Empleo equivalente a tiempo completo de trabajadores no remunerados en las instituciones sin fines de lucro privadas por sectores de actividad económica seleccionados, según sexo, 2008

Sector de actividad económica	Total	Hombres	Mujeres
<b>TOTAL</b>	<b>323,791</b>	<b>196,742</b>	<b>127,049</b>
53 Servicios inmobiliarios y de alquiler de bienes inmuebles e intangibles	10,635	4,580	6,055
54 Servicios profesionales, científicos y técnicos	8,001	5,718	2,283
61 Servicios educativos	11,971	5,208	6,763
62 Servicios de salud y de asistencia social	135,443	82,631	52,812
71 Servicio de esparcimiento culturales y deportivos, y otros servicios recreativos	16,304	13,180	3,124
72 Servicios de alojamiento temporal y de preparación de alimentos y bebidas	6,847	3,849	2,998
81 Otros servicios excepto actividades gubernamentales	102,874	68,006	34,868
Otros sectores	31,716	13,570	18,146

TABLE A.6

Production account with non-market output of market NPIs, employee compensation, & value of volunteer input, by major industry, 2008  
Cuenta de producción ampliada y personal de las instituciones sin fines de lucro por sector de actividad económica, 2008

Sector de actividad económica	(Miles de pesos)					(Miles de pesos)				(Puestos de trabajo)	
	Estable- cimientos	Valor bruto de produc- ción	Consumo interme- dio	Producto interno bruto	Remunera- ciones	Valoración económica del trabajo no remunerado	Otros impuestos netos de subsídios	Excedente bruto de opera- ción	Remune- rado	No remune- rado	No remune- rado
<b>TOTAL</b>	<b>166,472</b>	<b>371,674,213</b>	<b>105,491,143</b>	<b>266,183,070</b>	<b>171,449,170</b>	<b>28,620,015</b>	<b>9,429</b>	<b>66,104,456</b>	<b>462,308</b>	<b>561,327</b>	<b>561,327</b>
11 Agricultura, cría y explotación de animales, aprovechamiento forestal, pesca y caza	29	35,663	1,070	34,593	1,141	NS	0	123	21	NS	0
22 Generación, transmisión y distribución de energía eléctrica, suministro de agua y de gas por ductos al consumidor final	41	4,439,993	2,248,549	2,191,444	2,189,951	NS	1,493	0	10	NS	1
23 Construcción	14	45,654	4,516	41,138	5,289	NS	1	22,049	71	NS	0
31-33 Industrias manufactureras	200	844,137	322,655	521,482	102,275	NS	-2,268	164,093	2,002	NS	129
43 Comercio al por mayor	226	413,541	61,998	351,542	67,057	NS	-4,745	189,839	1,221	NS	38
46 Comercio al por menor	560	490,615	71,957	418,659	82,007	NS	4,072	144,125	1,343	NS	66
48-49 Transportes, correos y almacenamiento	38	645,921	383,462	262,459	34,516	NS	764	30,890	475	NS	15
51 Información en medios masivos	156	3,292,193	2,337,516	954,677	660,430	NS	11,235	123,902	963	NS	93
52 Servicios financieros y de seguros	433	25,078,627	1,973,964	23,104,663	1,646,165	NS	-127,745	21,440,881	5,346	NS	313
53 Servicios inmobiliarios y de alquiler de bienes muebles e intangibles	1,357	2,522,154	966,636	1,555,519	380,405	749,972	7,036	418,105	5,432	23,572	1,676
54 Servicios profesionales, científicos y técnicos	957	17,600,713	5,073,731	12,526,982	10,684,484	1,169,853	163,614	509,031	4,846	18,010	384
56 Servicios de apoyo a los negocios y manejo de desechos y servicios de remediación	335	2,345,609	291,512	2,054,097	246,590	NS	4,295	289,402	2,865	NS	346
61 Servicios educativos	7,436	158,358,868	38,261,374	120,097,494	100,017,495	1,443,331	132,006	18,504,662	234,968	27,380	15,662
62 Servicios de salud y de asistencia social	15,225	47,687,379	17,507,026	30,180,352	13,478,568	14,146,640	-41,580	2,596,724	43,329	246,197	3,545
71 Servicios de esparcimiento culturales y deportivos, y otros servicios recreativos	1,442	9,729,208	3,082,716	6,646,492	2,371,411	1,544,905	52,472	2,677,704	20,753	33,937	6,538
72 Servicios de alojamiento temporal y de preparación de alimentos y bebidas	281	700,995	193,265	507,730	131,012	309,522	5,737	61,459	1,609	13,338	255
81 Otros servicios excepto actividades gubernamentales	137,026	53,787,836	15,586,166	38,201,671	13,444,180	6,648,865	-386,397	18,495,024	134,165	153,100	5,701
93 Actividades legislativas, gubernamentales, de impartición de justicia y de organismos internacionales y extraterritoriales	716	43,655,106	17,123,031	26,532,075	25,906,195	0	189,438	436,442	2,889	0	0

## APPENDIX 2:

# DEFINING THE NONPROFIT SECTOR IN MEXICO

### A.2.1 • CURRENT SNA TREATMENT OF THE NPI SECTOR

The basic conceptual framework of the UN *NPI Handbook* methodology, outlined in Figure A.1 below, calls for identifying those NPIs classified in each of the four institutional sectors of the national economy (non-financial corporations, financial corporations, government, and households) and then producing a separate “satellite account” of NPIs. This satellite account includes standard data elements as defined in the 1993 SNA, as well as a few data elements that are of particular relevance to NPIs.

### A.2.2 • UN NPI *HANDBOOK* DEFINITION OF AN NPI

The first task for INEGI in compiling the NPI satellite account in Mexico was to identify the universe of organizations considered part of the nonprofit sector to be included in the NPI satellite account. To do so, the UN *NPI Handbook* identifies five characteristics that an institutional unit must meet to qualify as an NPI. These characteristics are briefly described in the paragraphs that follow:

FIGURE A.1

Allocation of nonprofit institutions among institutional sectors of the SNA and their treatment in an NPI Satellite Account

TYPE OF INSTITUTIONAL UNIT	SECTORS OF THE SNA					NONPROFIT INSTITUTIONS SATELLITE ACCOUNT
	Non-financial corporations sector (S.11)	Financial corporations sector (S.12)	General government sector (S.13)	Households sector (S.14)	NPISH Sector (S.15)	
CORPORATIONS	C <sub>1</sub>	C <sub>2</sub>				N = ΣN <sub>i</sub>
GOVERNMENT UNITS			G			
HOUSEHOLDS				H		
NONPROFIT INSTITUTIONS	N <sub>1</sub>	N <sub>2</sub>	N <sub>3</sub>	N <sub>4</sub>	N <sub>5</sub>	

- a) Organized. The entity must demonstrate some institutional reality, as evinced by “some degree of internal organizational structure; persistence of goals, structure, and activities; meaningful organizational boundaries; or a legal charter of incorporation. Excluded are purely ad hoc and temporary gatherings of people with no real structure or organizational identity.”
- b) Not-for-profit. An NPI is an organization that does not exist primarily to generate profits, either directly or indirectly, and are not primarily guided by commercial goals and considerations. NPIs may accumulate surplus, but any such surplus must be plowed back into the basic mission of the agency, not distributed to the organizations’ owners, members, founders or governing board. In

this sense, NPIs may be profit-making but they are “non-profit-distributing,” which differentiates NPIs from for-profit businesses.

- c) Institutionally separate from government. An NPI is not part of the apparatus of government and does not exercise governmental authority in its own right. The organization may receive significant financial support from government, and it may have public officials on its board. However, it has sufficient discretion with regard to the management of both its production and its use of funds than its operating and financing activities cannot be fully integrated with government finances in practice.
- d) Self-governing. An NPI must be able to control its own activities and is not under the effective control of any other entity. To be considered self-governing, the organization must control its management and operations to a significant extent, have its own internal governance procedures, and enjoy a meaningful degree of autonomy.
- e) Non-compulsory. Membership in and contributions of time and money to an NPI are not required or enforced by law or otherwise made a condition of citizenship.



---

It is important to underscore that neither the source of revenue nor the legal form are factored into these five criteria. The predominance of philanthropic donations, presence of a surplus, or formal registration or legal designation does not determine whether an organization qualifies as an NPI or not according to the UN NPI Handbook. Source of revenue is not considered a defining criterion because NPIs generate income from many different sources, which often vary from country to country and over time in response to changing conditions. Similarly, legal and registration status are not defining criteria because legal status often reflects policy preferences that vary from country to country and are therefore poorly suited for constructing cross-nationally valid definitions.<sup>33</sup>

### **A.2.3 • NPIs IN-SCOPE AND OUT-OF-SCOPE IN MEXICO**

To identify nonprofit organizations in Mexico that meet the UN NPI Handbook definition criteria, INEGI first considered classes of organizations that seemed likely to be in scope, including associations, foundations, religious entities, clubs, and organizations with particular legal designations, including:

- a) Non-Profit Organizations (NPO)
- b) Private Assistance Institutions (PAI)
- c) Private Assistance Associations (PAA)
- d) Private Charity Institutions (PCI)
- e) Civic Associations (AC)

These classes of organizations were further scrutinized to exclude those units that do not meet the NPI definitional criteria. Not included in the satellite account are market producers, including cooperatives that distribute profits to their members; units controlled by public entities; and entities that take the legal form of associations but are otherwise out-of-scope of the NPI definition.

Some types of organizations required additional scrutiny to determine whether or not they should be included in the satellite account. These “borderline cases” were mostly evident when considering units in the general government sector that receive significant, if not all, of their funding from government but meet the definition of an NPI because they have a separate legal identity and retain management autonomy. These “publicly funded NPIs” covered in the Satellite Account include organizations dedicated to general public administration, regulation, support to economic development, museums, universities, hospitals, zoos, and administrative activities of social assistance. They remain, however, separately identified in the data to facilitate additional analysis. For the purposes of this report, however, they are grouped together with “traditional” NPIs.

It is important to underscore that these “publicly funded NPIs” meet all five criteria stipulated by the definition to be considered NPIs. This is typically determined by a case-by-case review of their operations by the staff knowledgeable with their operations. This approach, while methodologically consistent with the UN NPI Handbook requirements, many nonetheless yield different results in different countries due to differences in the operations of these units. Therefore, similar units may be judged out of scope in one country but in scope in another country. In Mexico, while only a relatively small share (less than 1 percent) of all NPI units are assigned to the government sector under SNA rules, they nonetheless represent a significant share of the NPI sector’s economic weight due to their large size vis-a- vis other NPI establishments. For this reason, we have often reported the Mexican results with these entities reported separately.

Examples of these governmental NPIs are provided below:

- Organismos Operadores Municipales de Agua Potable (Municipal Organizations for the Provision of Water)
- Alcantarillado y Saneamiento Comisiones estatales de agua potable, saneamiento y alcantarillado (State Commissions of Sewer Systems and Drains)
- Archivo Histórico del Estado "Lic. Antonio Rocha" ("Lic. Antonio Rocha" Historic Archive)
- Biblioteca Pública Jesús Corral Ruiz (Jesús Corral Ruiz Public Library)
- Corporación Oaxaqueña de Radio y Televisión (Oaxa Corporation for Radio and Television)
- Instituto de la Radio Colimense (Radiodifusora CONEXIÓN) (Radio Institute of Colima)
- Radio Sonora (Sonora Radio)
- Centro de Investigación y de Estudios Avanzados del Instituto Politécnico Nacional (The National Technical College Center for Research and Advanced Studies)
- Centro de Investigación y Estudios Superiores en Antropología Social (Center for Research and Superior Studies in Social Anthropology)
- Centro Nacional de Metrología (National Centre of Methodology)
- El Colegio Nacional (National College)
- Instituto de Investigación y Capacitación Agropecuaria, Acuícola y Forestal del Estado de México (Institute for Research and Training in Agriculture, Aquaculture, and Forestry)
- Instituto de Investigaciones Eléctricas (Institute for Electric Research)
- Instituto Mexicano de Tecnología del Agua (Mexican Institute of Water Technology)
- Instituto Mexicano del Petróleo (Mexican Institute of Petroleum)
- Instituto Nacional de Ecología (National Institute of Ecology)
- Centro de Investigación en Geografía y Geomática "Ing. J. L. Tamayo", A. C. ("Ing. J.L. Tamayo" Research Institute for Geography and Geometrics)
- Centro Regional de Alta Especialidad de Chiapas (Chiapas Regional Center for High Specialization)
- Centro Regional de Alta Especialidad de Oaxaca (Oaxaca Regional Centre for High Specialization)
- Centros de Integración Juvenil (Youth Integration Center)
- Hospital General "Dr. Manuel Gea González" ("Dr. Manuel Gea González" General Hospital)
- Hospital General de México (General Hospital of Mexico)
- Hospital Juárez de México (Juárez Hospital of Mexico)
- Instituto Nacional de Cancerología (National Institute of Cancer)
- Instituto Nacional de Cardiología Ignacio Chávez (Ignacio Chavez National Institute of Cardiology)
- Instituto Nacional de Ciencias Médicas y Nutrición Salvador Zubirán ("Salvador Zubirán" National Institute of Medical Science and Nutrition)
- Sistema Nacional para el Desarrollo Integral de la Familia (National System for the Integral Development of the Family)
- Instituto Cultural Cabañas (Cabañas Cultural Institute)
- Museo de Historia Mexicana (Mexican Museum of History)
- Museo de Historia Natural (TAMUX) Cd. Victoria (Museum of Natural History in Cd. Victoria)
- Museo de las Aves (Museum of Birds)
- Museo Federico Silva, Escultura Contemporánea (Federico Silva Museum)
- Museo Francisco Cossio (Museum Francisco Cossio)
- Parque Fundidora (Fundidora Park)
- Parque Metropolitano de Guadalajara (Metropolitan Park of Guadalajara)
- Parque y Zoológico de Tamatán (Tamatán Park and Zoo)
- Parque Zoológico "Benito Juárez" ("Benito Juárez" Zoo)
- ANUIES (National Association of Universities and Colleges)
- Comité Olímpico Mexicano, A.C. (Mexican Olympic Committee)
- Confederación Deportiva Mexicana, A. C. (Mexican Sports Confederation)
- Comisión Nacional de Derechos Humanos (National Commission of Human Rights)
- Instituto Nacional de Lenguas Indígenas (National Institute of Native Languages)
- Comisión Nacional de Vivienda (National Housing Commission)
- Comisión Nacional para la Protección y Defensa de los Usuarios de Servicios Financieros (National Commission for the Protection and Defense of Users of Financial Services)
- Instituto Nacional de las Mujeres (National Institute for Women)
- Instituto Nacional de Estadística y Geografía (National Institute of Statistics and Geography – INEGI)
- Instituto Mexicano de la Juventud (Mexican Institute of Youth)
- Instituto Federal Electoral (Federal Electoral Institute)

---

## APPENDIX 3:

# SOURCES, FILES, AND VARIABLES USED IN CONSTRUCTING THE NPI SATELLITE ACCOUNT

### A.3.1 • Data sources

Much of the information needed to compile the satellite account in Mexico was derived from the Economic Census, which gathers information on establishments through survey on the value of goods being produced and services being generated, consumables that were used in their activities, labor being used and remunerations being paid, as well as the value of buildings, furnishings, office equipment and other actives such as computing equipment, amongst other areas. Additional government administrative sources were tapped to collect basic economic data, including the existing SNA accounts, the Federal Public Finance Account, and the administrative registers and financial statements of several public institutions.

These data were correlated with that from the National Survey of Non-Profit Institutions (NSNPI) carried out in 2009. The NSNPI was administered to a sample of NPIs drawn from a list developed from multiple administrative data sources, including the Mexican Internal Revenue Service, which keeps registry of companies and legal entities that are carry out non-profit activities, with the registries available under the Federal Register of CSO, administrative data maintained by other Federal agencies, such as the Government Secretary, and data bases of non-governmental entities, such as the Mexican Center for Philanthropy (CEMEFI).

The NSNPI asked questions about the supply of goods and services sold at free or non-economically significant prices, cash income sources, number of beneficiaries, number of people that work in these institutions without getting any sort of remuneration, and about the financing they receive to carry out these activities, the number of people that benefit from their actions, as well as the characteristics of remunerated and non-remunerated labor, and also the way in which they benefit unionized workers and the general population. Data on volunteer work was derived from this survey.

Additional information was derived from the National Occupation and Employment Survey (NOES), which gathers information needed to calculate and characterize work-related aspects of society.

### A.3.2 Data elements

In addition to standard data elements defined in the 1993 SNA, the UN NPI Handbook calls for the assembly of additional data elements that are of a particular relevance for NPIs. These additional data element fall into two broadly defined groups: more detailed disaggregation of standard 1993 SNA data elements, and data elements not identified in the 1993 SNA.

Disaggregation of standard 1993 SNA data elements. National accounting concepts for the economy as a whole do not always easily correspond to those policy makers or the general public typically associate with individual nonprofit organizations. Specifically, the national accounts classify financial in-flows as market sales, property income,<sup>24</sup> and transfers

---

(payments for which the payer does not receive anything of equivalent value in return). This is sufficient for estimating the aggregate value of economic activity, but it tells very little how the nonprofits manage to finance their activities, and what the role of other institutions, especially government, play in financing nonprofit operations. Therefore, more detailed information that disaggregates these two major transaction types by the source of the funds (e.g. households, government, or private businesses) is needed for a more thorough understanding of nonprofit economic activities.

To meet this need, the NPI Handbook calls for disaggregating transfers to NPIs by the institutional sector that originated these transfers (i.e., government, corporations, and households). This allows for the separate identification of government and corporate grants and donations from households. Furthermore, the NPI Handbook recommends disaggregation of market sales of NPIs by the source of funds that paid for these sales (government vs. private.) This allows one to distinguish between not just sales to government vs. sales to the private sector, but also for the identification of government vouchers or other forms of reimbursement that NPIs receive for their services.<sup>25</sup> This poses considerable difficulty, because government payments that cover social benefits are considered in the 1993 SNA as transfers to households rather than payments to nonprofits (or other types of providers), whereas financial records of organizational units often do not differentiate between government reimbursements and other forms of payments.

INEGI did not have sufficient information to produce full a series of income accounts for NPIs (generation of income, allocation of primary income and secondary distribution of income), which are necessary for drawing the full picture of NPI finances. As such, these NPI Handbook requirements could not be followed in the initial Mexican NPI satellite account.

Additional data elements. In addition to calling for a greater level of detail in the standard SNA data elements, the NPI Handbook recommends assembling data on two dimensions that are not captured by the standard SNA methodology: volunteer input and its imputed monetary value, and the non-market output of “market” NPIs.<sup>26</sup>

Volunteering is often assumed to be outside the production boundary of the economy, and their contribution small, or too difficult to measure, and thus was rarely taken into account. However, considerable numbers of volunteers are engaged in nonprofit activity that is within the production boundary, and their effort often contributes a great deal to economic output. On these grounds, the NPI Handbook recommends assembling data on the amount of volunteer time engaged in NPI activities and the monetary value of this time.

Furthermore, the output of NPIs that, under the SNA methodology, are assigned to the corporate sector is valued in the same way as that of all business enterprises: by the value of their market sales. However, this approach underestimates the output of these “market” NPIs because NPIs often provide goods or services for free or below their market prices. Consequently, the NPI Handbook recommends assembling data on the value of this non-market output of “market” variables.

Following these recommendations, INEGI assembled data on non-market output of “market” NPIs.

## Appendix 4:

# BIBLIOGRAPHY

Butcher, Jacqueline, "Presentación" en Jacqueline Butcher y María Guadalupe Serna (Coord.) (2006): *El Tercer Sector en México. Perspectivas de Investigación*, Distrito Federal, México: CEMEFI e Instituto de Investigaciones Dr. José María Luis Mora, p. 14.

Butcher, Jacqueline, "Marco Conceptual de la acción solidaria y voluntaria," en Butcher Jacqueline (Ed.) (2008): *México solidario. Participación ciudadana y voluntariado*, México, D.F.: Coedición Editorial Limusa/Cemefi, pp. 17-56.

Butcher, Jacqueline. Editor. *México solidario: Participación ciudadana y voluntariado* (México, D.F.: Coedición Editorial Limusa/Cemefi, 2008), 17-56.

Cadena Roa, Jorge (Coord.) (2004) *Las Organizaciones Civiles Mexicanas hoy*, México D.F.: Universidad Nacional Autónoma de México, Centro de Investigaciones Interdisciplinarias en Ciencias y Humanidades.

Calvillo Velasco, Miriam y Alejandro Favela Gavia, "Dimensiones cuantitativas de las organizaciones civiles en México," en Cadena Roa, Jorge (coord.) (2004): *Las Organizaciones Civiles Mexicanas hoy*, México, D.F.: Universidad Nacional Autónoma de México, Centro de Investigaciones Interdisciplinarias en Ciencias y Humanidades.

Canto Chac, Manuel (1998) *Las organizaciones civiles en la transición*, México, D.F.: Red de Centros y Organismos Ecuménicos de Latinoamérica y el Caribe.

-----, "La participación de las organizaciones civiles en las políticas públicas" en Méndez, J.L. (coord.) (1998): *Organizaciones Civiles y políticas públicas en México y Centroamérica*, México, D.F.: MAP.

-----, "La disputa teórica sobre las organizaciones civiles. Un asunto político-ideológico" en Cadena Roa, Jorge (coord.) (2004): *Las Organizaciones Civiles Mexicanas*

hoy, Distrito Federal, México: Universidad Nacional Autónoma de México, Centro de Investigaciones Interdisciplinarias en Ciencias y Humanidades.

-----, "El Consejo Técnico Consultivo entre el Experimento y la Frustración," en Segob (2007) *Avances y Desafíos de la relación Sociedad Civil y Gobierno; a tres años de la creación del Consejo Consultivo de la Ley de Fomento a las Actividades realizadas por las Organizaciones de la Sociedad Civil*, Segob, México.

Cohen Jean L. y Adrew Arato (1992): *Civil Society and Political Theory*, Cambridge: MIT Press.

González, Francisco E. (2010): *Countries at the Crossroads: México*, EUA: Freedom House, [DE, 20 de mayo 2010: <http://www.freedomhouse.org/uploads/ccr/country-7876-9.pdf>]

----- (2008): *Encuesta Nacional sobre Cultura Política y Prácticas Ciudadanas: Resultados Preliminares*, México: Secretaría de Gobernación, [DE, 20 de mayo de 2010: <http://www.encup.gob.mx/index.php?page=cuarta-encup-resultados>]

Favela Gavia, Diana. "La regulación jurídica de las organizaciones civiles en México: en busca de la participación democrática," en Cadena Roa, Jorge (Coord.) (2004): *Las Organizaciones Civiles Mexicanas hoy*, Distrito Federal, México: Universidad Nacional Autónoma de México, Centro de Investigaciones Interdisciplinarias en Ciencias y Humanidades.

*Primera Encuesta Nacional sobre Cultura Política y Prácticas Ciudadanas: Resultados Preliminares*, México: Secretaría de Gobernación, Consultado en: [DE, 23 de febrero 2010: <http://encup.gob.mx/index.php?page=primera-encup>]

Icaza, Rosalba, (2001): *Sociedad Civil y Políticas de Regionalización en México: Gobernación, Poder y Activismo Transfronterizo en la Globalización*, Distrito Federal, México: Aldea Mundo, Mayo.

International Labour Organization (2011). *Manual on the Measurement of Volunteer Work*. International Labour Office, Geneva, Switzerland. [http://www.ilo.org/wcmsp5/groups/public/@dgreports/@stat/documents/publication/wcms\\_162119.pdf](http://www.ilo.org/wcmsp5/groups/public/@dgreports/@stat/documents/publication/wcms_162119.pdf)

James Manor, Mark Robinson and Gordon White (1999): *Civil Society and Governance: a Concept Paper*, [DE, 22 de febrero, 2010:

[http://cide.oise.utoronto.ca/civil\\_society/resources/Manor%20Robinson%20and%20White%20Concept%20Paper.pdf](http://cide.oise.utoronto.ca/civil_society/resources/Manor%20Robinson%20and%20White%20Concept%20Paper.pdf)]

Loeza, S. (1998): *Clases Medias y Política en México*, Distrito Federal, México: El Colegio de México.

Martínez, María del Pilar, "Suman informales 12.5 millones," en *El Economista*, 16 de mayo de 2010 [<http://eleconomista.com.mx/industrias/2010/05/16/suman-informales-125-millones>]

----- (2010): *Producto Interno Bruto en México: Durante el tercer trimestre de 2010*, Aguascalientes, México: INEGI, [DE, 20 de mayo 2010: <http://www.inegi.org.mx/inegi/contenidos/espanol/prensa/comunicados/pibbol.asp>

Monroy, Mario (1993): *¿Socios? ¿Asociados? ¿En sociedad? Asimetrías entre Canadá, Estados Unidos y México*, Distrito Federal, México: CEE-RMALC-CIPRO.

Olvera, Alberto J., "Representaciones e ideologías de los organismos civiles en México: crítica de la selectividad y rescate del sentido de la idea de sociedad civil," en Cadena Roa, Jorge (coord.) (2004): *Las Organizaciones Civiles Mexicanas hoy*, Distrito Federal, México: Universidad Nacional Autónoma de México, Centro de Investigaciones Interdisciplinarias en Ciencias y Humanidades.

-----, (2001): "Sociedad civil, gobernabilidad democrática, espacios públicos y democratización: los contornos de un proyecto," en *Cuadernos de la Sociedad Civil*. México: Universidad Veracruzana, pp. 19-42.

-----, (1997): "Civil Society and Political Transition in Mexico," en *Constellations*, vol. 4, no. 1, pp. 105-123 [DE, 24 de febrero de 2010: <http://onlinelibrary.wiley.com/doi/10.1111/1467-8675.00041/abstract>].

Pérez-Díaz, Victor (1997): *La esfera pública y la sociedad civil*, Madrid, España: Taurus.

Reygadas, Rafael (1998): *Abriendo Veredas, iniciativas públicas y sociales de las redes de las organizaciones civiles*, México: Convergencia de Organismos Civiles por la Democracia.

Rodríguez, Francisco R. (Coord.) (2009): *Índice de Desarrollo Humano 2009 – Superando Barreras: Movilidad y Desarrollo Humano*, Nueva York: Programa de Naciones Unidas para el Desarrollo (PNUD)

Rueschemeyer, Dietrich, Evelyn Hueber Stephens & John D. Stephens (1992): *Capitalist Development and Democracy*, University of Chicago Press

Salamon, Lester M., Megan A. Haddock, S. Wojciech Sokolowski, and Helen S. Tice (2007). *Measuring Civil Society and Volunteering: Initial Findings from Implementation of the UN Handbook on Nonprofit Institutions*, Working Paper No. 23. (Baltimore: Johns Hopkins Center for Civil Society Studies).

----- (2010): *Indicadores Oportunos de Ocupación y Empleo: Cifras preliminares durante diciembre de 2010*, Aguascalientes, México: INEGI, [DE, 20 de mayo 2010: <http://www.inegi.org.mx/inegi/contenidos/espanol/prensa/comunicados/ocupbol.asp>]

United Nations (2003). *Handbook on Nonprofit Institutions in the System of National Accounts*. United Nations publication Sales No. E.03.XVII.9 ST/ESA/STAT/SER.F/91. New York, 2003. (<http://ccss.jhu.edu/publications-findings?did=70>).

Verduzco, Gustavo (2003): *Organizaciones no lucrativas: visión de su trayectoria en México*, Distrito Federal, México: El Colegio de México, pp. 15-34.

-----, "Dilemas de un encuentro difuso entre el sector no lucrativo, la sociedad civil y la economía social. Reflexiones a partir del caso de México," en Jacqueline Butcher y María Guadalupe Serna (Coords.) (2006): *El Tercer Sector en México. Perspectivas de Investigación*, Distrito Federal, México: Centro Mexicano para la Filantropía, Instituto de Investigaciones Dr. José María Luis Mora.

Verduzco, Gustavo y Fernández, María (1996). *Documentos terminados del proyecto comparativo de la Johns Hopkins University, Guía No. 1 Definiciones y clasificaciones de las organizaciones de ayuda social en México*, Distrito Federal, México: El Colegio de México y Centro Mexicano para la Filantropía.

Villespín, Fernando (1996): "Sociedad civil y 'crisis de la política,'" en Isegoría, (1996, Núm.13) pp. 39-58

----- (2009): *Corruption Perception Index 2009*, Berlin: Transparency International, [DE, 23 de febrero de 2010: [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009)]

- <sup>1</sup> Instituto Nacional de Estadística y Geografía ([www.inegi.org.mx/sistemas/biblioteca/detalle.aspx?c=27750&upc=702825164119&s=est&tg=0&f=2&pf=Cue&cl=0](http://www.inegi.org.mx/sistemas/biblioteca/detalle.aspx?c=27750&upc=702825164119&s=est&tg=0&f=2&pf=Cue&cl=0)).
- <sup>2</sup> Lester M. Salamon, S. Wojciech Sokolowski, and Megan Haddock. Figure and report design by Chelsea Newhouse. For further information on the Johns Hopkins Center for Civil Society Studies, visit [ccss.jhu.edu](http://ccss.jhu.edu).
- <sup>3</sup> Jorge Villalobos, Lorena Cortés and Cynthia Martínez. For more information about the Mexican Center for Philanthropy, visit [cemefi.org](http://cemefi.org).
- <sup>4</sup> JHU/CCSS and CEMEFI are also grateful for the support of Mexican researchers Jaqueline Butcher, member of CEMEFI's Board, and Gustavo Verduzco from El Colegio de México, for their participation in NPI Handbook technical training workshops with INEGI staff in 2004 and 2005.
- <sup>5</sup> We also want to thank the professional staff of INEGI for the production of the NPI satellite account in Mexico and for its assistance in the review of this report.
- <sup>6</sup> To date, sixteen countries, including Mexico, have produced NPI satellite accounts following the methodology outlined in the UN NPI Handbook. While the US has not produced an NPI satellite account per se, it separately identified NPIs in its household sector, which covers the major part of the nonprofit sector in the United States, and we include that data here (see NIPA Tables 2.9 and 7.20 at [www.bea.gov](http://www.bea.gov) and Charles Ian Mead, Clinton P. McCully, and Marshall B. Reinsdorf "Income and Outlays of Households and of Nonprofit Institutions Serving Households," Survey of Current Business, April 2003). The Mexican figures used in this report are derived mostly from the NPI Satellite Account tabulations produced by INEGI. In some instances they may not match those published on the INEGI website because it was necessary to make some adjustments to the website data in order to bring the Mexican data fully into alignment with data from NPI satellite accounts on other countries. In addition, some variables, particularly pertaining to employment, had to be estimated from data available in INEGI statistics, but these estimates were made by the authors of this report and not by INEGI. Finally, data on volunteering were derived from a 2009 National Survey of Non-Profit Institutions (NSNPI) and incorporated into the INEGI NPI satellite account.
- <sup>7</sup> For more information about contributions and drawbacks of NPIs see: Salamon, Lester M., Leslie C. Hems, and Kathryn Chinnock. "The Nonprofit Sector: For What and for Whom?" Working Papers of the Johns Hopkins Comparative Nonprofit Sector Project, no. 37. Baltimore: The Johns Hopkins Center for Civil Society Studies, 2000.
- <sup>8</sup> For a discussion of these limitations, see: Lester M. Salamon, "Putting Civil Society on the Economic Map of the World," *Annals of Public and Cooperative Economics*, Vol. 81, No. 2, (Summer 2010):167-210.
- <sup>9</sup> Mexico is one of 46 countries participating to date in the Johns Hopkins Comparative Nonprofit Sector Project. For more information, please visit: [www.ccss.jhu.edu](http://www.ccss.jhu.edu)
- <sup>10</sup> See the chapter on Mexico in *Global Civil Society: Dimensions of the Nonprofit Sector*, by Lester M. Salamon, Helmut K. Anheier, Regina List, Stefan Toepler, S. Wojciech Sokolowski, and Associates, available at: [ccss.jhu.edu/publications-findings?did=176](http://ccss.jhu.edu/publications-findings?did=176)
- <sup>11</sup> See Butcher, Jacqueline (2010). *Mexican solidarity: Citizen participation and volunteering*, New York, Springer-Verlag.
- <sup>12</sup> System of National Accounts, United Nations, 1993.
- <sup>13</sup> It is important to underscore that neither the source of revenue nor the legal form are factored into these five criteria. The predominance of philanthropic donations, presence of a surplus, or formal registration or legal designation does not determine whether an organization qualifies as an NPI according the UN *NPI Handbook*. Legal structure is relevant only to the extent that it affects the extent to which an organization is "self-governing." For further detail on the UN *NPI Handbook's* definition of a nonprofit institution, and how the definition was applied in the Mexican context, see Appendix 2.

<sup>14</sup> More examples of these “publically funded NPIs” can be found in Appendix 2.

<sup>15</sup> This figure is derived from two different sources. First, employment in NPIs assigned to the NPISH or corporations sectors in the national accounts was derived from the INEGI satellite account data tables. This portion of the NPI sector employed just under 500,000 workers. Second, employment in the NPIs assigned to the government sector in the national accounts, which we will refer to as “publicly financed NPIs,” was estimated by dividing the total employee compensation reported by these NPIs by the average wage of public administration workers in Mexico. This yielded an estimate of an additional slightly more than 500,000 workers. We believe this provides a reasonable estimate of the order of magnitude of this portion of the Mexican NPI paid workforce.

In using the term “publicly financed NPIs” to depict the NPIs allocated to the government sector in national accounts we do not mean to suggest that other NPIs do not receive government funding, but rather that these NPIs are predominantly government funded, which is a major reason they have presumably been allocated to the government sector under prevailing SNA sectoring guidelines.

<sup>16</sup> This figure is based on a survey of NPIs conducted by INEGI in 2009. An alternative estimate of volunteer activity in Mexico developed by Jacqueline Butcher using household surveys, came up with a much larger figure. Although this survey included both organization-based volunteering and volunteer work directly for people, it is possible to derive from these data an estimate of the share that was organization-based and therefore comparable to the coverage of the INEGI organization survey. We estimate that this produces an estimate of 651,500 full-time equivalent, organization-based, volunteer workers in Mexico. Jacqueline Butcher (2008).

<sup>17</sup> The “value added” is the total market value of goods or services produced by the industry less the value of goods and services used in the production process. It represents the contribution a firm or an industry is making to the Gross Domestic Product (GDP). Value added is reported in “gross” terms, which include consumption of fixed capital (depreciation), and “net” terms that exclude depreciation.

<sup>18</sup> As outlined earlier in Section 1, under the SNA rules, NPIs are assigned to several institutional sectors in national accounts: financial and non-financial corporations, general government, NPISH, and household sectors. The UN NPI *Handbook* addressed this problem by developing a methodology for identifying all NPIs, regardless of the sector to which they have been assigned under the SNA system, and drawing them together in a “satellite account.”

<sup>19</sup> Fortunately the 2008-2010 version of the Mexican satellite account will include total employment figures for the NPI sector.

<sup>20</sup> The latter category includes repair and maintenance services; personal and laundry services; and religious, grantmaking, civic, professional, and similar organizations.

<sup>21</sup> As noted in note 15, this estimate is based on the average compensation paid in the public administration field (NAICS 93) in Mexico (246,418 pesos) applied to total employee compensation in publicly funded NPIs (125.2 billion pesos). It must be re-emphasized, however, that this is an unofficial estimate of the JHU researchers, not an official figure released by INEGI, and may very well be an understatement of the actual employment size of these NPIs.

<sup>22</sup> The variations in the share of the value added by volunteers and the number of full-time volunteers devoted to various fields results from differences in the valuation placed on different types of volunteering, which is affected by wage scales in different fields.

<sup>23</sup> Data on property income paid (rent, interest, etc.) were not available.

<sup>24</sup> Reported in the national accounts as “miscellaneous current transfers” (D.75)

<sup>25</sup> This is prevalent in the health sector, where government vouchers are often provided for health services in markets where private health insurance and out-of-pocket payments are also made.

<sup>26</sup> Consistent with the principle of satellite accounts, these two additional variables are not to be added to the SNA-based aggregates, but rather reported separately to avoid any confusion.







a publication of  
**THE JOHNS HOPKINS UNIVERSITY  
CENTER FOR CIVIL SOCIETY STUDIES**

and  
**THE MEXICAN CENTER FOR PHILANTHROPY**

with support from  
**THE W.K. KELLOGG FOUNDATION**

published  
**SEPTEMBER 2012**  
revised 13 september 2012