



**Eighth Meeting of the
International Voorburg Group on Service Statistics**

**Oslo, Norway
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*Description of Eurostat project on Services
on Persons and Collectivities
Non Market Services*

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FOREWORD

Eurostat carries out the exploratory study into Services for Individuals and the Community, requested by the Council in the Decision 92/323/EEC of 18 June 1992. This is the beginning of new project on services, not yet covered by Eurostat statistics, some of which are non market.

Eurostat would like to inform the "Voorburg Group" of the progress of the works.

For this purpose please find herewith a set of three documents, which will also be discussed at the "Working Session on Statistics of Services" of the "Conference of European Statisticians", in Geneva, 13-15 of September 1993:

- Working paper n° 5, ECE secretariat: "Non-market services: Methodological issues and national practices;
- Working paper n° 6, ECE Eurostat: "Non-market services: Reference framework";
- Working paper n° 7, ECE Eurostat: "Preparation of a manual on other services and non-market services".

Please note that these are provisional papers. Eurostat will inform orally the "Voorburg Group" of the outcomes of Geneva meeting.

REFERENCE FRAMEWORK

In Decision 92/326/EEC of 18 June 1992, the Council called on the Commission to carry out an exploratory study by the end of 1993 into services for individuals and the community, some of which are non-market. The intention is to establish what information may be necessary in the Member States for measuring the size of the following sectors:

- social security
- education
- health and social work
- activities of membership organisation
- recreation, cultural and sporting activities
- other services to individuals and the community.

The widening of Services Statistics to these fields, which represent a third of the total employment of services, was requested by the European Parliament, because of their economic and social importance.

The purpose of this note is to establish the reference framework for the study.

2. Cross-referencing of institutional sectors or sub-sectors and NACE

This operation would be useful because of the variety of possible approaches to the collection of data.

Furthermore, since the sector "Private Non-Profit Institutions" produces both market and non-market services, this criterion could be used for cross-referencing. In particular, cross-referencing sectors via the market/non-market criterion would lead to NACE Rev.1 classes being associated with letters, the meaning of which is shown in the tables in Annex 1.

The production of the "Households" sector could be of interest in certain fields. Since the activity of this sector can overlap with that of other sectors in the four-digit NACE Rev.1 classes, a breakdown of the latter could be useful (cf. tables in Annex 1).

In the sectors "Financial and non-financial corporate and quasi-corporate enterprises", a distinction has been made between public and private in accordance with the SNA and the ESA, actually being revised.

In the sector "Private Non-Profit Institutions", those institutions subsidised principally by enterprises have been classified under market production, while those primarily subsidised by general government have been classified under non-market production. This breakdown may prove to be important in the light of the following paragraph.

3. Approaches to data collection

A distinction can be drawn between a "micro" approach and a "macro" approach, depending in practice on the different sectors. Generally speaking it can be said that:

- the first approach involves collecting data at a level not higher than that of the institutional units of the sector, whereas
- the second involves collecting data at more aggregated levels.

For certain institutional sectors such as enterprises (corporate and quasi-corporate), households and private non-profit institutions (both market and non-market production) a "micro" approach is possible.

The Member States traditionally carry out an annual survey for the "industry" section of the "enterprises" sector. In the case of market services, preparations for a methodology based on the collection of data using a "micro" approach is well in hand for the following chapters:

- wholesale and retail trade;
- hotels, restaurants, catering and travel agencies;
- transport;
- financial service (including insurance);
- communications and information services, audio-visual services;
- services to business.

For the market section of the chapters covered by this document, the reader is referred to the study by Mr. Picard (Working paper N° 7, Eurostat)

Community legislation aimed at harmonising the collection of data via a "micro" approach is being prepared (Regulation on statistical units, Regulation on business registers, Regulation concerning structural business statistics).

Various types of household survey are already conducted, providing a large volume of data on income, expenditure etc.

Data are being collected on Non-Profit Institutions in connection with the "social economy". The survey units covered at present primarily comprise Central Organisations ("macro" approach). However, data could be collected from individual units if the quality of the data collected proved to be inadequate for certain sectors. Obviously, this presupposes the existence of an infrastructure (registers), which is currently lacking in certain Member States.

As regards general government, national practice probably involves collecting from bodies comprising more than one institutional unit the data necessary for drawing up the economic and financial accounts and any other statistics required under the ESA. These bodies have sufficiently detailed consolidated balance sheets, which also greatly facilitate the evaluation of the aggregates at national level.

However, for purposes of more specific analyses there is a demand for more detailed data, which might make the collection of data using a "micro" approach

useful or even essential.

In this context for the data collection it is useful to establish a link between NACE and the Classification of the Functions of Government (COFOG). Given the different nature of the two classifications (kind-of-activity for NACE and functional for COFOG) there is no one-to-one correspondence between four-digit NACE class items and the four-digit COFOG items. For this reason it is proposed a breakdown of COFOG (cf. Annex 1).

Obviously, there are many problems to be solved and it cannot always be assumed that the data required can be based on the accounting systems used at the level of the institutional units of the sub-sectors of general government.

4. Satellite accounts

Apart from the central system of accounts, it may be useful to develop a system of satellite accounts permitting either more thoroughgoing functional analysis, particularly by isolating secondary activities, or the coverage of activities carried out by institutional units belonging to different institutional sectors in connection with a field of interest.

Since these accounts cover specific fields while remaining consistent with the central framework, they enable a link to be established between this essential framework and specific information systems, permit the integration of physical data with value data, and make it possible to analyse specific fields in a macro-economic context.

This is not the place to go into this question in depth (the reader is referred to the SNA or the ESA) nor to call for the production of Community-level satellite accounts in each of the fields covered by the Council Decision. They have been mentioned since they represent, in the long term, the most appropriate way of evaluating and analysing activities in these fields.

5. Merging of market and non-market activities

In the short term, in an attempt to obtain an initial overall view of fields with both market and non-market production, it may be useful to merge the market activity carried out as a principal activity in these fields by units in the various sectors with non-market activities carried out by the local units of general government (schools, hospitals etc.).

For this second part, it is obviously always possible to use administrative data, already available in national bodies ("macro" approach), or to collect data from the individual local units concerned ("micro").

For the market section, where the "micro" approach will in due course be essential for all the sectors, restricting the field to the units which carry out the activities in question as their principal activities obviously means that the overall activity will be underestimated.

It remains to be seen whether the remaining activity can be evaluated using the existing sources.

On the other hand, the inclusion of specific questions in the questionnaires for the structural surveys would increase the workload considerably.

6. Variables

The variables of the "common core" mentioned on the project of regulation "Structural business statistics" cannot be used as such in the non-market sector. Turnover is a fundamental market variable, particularly as it permits a breakdown by product. However, even here it is relatively meaningless for comparing activity across different sectors. In order to make an economically meaningful comparison, the concept of Production has been introduced.

In the market sector, production is calculated on the basis of turnover, adding the "change (+ or -) in stocks of products held by the producer" and the "change (+ or -) in stocks of products purchased for resale and for the further provision of services", subtracting "purchases for resale of goods and services and subcontracting" and adding "fixed production".

A certain number of variables from the "common core" are required for these calculations. These include, in particular, turnover, the change in stocks of products bought for resale without further processing, the change in stocks of finished products or products in the process of manufacture, purchases of goods and services for resale without further processing and fixed production.

There is obviously no place for turnover in the non-market sector "Production" is consequently calculated on the basis of costs incurred (intermediate consumption, remuneration of employees, consumption of fixed capital and taxes linked to production).

Within a "micro" approach to the collection of data from units in the non-market sector, and for the global evaluation of the sectors mentioned in the Council Decision 92/326/CEE, the variables to be used are as follows:

VARIABLES ADOPTED FOR THE NON-MARKET UNITS PRODUCERS

Three types of variables are defined:

- The **Statistical Elements**: variables to collect or assemble
- The **Calculated Variables**, either directly calculated by tabulation or from the statistical elements
- The **Subjects**, which do not constitute proper variables and have to be precisely defined.

Statistical Elements:

- Labour costs
 - Gross wages and salaries
 - Social Security Contributions
 - Voluntary social security contributions and other labour costs
- Purchases of goods and services
 - Purchases of goods and services for resale, and for further provision of services
- Fixed production
 - Fixed production of tangible investment goods
- Tangible investment goods by nature
- Disposals of fixed assets
- Number of persons employed
 - Number of wages and salary earners
 - Number of persons employed on part-time basis
 - Number of female persons employed
 - Number of voluntary workers
- Number of hours worked
 - Number of hours worked by wage and salary earners
 - Number of hours worked by non-salary earners
 - Number of hours worked by voluntaries
- Annual depreciation of fixed assets

- Annual provision for losses of fixed assets
- Duties and taxes (other than VAT) relating to production
- Change in Stocks
Change in stocks of products at their producer's

Calculated Variables:

- Number of Non-Profit Institutions (NPI)
- Number of local units
- Division of NPI (or local units) according to the number of persons employed, or the number of hours worked, including voluntary work
- Division of NPI (or local units) according to class of value added
- Intermediate consumption
- Consumption of fixed capital
- Gross value added at market prices
- Value of production
- Gross value added at factor costs

Subjects:

- Variables concerning the characteristics and demography of NPI (or local units)
- Intangible investments
- Leasing used by the units
- Variables relating to personnel qualification levels
- Accounting ratios

**DEFINITION OF THE VARIABLES FOR THE NON-
MARKET OUTPUT OF THE NON-PROFIT INSTITUTIONS**

Economic Variables for the Non-Market Output of the Non-Profit Institutions

Most of the variables used for the Market Sector, referred to in the preceding paragraphs, can be used as such, in the Non-Market Sector. Certain variables, on the other hand are either meaningless in this context (e.g. turnover) or they have to be differently defined.

In order to be able to make a meaningful economic comparison between the two sector the concept of "Value of Production" is used.

For the market sector, this variable, is calculated on the basis of turnover; for the non-market sector, "Value of Production" is calculated on the basis of incurred costs (intermediate consumption, labour costs, consumption of fixed capital and taxes linked to the production; by definition gross operating surplus is zero and operating subsidies are treated as transfers).

So, it is necessary to introduce variables that enable the complete evaluation of the above mentioned costs. These variables are: Intermediate Consumption and Consumption of Fixed Capital.

For the definition and comments of the variables code numbers 2, 3, 10, 10a, 10b, 13, 13a, 14, 15, 15a, 16, 17, 18, 22, 22a, 22b, 22c, 23, 23a, 23b, 24, 28, 30, 30a and 32 see chapter 4, replacing "enterprises" by "Non-Profit Institutions", if necessary.

The new variables as well as those that have been modified are the following:

- 1 "Number of Non-Profit Institutions"
- 4a "Division of the Non-Profit Institutions (or local units) according to the Number of Persons Employed or the Number of Hours worked, including voluntary work"
- 4b "Division of the Non-Profit Institutions (or local units) according to class of Value Added"
- 11 "Intermediate Consumption"
- 12 "Consumption of Fixed Capital"
- 20 "Gross Value Added at Market Prices"
- 21 "Value of Production"

- 22d "Number of Voluntary Workers
- 23b1 "Number of Hours Worked by Voluntaries"
- 26 "Annual Depreciation of Fixed Assets"
- 27 "Annual Provision for Losses of Fixed Assets"
- 31 "Gross Value Added at Factor costs"

The following tables show in a schematic way the operations made to obtain the calculated variables:

DEBIT	CREDIT
Purchases of Goods and Services (Code 13) -Purchases of Goods and Services for resale, and for the further provision of services (Code 13a)	Change in stocks held by their producer's (Code 21) <u>Balance:</u> Intermediate Consumption (Code12)

DEBIT	CREDIT
Taxes and Duties relating to Production (Code 28) <u>Balance:</u> Consumption of Fixed Capital (Code 11)	Annual Depreciation of fixed Assets (Code 26) Annual Provision for Losses of Fixed Assets (Code 27)

DEBIT	CREDIT
Taxes and Duties relating to Production (Code 28)	Intermediate Consumption (Code 11)
	Labour Costs (Code 10)
	Consumption of Fixed Capital (Code 11)
<u>Balance:</u> Value of Production (Code 21)	

DEBIT	CREDIT
Intermediate Consumption (Code 11)	Value of Production (Code 21)
<u>Balance:</u> Gross Value Added at Market Prices (Code 20)	
Taxes and Duties relating to Production (Code 28)	Gross Value Added at Market Prices (Code 20)
<u>Balance:</u> Gross Value Added at Factor Costs (Code 31)	

Code: 1

Name: Number of Non-Profit Institutions

Definition

"Non-Profit Institutions (NPI) are legal social enterprises created for the purpose of producing goods or services whose status does not permit them to be a source of income, profit or other financial gain to the units that establish, control or finance them".

[SNA revised , chapter IV, § 131]

Comments

The NPI should be classified according to their main activity in the NACE REV 1. It is also referred in the NACE 70/38 that NPI are institutional units within the meaning of the ESA "if it keeps a complete set of accounts and enjoys autonomy of decision in respect of its function", therefore, "NPI are recognised as independent legal entities".

Code: 4a

Name: Division of the Non-Profit Institutions (or the local units) according to the Number of Persons Employed or the Number of Hours Worked, including Voluntary Work

Definition

The following breakdown can be made for the sectors:

up	to 3	persons working	or up	to	5 999 hours worked
4	to 9	"	6 000	to	19 999 "
10	to 19	"	20 000	to	19 999 "
20	to 49	"	40 000	to	99 999 "
50	or more	"	100 000	to	or more "

Comments

The comments for the enterprises are applied to this case, replacing "enterprises" by "Non-Profit Institutions."

Code: 4b

Name: Division of Non-Profit Institutions (or local units) according to class of Value Added.

Definition

For the Non-Profit Institutions the following breakdown can be used for the gross value added at market prices:

Up to		19 999	ECU's
20 000	up to	49 999	ECU's
50 000	up to	79 999	ECU's
80 000	up to	109 999	ECU's
110 000		or more	ECU's

Comments

The comments made for the enterprises are applied here, replacing "enterprises" by "Non-Profit Institutions", if necessary

Code: 11

Name: Intermediate Consumption

Definition

This comprises the goods and services which are consumed in the production process during a given period.

[Adapted from the ESA 2nd edition §322-324]

In the practice "Intermediate Consumption" is defined as follows:

- * Purchases of goods and services (Code 13)
 - Purchases of goods and services for resale, and for the further provision of services (Code 13a)
 - Change in stocks held by their producer's (Code 30a)
- = Intermediate Consumption

Comments

Intermediate Consumption will often be measured as the value of purchases of such goods and services with an adjustment of the value for any change in stocks held of producers, if known.

Excluded are goods and services to be supplied without further processing, fixed assets purchases as fixed capital for consumption and goods and services regarded as payment in kind to employees.

[Adapted from the ESA 2nd edition § 322-324]

Code: 12

Name: Consumption of Fixed Capital.

Definition

"Consumption of fixed capital represents the amount of fixed capital used up, during the period under consideration, as a result of normal wear and tear and foreseeable obsolescence, including a provision for losses of fixed capital goods as a result of accidental damage which can be insured against".

(ESA 2nd edition § 402)

Comments

"Consumption of fixed capital" is a national Account concept difficult to collect since it does not exist in the accounting plan of the reporting units.

The difficulty consists in evaluating the investments of replacement prices, as it is determined in the ESA. Because of this, only the "annual depreciation charges" and "Annual Provisions for Losses" are collected.

Adjustments to estimate the "Annual Depreciation Charges" at replacement prices should be done by the Member states, according to the national practices, for the transmission of the data referring to the different NACE Rev.1 positions.

Code: 20

Name: Gross Value Added at Market Prices

Definition:

According to the European System of Integrated Economic Accounts Gross Value Added at Market Prices is:

$$\begin{array}{rcl} * & \text{Value of Production} & \\ - & \text{Intermediate Consumption} & \\ & = \text{Gross Value Added at Market Prices} & \end{array}$$

[Adapted from the ESA]

Comments:

The Value Added is said to be "gross" because it includes the cost of capital usage (depreciation costs)

Code: 21

Name: Value of Production

Definition

Value of Production for non-market activities of the NPI's is calculated on the basis of costs incurred at the time of production, i.e. as the sum of:

*	Intermediate Consumption	(Code 11)
+	Labour Costs	(Code 10)
+	Consumption of Fixed Capital	(Code 12)
+	Duties and Taxes (other than VAT) relating to Production	(Code 28)
=	Value of Production	

[Adapted from the draft of the revised SNA , Rev 1 Ch. VI § 96]

Code: 22d (part of Code 22)

Name: Number of Voluntary Workers

Definition:

"The number of persons working in a NPI in a non-paid voluntary basis, evaluated according the method adapted for variable code 22.

Comments:

Voluntary workers can receive, without being considered wages or salaries, allowances or reimbursements, paid by the NPI for:

- travelling or other expenses incurred in the course of the duties of their voluntary work;
- purchasing tools or special equipment needed for their work.

[Adapted from ESA 2nd edition § 404]

Code: 23c (part of 23)

Name: Number of hours worked by voluntaries

Definition:

The total numbers of hours actually worked during the reference period by all the voluntaries: accorded hours, overtime hours, short interruptions of work at the work place, hours worked on Sunday, night, etc.

[Adapted from Industry Hand Book, VI, 7]

Comments:

This code excludes sickness leaves.

It also excludes meal breaks and travelling time to work

Code: 26

Name: Annual Depreciation of Fixed Assets

Definition:

"Annual depreciation of fixed assets" represents the loss of value of the fixed capital goods, during the year in reference resulting from the use and/or obsolescence.

[Adapted from ESA 2nd edition § 403]

Comments:

The source to collect this variable is the business accounts of the enterprises.

Code: 27

Name: Annual Provision for Losses of Fixed Assets

Definition:

Annual provision for losses of fixed assets" represents the amounts intended to cover the risk of insurable accidental damage to fixed capital goods (fire, accident, etc.).

[adapted from ESA 2nd edition § 403]

Comments:

The source to collect this variable is the business accounts of the enterprises.

"If the above mentioned risks are insured against, an approximate measure of the amount of such provision can be the net accident insurance premium in fixed capital goods paid".

[Adapted from ESA 2nd edition §403]

"When the fixed capital goods are not insured or fully insured, the amount of provision should be estimated on the basis of net premiums which would be required to give full insurance cover".

[ESA 2nd edition §403]

Code: 31

Name: Gross Value Added at Factor Costs

Definition:

For the non-market production of the Non-Profit Institutions "Gross Value Added at Factor Cost" excludes duties and taxes other than VAT from "Gross Value Added at Market Prices"

$$\begin{array}{rcl} * & \text{Gross Value Added at Market Prices (Code 20)} & \\ - & \text{Duties and taxes relating to production other than VAT (Code 28)} & \\ = & \text{Gross Value Added at Factor Cost} & \end{array}$$

[Adapted from the ESA]

Comments:

According to ESA The difference in calculating and in the definition of Gross Value Added at Factor Costs between the market and the non-market sector is explained by two reasons:

by definition Brut Operating Surplus is considered equal to zero for the Non- Profit Institutions of the non-market sector;

the Operating Subsidies do not exist in the Non-Profit Institutions Sector and any amounts given by the government or other Institutions are regarded as transfers from other institutional sectors.

ANNEX 1

SOCIAL SECURITY

EUROSTAT/D4

CODE NACE /REV 1				TITLE	MARKET						NON-MARKET							
div	group	class	new class	SOCIAL SECURITY	Enterprises		N P Is			House- holds	Government	C O F O G			N P Is			
					Public	Private	Enterprises	Subsidiaries	Others						Public	Subsidiaries	Others	
75	75.3	75.30		Compulsory Social Security														
				Compulsory Social Security														
				Compulsory Social Security	-	-												
To link the above with SOCIAL PROTECTION concept see NACE positions below																		
66	66.0	66.02		Insurance and pension funding, except compulsory social security														
				idem														
				Pension Fund	66.02(c)	66.02(c)	66.02(c)	66.02(c)	-	-	-	66.02(b)	66.02(b)	66.02(b)				
				Non-life insurance	66.03(c)	66.03(c)	66.03(c)	66.03(c)	-	-	-	66.03(b)	66.03(b)	66.03(b)				
		66.031*		Insurances related to Social Protection; see SESPROS	66.031(c)	66.031(c)	66.031(c)	66.031(c)	-	-	-	66.031(b)	66.031(b)	66.031(b)				
Notes : (p) = Partly (*) = New Code NACE (**) = New Code COFOG a = Non Market services of General Government b = Non Market services of non profit institutions c = Market services																		

To link the above with SOCIAL PROTECTION concept see NACE positions below

EXPLANATORY NOTES TO COFOG NEW CODES

SECTOR: SOCIAL SECURITY

New code COFOG	Title
06.171**	Social Security affairs n.e.c., excluding ministerial activities

Note: Ministerial activities code NACE Rev.1: 75.12

EDUCATION

EUROSTAT/D4

CODE NACE/Rev 1				TITLE	MARKET						NON-MARKET					
Div	Group	Class	New Class	EDUCATION	Enterprises		N P I s			House-holds	Government	C O F O G		N P I s		
					Public	Private	Enterprises	Subsidies	Others					Public Subsidies	Others	
80.1		80.10		Primary Education	80.10(c)	80.10(c)		80.10(c)	80.10(c)	-	80.10(a)	04.10(p) 04.50(p)	04.101** 04.501**	80.10(b)	80.10(b)	
				Primary Education												
80.2		80.21		Secondary Education General	80.21(c)	80.21(c)		80.21(c)	80.21(c)	-	80.21(a)	04.21(p) 04.50(p)	04.211** 04.502**	80.21(b)	80.21(b)	
				Secondary Education												
80.22				Technical and vocational secondary education	80.22(c)	80.22(c)		80.22(c)	80.22(c)	-	80.22(a)	04.22(p) 04.23 04.50(p)	04.221** 04.503**	80.22(b)	80.22(b)	
				Higher Education												
80.3		80.30		Higher Education	80.30(c)	80.30(c)		80.30(c)	80.30(c)	-	80.30(a)	04.31(p) 04.32(p) 04.33(p) 04.50(p)	04.311** 04.321** 04.331** 04.504**	80.30(b)	80.30(b)	
				Higher Education												
80.4		80.41		Adult and other education Driving school activities	80.41(c)	80.41(c)		80.41(c)	80.41(c)	-	80.41(a)	-	-	80.41(b)	80.41(b)	
				Adult and other education n. e.c.												
80.42				Adult and other education n. e.c.	80.42(c)	80.42(c)		80.42(c)	80.42(c)	-	80.42(a)	-	-	80.42(b)	80.42(b)	
				Adult and other education n. e.c.												
80.421*				Excluding Private Tuition	80.421(c)	80.421(c)		80.421(c)	80.421(c)	-	80.421(a)	04.22(p) 04.50(p)	04.222** 04.505**	80.421(b)	80.421(b)	
				Excluding Private Tuition												
80.422*				Private Tuition	80.422(c)	80.422(c)		80.422(c)	80.422(c)	80.422(c)	80.422(a)	04.40(p)	04.401**	80.422(b)	80.422(b)	
				Private Tuition												

Notes : (p) = Partly
(*) = New Code NACE
(**) = New Code COFOG

a = Non Market services of General Government
b = Non Market services of non profit institutions
c = Market services

Notes : (p) = Partly
 (*) = New Code NACE
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EXPLANATORY NOTES TO COFOG NEW CODES

SECTOR: EDUCATION

New codes COFOG	Title
04.101**	Pre-primary and primary education affaires and services, excluding ministerial activities (code Nace/rev.1: 75.12)
04.501**	Subsidiary services to primary education
04.211**	Secondary education - general programme, excluding ministerial activities (code Nace/rev.1: 75.12)
04.502**	Subsidiary services to general secondary education
04.221**	Secondary education - vocational and technical, excluding adults programmes, excluding ministerial activities (code Nace/rev1: 75.12)
04.503**	Subsidiary services to technical and vocational secondary education
04.311**	Universities and other institutions providing tertiary education services (ISCED levels 6 and 7), excluding ministerial activities (code Nace/rev.1: 75.12)
04.321**	Tertiary education services not leading to a university degree (ISCED level 5), excluding ministerial activities (code Nace/rev1: 75.12)
04.331**	Tertiary education affaires and services n.e.c., excluding ministerial activities (code Nace/rev.1: 75.12)
04.504**	Subsidiary services to higher education
04.222**	Secondary education - vocational and technical for adults,excluding ministerial activities (code Nace/rev.1: 75.12)
04.505**	Subsidiary services to adults and other education n.e.c. excluding private tuition
04.401**	Education services not definable by level (ISCED level 9), excluding ministerial activities (code Nace/rev.1: 75.12)

CODE NACE / REV1				TITLE	MARKET						NON-MARKET					
div	group	class	new class	HEALTH AND SOCIAL WORK	Enterprises		NP Is		House-holds	Government	COFOG		NP Is			
					Public	Private	Enterprises	Subsidies			Others			Public Subsidies	Others	
85	85.1	85.11		Human Health Activities												
				Hospital activities	85.11(c)	85.11(c)		85.11(c)	85.11(c)	-	85.11(a)			85.11(b)	85.11(b)	
				Medical Practise Activities	85.12(c)	85.12(c)		85.12(c)	85.12(c)	-	85.12(a)			85.12(b)	85.12(b)	
				Dental Practise Activities	85.13(c)	85.13(c)		85.13(c)	85.13(c)	-	85.13(a)			85.13(b)	85.13(b)	
		85.14		Other Human Health activities	85.14(c)	85.14(c)		85.14(c)	85.14(c)	85.14(a)			85.14(b)	85.14(b)		
85.2				Veterinary Activities	For Memory see: " Other Services "											
85.3	85.31			Social Work activities												
				Social activities with accomodation	85.31(c)	85.31(c)		85.31(c)	85.31(c)	85.31(c)	85.31(a)			85.31(b)	85.31(b)	
				Social activities without accomodation	85.32(c)	85.32(c)		85.32(c)	85.32(c)	85.32(c)	85.32(a)			85.32(b)	85.32(b)	
Notes :				a = Non Market services of General Government (*) = New Code NACE (**) = New Code COFOG												

EXPLANATORY NOTES TO COFOG NEW CODES

SECTOR: HEALTH AND SOCIAL SECURITY

New codes COFOG	Title
05.111**	General hospital services , excluding ministerial activities
05.121**	Specialized hospital services, excluding ministerial activities
05.131**	Medical and maternity center services, excluding ministerial activities
05.141**	Nursing and convalescent home services, excluding ministerial activities
05.151**	Hospital affairs and services n.e.c., excluding ministerial activities
05.211**	General medical clinics and general medical practitioners (doctors), excluding ministerial activities
05.221**	Specialized medical clinics and specialist medical practitioners (doctors), excluding ministerial activities
05.231**	General or specialist dental clinics and dentists,excluding ministerial activities
05.232**	Oral hygienists or other dental operating auxiliaries, excluding ministerial activities
05.241**	Other clinics and para-medical personnel n.e.c., excluding ministerial activities
05.251**	Clinics, and medical practitioners n.e.c., excluding ministerial activities
05.252**	Dental practitioners n.e.c., excluding ministerial activities
05.253**	Paramedical practitioners n.e.c., excluding ministerial activities
05.301**	Public health affairs and services, excluding ministerial activities
06.211**	Welfare services - children's residential institutions
06.221**	Welfare services - old person's residential institutions, excluding ministerial activities
06.231**	Welfare services - handicapped persons, residential services, excluding ministerial activities
06.232**	Welfare services - handicapped persons, non residential services, excluding ministerial activities
06.241**	Welfare services, other residential institutions, excluding ministerial activities
06.251**	Welfare services not delivered through residential institutions, excluding ministerial activities

Note: Ministerial activities: Code NACE Rev.1: 75.12

ACTIVITIES OF MEMBERSHIP ORGANIZATION

CODE NACE / REV1				TITLE	MARKET					NON-MARKET				
div	group	class	new class	Activities of Membership Org.	Enterprises		N P Is		House-holds	Government	C O F O G		N P Is	
					Public	Private	Enterprises Subsidies	Others			Public Subsidies	Others		
91	91.1			Activities of Business, Employers and Professional Organizations										
		91.11		Activities of Business and Employers Organizations	-	-	91.11(c)	91.11(c)	-	91.11(a)	08.05(p)	08.05.09**	91.11(b)	91.11(b)
		91.12		Activities of Professional Organizations	-	-	91.12(c)	91.12(c)	-	91.12(a)	08.05(p)	08.05.10**	91.12(b)	91.12(b)
		91.2		Activities of Trade Unions										
		91.20		Activities of Trade Unions	-	-	91.20(c)	91.20(c)	-	91.20(a)	08.04(p)	08.041**	91.20(b)	91.20(b)
91.3				Activities of other Membership Organizations										
	91.31			Activities of Religious Organizations	-	-	91.31(c)	91.31(c)	-	91.31(a)	08.04(p)	08.042**	91.31(b)	91.31(b)
	91.32			Activities of Political Organizations	-	-	91.32(c)	91.32(c)	-	91.32(a)	08.04(p)	08.043**	91.32(b)	91.32(b)
	91.33			Activities of other Membership Organizations	-	-	91.33(c)	91.33(c)	-	91.33(a)	08.04(p)	08.044**	91.33(b)	91.33(b)
Notes :				(p) = Partly (*) = New Code NACE (**) = New Code COFOG										
				a = Non Market services of General Government b = Non Market services of non profit institutions c = Market services										

Notes : (p) = Partly
 (*) = New Code NACE
 (**) = New Code COFOG

a = Non Market services of General Government
 b = Non Market services of non profit institutions
 c = Market services

EXPLANATORY NOTES TO COFOG NEW CODES

SECTOR: ACTIVITIES OF MEMBERSHIP ORGANIZATIONS

New code COFOG	Title
08.05.09**	Recreational and cultural affairs and services n.e.c., related to activities of business and employers organizations excluding ministerial activities
08.05.10**	Recreational and cultural affairs and services n.e.c., related to activities of professional organizations excluding ministerial activities
08.041**	Other Community affairs and services related to activities of trade unions excluding ministerial activities
08.05.11**	Recreational and cultural affairs and services n.e.c., related to activities of trade unions
08.042**	Religious affairs and services
08.05.12**	Religious affairs and services n.e.c.
08.043**	Other Community affairs and services related to activities of political organizations
08.05.13**	Recreational and cultural affairs and services n.e.c., related to activities of political organizations
08.044**	Other Community affairs and services related to activities of other membership organizations
08.05.14**	Recreational and cultural affairs and services n.e.c., related to activities of other membership organizations

Note: Ministerial activities code NACE Rev.1 75.12

RECREATIONAL CULTURAL AND SPORTING ACTIVITIES

EUROSTAT/D4

CODE NACE /REV 1				TITLE	MARKET						NON-MARKET				
div	group	class	new class	Recreat., Cult. and Sporting Activities	Enterprises		N P I s			House-holds	Government	C O F O G		N P I s	
					Public	Private	Enterprises	Subsidiaries	Others			Public Subsidies	Others		
92				Recreat., Cult. and Sport. Activ.											
	92.3	92.31		Other entertainment activities											
				Artistic and literary creation and interpretation	92.31(c)	92.31(c)	92.31(c)	92.31(c)	-	92.31(a)	08.02 (p) 08.05(p)	08.021** 08.05.01**	92.31(b)	92.31(b)	
				Operation of arts facilities	92.32(c)	92.32(c)	92.32(c)	92.32(c)	-	92.32(a)	08.02 (p) 08.05(p)	08.022** 08.05.02**	92.32(b)	92.32(b)	
				Fair amusement park activities	92.33(c)	92.33(c)	92.33(c)	92.33(c)	-	92.33(a)	08.01(p) 08.05(p)	08.011** 08.05.03**	92.33(b)	92.33(b)	
	92.4	92.40		Other Entertainment Activities n.e.c.	92.34(c)	92.34(c)	92.34(c)	92.34(c)	-	92.34(a)	08.02 (p) 08.05(p)	08.023** 08.05.04**	92.34(b)	92.34(b)	
News agency activities															
	92.5			idem	92.40(c)	92.40(c)	92.40(c)	92.40(c)	-	92.40(a)	08.03(p)	08.031**	92.40(b)	92.40(b)	
Library, archives, museums ,& other cultural activities															
Notes:				(p) = Partly (*) = New Code NACE (**) = New Code COFOG											
				a = Non Market services of General Government b = Non Market services of non profit institutions c = Market services											

RECREATIONAL CULTURAL AND SPORTING ACTIVITIES

EUROSTAT/D4

CODE NACE /REV 1			TITLE	MARKET					NON-MARKET					
div	group	class	new class	Recreat., Cult. and Sporting Activities	Enterprises		N P I s		House-holds	Government	C O F O G		N P I s	
					Public	Private	Enterprises	Subsides			Others	Public Subsidies	Others	
	92.5	92.51		Library and archive activities	92.51(c)	92.51(c)	92.51(c)	92.51(c)	-	92.51(a)	08.02 (p)	08.024**	92.51(b)	92.51(b)
		92.52		Museums activities and preservation of historical sites and buildings	92.52(c)	92.52(c)	92.52(c)	92.52(c)	92.52(c)	92.52(a)	08.02 (p)	08.025**	92.52(b)	92.52(b)
		92.53		Botanical and zoological gardens and nat. reserves activities	92.53(c)	92.53(c)	92.53(c)	92.53(c)	92.53(c)	92.53(a)	08.02 (p)	08.026**	92.53(b)	92.53(b)
	92.6			Sporting activities										
		92.61		Operation of sport arenas and stadiums	92.61(c)	92.61(c)	92.61(c)	92.61(c)	-	92.61(a)	08.01(p) 08.05(p)	08.012** 08.05.05**		92.61(b)
		92.62		Other sporting activities	92.62(c)	92.62(c)	92.62(c)	92.62(c)	-	92.62(a)	08.01(p) 08.05(p)	08.013** 08.05.06**		92.62(b)
	92.7			Other recreational activities										
		92.71		Gambling and betting activities	92.71(c)	92.71(c)	92.71(c)	92.71(c)	-	92.71(a)	08.01(p) 08.05(p)	08.014** 08.05.07**		92.71(b)
		92.72		Other recreational Activities n.e.c.	92.72(c)	92.72(c)	92.72(c)	92.72(c)	-	92.72(a)	08.05(p)	08.05.08**		92.72(b)
Notes:				(p) = Partly (*) = New Code NACE (**) = New Code COFOG a = Non Market services of General Government b = Non Market services of non profit institutions c = Market services										

EXPLANATORY NOTES TO COFOG NEW CODES

SECTOR: RECREATIONAL, CULTURAL AND SPORTING ACTIVITIES

New code COFOG	Title
8.021**	Cultural affairs and services related to artistic and literary creation and interpretation
08.05.01**	Recreational and cultural affairs and services n.e.c., related to artistic and literary creation and interpretation
08.022**	Cultural affairs and services related to operation of arts facilities
08.05.02**	Recreational and cultural affairs and services n.e.c., related to operation of arts facilities
08.011**	Recreational and cultural affairs and services, related to fair and amusement park activities
08.05.03**	Recreational and cultural affairs and services n.e.c., related to fair and amusement park activities
08.023**	Cultural affairs and services related to other entertainment activities n.e.c.
08.05.04**	Recreational and cultural affairs and services n.e.c., related to other entertainment activities n.e.c.
08.031**	News agency activities
08.024**	Cultural affairs and services related to library and archives activities
08.025**	Cultural affairs and services related to museums activities and preservation of historical sites and buildings
08.026**	Cultural affairs and services related to botanical and zoological gardens and nature reserves activities
08.012**	Recreational and cultural affairs and services, related to operation of sports arenas and stadiums
08.05.05**	Recreational and cultural affairs and services n.e.c., related to operation of sports arenas and stadiums
08.013**	Recreational and cultural affairs and services, related to other sporting activities
08.05.06**	Recreational and cultural affairs and services n.e.c., related to other sporting activities
08.014**	Recreational and cultural affairs and services, related to gambling and betting activities
08.05.07**	Recreational and cultural affairs and services n.e.c., related to gambling and betting activities
08.05.08**	Recreational and cultural affairs and services n.e.c., related to other recreational activities n.e.c.

OTHER SERVICES TO INDIVIDUALS AND THE COMMUNITY

EUROSTAT/D4

CODE NACE /REV 1				TITLE	MARKET						NON-MARKET			
		new class	Other Serv. to Individ. and the Community	Enterprises		N P Is		House-holds	Government	C O F O G		N P Is		
div	group	class		Public	Private	Enterprises Subsidies	Others					Public Subsidies	Others	
90	90.0		Sewage and refusal, sanitation and similar activities											
		90.00	idem	90.00(c)	90.00(c)	90.00(c)	90.00(c)	-	90.00(a)	07.31(p)	07.311**	90.00(b)	90.00(b)	
93	93.0		Other Service Activities											
			Idem											
		93.01	Washing and (dry-) cleaning of textile and fur products	93.01(c)	93.01(c)	93.01(c)	93.01(c)	93.01(c)	-	-	-	-	-	
		93.02	Hairdressing and other beauty treatment	93.02(c)	93.02(c)	93.02(c)	93.02(c)	93.02(c)	-	-	-	-	-	
		93.03	Funeral and related activities	93.03(c)	93.03(c)	93.03(c)	93.03(c)	-	-	07.12(p)	07.121**	-	-	
		93.04	Physical well-being activities	93.04(c)	93.04(c)	93.04(c)	93.04(c)	-	-	07.50(p)	07.501**	-	-	
	93.05	Other services activities n.e.c.	93.05(c)	93.05(c)	93.05(c)	93.05(c)	93.05(c)	-	-	-	-	-		

EXPLANATORY NOTES TO COFOG NEW CODES

SECTOR: OTHER SERVICES TO INDIVIDUAL AND THE COMMUNITY

New code COFOG	Title
07.311**	Refuse collection and disposal operations, sewage system operation, street cleaning ,excluding ministerial activities
07.121**	Community development affairs and services concerning funeral and related activities
07.501**	Housing and Community amenity affairs and services n.e.c. and related to cemeteries

OTHER SERVICES

EUROSTAT/D4

CODE NACE/REV1			TITLE		MARKET					NON-MARKET				
div	group	class	new class	OTHER SERVICES	Enterprises		N P Is		House holds	Government	C O F O G		N P Is	
					Public	Private	Enterprises	Subsidies					Public Subsidies	Others
70	70.1			Real Estate Activities Real est. activ. with own or leased property										
				Development and selling of real estate	70.11(c)	70.11(c)	70.11(c)	70.11(c)	70.11(c)	70.11(a)	07.11(p) 07.12(p) 07.13(p)	07.111** 07.121** 07.131**	70.11(b)	70.11(b)
	70.2			Buying and selling of own or leased real estate	70.12(c)	70.12(c)	70.12(c)	70.12(c)	70.12(c)	70.12(a)			70.12(b)	70.12(b)
				Letting of own or leased property Idem	70.20(c)	70.20(c)	70.20(c)	70.20(c)	70.20(c)	70.20(a)			70.20(b)	70.20(b)
70.3	70.31			Real estate activ. on a fee or contract basis										
				Real estate agencies	70.31(c)	70.31(c)	70.31(c)	70.31(c)	70.31(c)				70.31(b)	70.31(b)
	70.32			Management of real estate on a fee or contract basis	70.32(c)	70.32(c)	70.32(c)	70.32(c)	70.32(c)				70.32(b)	70.32(b)
Notes :				(p) = Partly (*) = New Code NACE (**) = New Code COFOG	a = Non Market services of General Government b = Non Market services of non profit institutions c = Market services									

OTHER SERVICES

EUROSTAT/D4

CODE NACE/REVI			TITLE		MARKET					NON-MARKET			
div	group	class	new class	OTHER SERVICES	Enterprises		N P I s		House holds	Government	C O F O G		N P I s
					Public	Private	Enterprises	Subsidies			Public	Subsidies	
73	73.1			Research and Development									
				Research and experimental development on natural sciences and engin.(NSE)									
				Idem	73.10(c)	73.10(c)		73.10(c)		73.10(a)	research activities included in COFOG codes 01, 05, 09, 10, 11, 12	73.10(b)	73.10(b)
73.2	73.20			Research and experim. develop. on social sciences and humanities (SSH)									
				Idem	73.20(c)	73.20(c)		73.20(c)		73.20(a)	01.32(p) 01.321** 01.33(p) 01.331** 01.34(p) 01.341** 12.70(p) 12.701**	73.20(b)	73.20(b)
85.2	85.20			Veterinary activities									
				Veterinary activities	85.20(c)	85.20(c)		85.20(c)	85.20(c)	85.20(a)		85.20(b)	85.20(b)

EXPLANATORY NOTES TO COFOG NEW CODES

SECTOR: OTHER SERVICES

New code	Title
COFOG	
07.111**	Housing affairs and services, excluding ministerial activities
07.121**	Planning of new collectivities and urban renewal projects
07.131**	Housing and community development affairs n.e.c., excluding ministerial activities
01.311**	Fundamental research into the natural sciences , engineering and technology, excluding ministerial activities
05.501**	Health and medical research
09.131**	Research and experimental development into the mining and processing of nuclear fuel material
09.211**	Research into the various aspects of electricity generation (including nuclear power plants)
09.222**	Research in connexion with the capture of solar energy
10.111**	Research and development into problems of land conservation, reclamation and expansion
10.121**	Research into problems of land reform and resettlement
10.131**	Research into the design and efficacy of price support schemes; public information on farm price and income stabilization programmes; and statistics covering farm prices and incomes
10.201**	Research into all aspects of forest management and exploitation
10.401**	Research and experimental development into veterinary medicine and into animal husbandry
11.101**	Research into mining and mineral (other than fuel) resource problems including research into beneficiation methods
11.201**	Research into manufacturing methods, materials and management of industrial enterprises
11.301**	Research into construction methods, materials, productivity and related matters affecting construction of buildings
12.111**	Research into road design, construction methods or material other than for building construction
12.121**	Research into road transport system operation
12.211**	Research into water transport facilities design and construction methods or materials if they can be separated from the building construction research
12.221**	Research into water transport system operation
12.311**	Research into railway design, construction methods or materials
12.321**	Research into railway system operation
12.411**	Research into airport design, construction methods or materials
12.421**	Research into air transport operation
12.511**	Research into the design or construction of pipelines and other transport facilities such as teleferics, aerial cables,

	funiculars and so forth
12.521**	Research into pipeline system operation and into the transport system operation n.e.c.
01.321**	Fundamental research into the social sciences and humanities, excluding ministerial activities
01.331**	Fundamental multidisciplinary research, excluding ministerial activities
01.341**	Fundamental research n.e.c., excluding ministerial activities
12.701**	Research into communication equipment and technology
10.151**	Veterinary affairs and services, excluding ministerial activities

ANNEX 2

**PREPARATION
OF A MANUAL ON
OTHER SERVICES AND NON MARKET SPHERE**

Provisional draft n°3 of 13 August 1993

The present document is designed to be a framework for statistics on services which are not covered in the other chapters of the manual.

It is based on the chapter dealing with the general framework. In line with this chapter, the paper deals with services which are classified as market services. Similarly, the entities to which the present paper refers to are market entities. However, it may be possible to extend some statistics proposed in this paper to non market services or non market entities as long as such services are measured and priced in the same manner as on the market and as long as the concepts and definitions applied are those used for market entities.

The non market entities are included in National Accounts with the institutional sectors of Government and Private non Profit Institution Serving Households (PNPBSH). As to entities included with Government, the separation of the relevant entities and the possibility of having data in the format required here varies greatly from one country to another. As to PNPBSH, there is a little more homogeneity as long as the entities covered are liable to certain official declarations (taxes on incomes, on personnel, ...), but the situation may still be very variable from one place to another. Furthermore, many of the entities included are run on a benevolent basis, the main focus being put on the aim of the entity and not on the quality and the validity of the official declarations.

Underlying the previous remarks, it should be noted that the concepts and definitions used, especially as to accounting, are those of the entities in the private sector and therefore they may differ from those used in National Accounts as well as from those used in the Public sector.

At last, it should be noted once again that the manual is not a survey manual and if, for example, references are made to the possibility of organising the accounts of some public entities or of some entities classified with the Government institutional sector in order to obtain some homogeneity with the data for entities in the private sector, this should be viewed only as one possibility among many others to gather the relevant data. It is certain that if statistics have to be gathered, one should take into accounts data already collected and usually already processed within the framework of other operations such as the establishment of Government account in National Accounts.

Even when achieved within the market sector, some activities in some entities may be rather highly subsidised, which results in a lower financial participation of households through lower prices. The same activities may not be subsidised in other entities or in other countries. In order to improve the data referring to production (linked to turnover) and product (linked to value added), and to ensure the validity of international comparisons, it is proposed to add the operating subsidies to the turnover. This operation increases the turnover and the value added but does not change the operating surplus ; it is similar to count production and product at the base prices as proposed in the SNA, but this is done at the enterprise accounting level.

IMPORTANT REMARK : the explanatory notes of the NACE Rev.1 which are referred to in this paper are still provisional.

SOCIAL SECURITY ACTIVITIES

DEFINITION AND CONTENT OF THE ACTIVITY

The social security activities correspond to group 75.3 of the NACE Rev.1, which includes one class (75.30) the title of which is "Compulsory social security activities". According to the explanatory notes the class includes administration of compulsory social security : sickness, work-accident and unemployment insurance ; retirement pensions. The class does not include non-compulsory social security (group 66.0) and provision of welfare services and social works (group 85.3).

ENTITIES THE MAIN ACTIVITY OF WHICH IS THE STUDIED ACTIVITY

The social security activities are exercised by non market entities managed by the central government or by territorial authorities, and included within the institutional sector of administrations. The organisation of these entities vary greatly from one country to another, from the most centralised organisation which collects funds from the various contributors and pays the recipients, to several decentralised entities specialised by region, by profession, by level of income of recipients, by type of insurance (health, unemployment, ...) or pension fund, ... Each entity may produce some more or less detailed account of income and outlays in direct relation with the persons managed by it. At the level of one entity, it is also possible to know the employment level. But, with regards to other economic variables such as salaries, investments, ... , the data are generally centralised at the level of a regional or even national administration.

ENTITIES OF WHICH THE STUDIED ACTIVITY IS ONE OF THE SECONDARY ACTIVITIES

The activity as defined in the explanatory notes implies that it is exercised only by specialised entities within the Government or local authority sector.

STATISTICAL UNIT

Only the concept of local unit can reasonably be used, but, as pointed out above, this does not mean that this is an efficient concept when statistical data are concerned.

SPECIFIC PROBLEMS OF THE SECTOR

The entities exercising social security activities are all included within the institutional sector of administrations. The concepts and definitions used to treat these entities are therefore not, in many cases and in the majority of countries, those of the private sector. It is thus necessary to create specific international concepts and definitions for the two purposes of aggregating social security services with other services and for making country to country comparisons of social security services. Of course, many of such concepts and definitions exist already within the framework of coordinated budget presentations or of the National Accounts. It is therefore necessary to examine these items prior to enter into a discussion of the variables related to the social security entities.

It should also be noted that social security activities are insurance and pension fund activities and, thus, several specific problems of the latter are also valid for the former.

THE ECONOMIC VARIABLES

A. The variables in the general framework

As said above, those variables are generally not relevant for social security activities which are not exercised by private entities for which the chapter on general framework is applicable.

B. Other variables specific to the sector under review

As proposed, a specific study of existing concepts and definitions should permit, later on, to ensure the aggregation of domestic data on social security activities with data on other services as well as international comparisons of social security activities.

EDUCATION

DEFINITION AND CONTENT OF THE ACTIVITY

This activity corresponds to section M of the NACE Rev.1, which, itself, covers the division 80 of the classification.

According to the explanatory notes, the division includes public as well as private education at any level or for any profession, oral or written as well as by radio and television. It includes both education by the different institutions in the regular school system at its different levels as well as adult education, literacy programmes, ... For each level of education, the classes in the nomenclature include special education for physical or mentally handicapped pupils. The division includes also other education such as driving school, but does not include education primarily concerned with recreation such as bridge or golf (included in division 92). It should be noted that the levels and stages referred to in the explanatory notes are those of the International Standard Classification of Education (ISCED).

The division contains six classes :

- 80.10 Primary education
- 80.21 General secondary education
- 80.22 Technical and vocational secondary education
- 80.30 Higher education
- 80.41 Driving school activities
- 80.42 Adult and other education n.e.c.

According to the explanatory notes of the NACE Rev.1, **primary education** includes pre-primary education (education preceding the first level) and primary education (education at the first level), but excludes the provision of literacy programmes for adults (included in 80.42) and other child care activities (included in 85.32 : social work activities without accomodation).

According to the explanatory notes of the NACE Rev.1, **general secondary education** includes general school education in the first stage of the secondary level corresponding more or less to the period of compulsory school attendance, and general school education in the second stage of the secondary level giving in principle access to higher education. It should be noted that subject specialisation at this level often begins to have some influence on the educational experience of those pursuing a general programme. Such programmes are designated to qualify students either for technical and vocational education or for higher education entrance without any special subject prerequisite. Adult education such as defined in class 80.42 is excluded.

As indicated in the explanatory notes of NACE Rev.1, **technical and vocational education**, below the level of higher education as defined in 80.30, concerns programmes which typically emphasize a subject-matter specialisation and instruction of both theoretical background and practical skills generally associated with present or prospective employment. The aim of a programme can vary from preparation for a general field of employment to a very specific job.

According to the explanatory notes of the NACE Rev.1, **higher education** includes first, second and third stages of higher education, post secondary education that leads or not to a university degree or equivalent. A great variety of subject-matter programmes is offered at this level, some emphasizing more theoretical instruction and some more practical instruction.

According to the explanatory notes of the NACE Rev.1, **driving school activities** include also tuition for flying certificates and ship licences other than commercial certificates and permits.

At last, **adult and other education n.e.c.** includes, according to the explanatory notes of the NACE Rev.1, education for adult people who are not in the regular school and university system. Instruction may be given in day or evening classes in schools or in special institutions providing for adults. It includes also all instruction through radio and television broadcasts, or by correspondence, and education which is not definable by level.

ENTITIES THE MAIN ACTIVITY OF WHICH IS THE STUDIED ACTIVITY

As to primary, general secondary and higher education, situations are extremely different from one country to another. Prior to finalising the present manual, it is therefore necessary to obtain a detailed description of each country's education system especially as to its financemnt and as to the users. In most countries two systems co-exist, a public system and a private system, but their relative importance is variable. The public systems are principally funded by the central and the territorial governments as part of their general budget, with, sometimes, some minor direct contributions by pupils'families. The private system may be funded only by direct payments of pupils'families (sometimes, but rather rarely, by the company of which one parent is a staff member) but, very often, the private education schools are partially funded by other entities such as religious associations or major enterprises. In that case, the school may be classified with private non profit bodies serving households. In some countries, the central government or the territorial authorities may largely subsidise some private schools, which lead sometimes to classify such schools in the institutional sector of administrations. At last, in some cases, costs may be shared at the same time by the central government or the territorial authorities from their regular budget, by other entities (supporting associations, enterprises) and by households. The concerned schools may be included within the institutional sector of administrations, and therefore considered to be part of the public education. To a minor extent, the services of primary and secondary (and, sometimes, higher education) may be provided by individual entrepreneurs (registered or not) i.e. when teachers, out of their normal activities, and/or student make private lectures to pupils and are directly paid by their families.

Technical and vocational secondary education may also be public (included within the institutional sector of administrations) or private (market or non market). In the latter case, although religious and similar associations may ensure a part of the costs, professional associations and enterprises may also contribute for an important part.

Adult education is rather made of private entities working according to the normal regime for enterprises. However, these enterprises may receive public subsidies or private contributions from professional associations and from enterprises (education establishment providing reconversion training and education for unemployed persons, establishments for professional education of disabled adults, ...). The clients of adult education establishments (those who pay for the individual tuition) may be households but, generally, they consist of public administrations (in the case of unemployed and disabled persons in particular) and of enterprises (for internal and external training for some of their staff members).

The entities providing driving and similar teaching are usually private companies. Local units are generally small entities, which may be included in a larger enterprise or which may be included in a franchise organisation.

Secondary activities by entities the principal activity of which is education is not frequent except in the case of research and development in higher education entities and for some productive activities in some professional schools (for example hotel and restaurant professional schools may have an hotel and a restaurant attached to them for practical training of their students).

ENTITIES OF WHICH THE STUDIED ACTIVITY IS ONE OF THE SECONDARY ACTIVITIES

Primary, general secondary and higher education are generally exercised in entities where they are the principal activity. Usually, these entities, when not included in the institutional sector of public administrations, are enterprises or can be assimilated to enterprises (if the concept is extended to private non profit bodies serving households and to private households).

Professional and adult education activities may be exercised within various entities where they are not the main activity. Many companies provide in-house training to their staff members and such training is ensured by other staff members who may or not receive an extra salary for such operations. Other companies may have created a special local unit the main activity of which is to educate the company's staff members, and sometimes, also, other paying "guests" from other companies or who are individual persons on their own. At last, education activities may be exercised within the framework of professional, religious or other associations, the main activity of which not being education.

It does not seem that education performed as a secondary activity in entities having a different principal activity represent an important part of the education activity. This has, of course, to be verified.

STATISTICAL UNIT

This concerns only education activities performed outside the institutional sector of administrations.

From what has been seen hereabove, it seems that there is a rather important degree of purity between the activity of education and the entities which exercise it. With this consideration in mind, as regards the relevant statistical unit to consider for collecting the indicators, generally, the enterprise will provide the data required. Of course, some indicators may be interesting at the regional or local level, in which case the local units of pluri-local units enterprises will be relevant for collecting some information (see below the quantitative data linked to school frequentation).

SPECIFIC PROBLEMS OF THE SECTOR

The main problem in the sector is the co-existence of public and private entities exercising the same activities. As pointed out earlier, this results in the necessity to find out ways for aggregating both sectors in order to provide global statistics, to aggregate them with other service statistics or other general statistics, and to make significant international comparisons of the education activities which are not dependant of the institutional arrangements.

The output of education has been discussed in many instances, and, generally, the conclusions were that if comparisons should be made across entities or countries, or from one period to another, as long as the difficult problem of price comparisons (place to place as well as time to time) is not solved, only quantitative indicators can

be used on the immediate output (and not on the long run output which is the level of education and knowledge of the population).

When private entities are considered (they may be assumed to include private non profit institutions), one category of problems deals with the fact that many schools receive subsidies either from the central or territorial authorities or from private associations and enterprises. Among other this may raise two questions which have to be solved : (i) how to treat subsidies in kind (for example when the teachers are provided for free to the school by a company or by a religious entity) ? ; (ii) for the sake of comparisons of value added among enterprises which do not receive subsidies in similar ways from public and private entities, should not the operating subsidies be added to the actual turnover which consists of income received for people attending the courses ?

THE ECONOMIC VARIABLES

A. The variables in the general framework

This concerns only education activities performed outside the institutional sector of administrations.

Variable n°1 Number of enterprises

It could be interesting to obtain this information according to the Jurisdical category, cross-classified with the character of the "enterprise" :

- private non profit body serving households ;
- other enterprises in the associative category ;
- society or quasi society ;
- private entrepreneur (registred) ;
- non registred private entrepreneur.

Variable n°2 Number of local units

This variable is interesting at regional or local level, but may refer only to local units of a certain size (in number of pupils in particular).

Variable n°3 Variables concerning the characteristics and demography of enterprises

No comments.

Variable n°4a Division of the enterprises (or the local units) according to the number of persons employed or the number of hours worked by wage and salary earners

See above the question of the teachers provided for free by "parent" institutions or companies.

Variable n°4b Division of the enterprises (or the local units) according to class of value added or turnover

See above the question raised à propos the inclusion of operating subsidies in the turnover and in the value added.

Variable n°6 Variables relating to market share and internationalisation

May be relevant when comparing the different sources of financement.

Variable n°8 Turnover (sum of 8a)

This is the actual turnover, and not the modified one according to the proposal of addition of operating subsidies.

Variable n°8a Turnover by product (part of 8)
Not relevant in general as to education. Only relevant when exists a secondary activity, which is source of income.

Variable n°8b Intra-/extra-EC exports (part of 8)
Not relevant.

Variable n°9 Prices of products sold
Variables of major importance, for time-to-time and place-to-place comparisons. But the establishment of indexes and their permanent measure are problems difficult to solve.

Variable n°10 Labor costs
How to impute labour costs for personnel provided for free ?

Variable n°11 Gross wages and salaries (part of 10)
Variable n°10b Voluntary social security contributions and other labor costs (part of 10)
See variable 10.

Variable n°13 Purchases of goods and services
A distinction should be made according to the type of product and the kind of use : purchase of goods and services for immediate education purposes (books, laboratory materials, ...), purchase of goods and services for maintenance, ...

Variable n°13a Purchases of goods and services for resale, for the future provision of services (part of 13)
Not relevant except in very specific cases in professional training.

Variable n°14 Intangible investments
This may be of importance with regards to purchased educative softwares.

Variable n°15 Fixed production
Variable n°15a Fixed production of tangible investment goods (part of 15)
Not relevant.

Variable n°16 Tangible Investments
Relevant, both as to investments in construction (repairs, extensions), in machinery (micro computers, laboratory machinery, ...) and for other important purchases (sport apparatus, ...).

Variable n°16a Purchases of land (part of 16)

Variable n°17 Disposal of fixed assets

Variable n°18 Leasing used by the unit
Do not appear to be of major importance.

Variable n°20 Gross value added at market prices
See the remark above about the possible addition of operating subsidies to the directly calculated value added.

Variable n°21 Value of production
See remark for value added.

Variable n°22 Number of persons employed
See the remark on personnel provided for free.

Variable n°22a Number of wage and salary earners (part of 22)
Variable n°22b Number of persons employed on a part-time basis (part of 22)
Variable n°22c Number of female persons employed (part of 22)
Variable n°23 Number of salaried hours worked by wage and salary earners
 No specific remark.

Variable n°24 Variables relating to personnel qualification levels
 Important in order to measure the "quality" of the entity, especially if a further breakdown is made according to the personnels involved in teaching and the other personnels.

Variable n°28 Duties and taxes (other than VAT) relating to production
 Not relevant in general, but should be collected for calculating the operating surplus.

Variable n°29 Operating subsidies
 A very important item to be collected very carefully. A further breakdown should be done according to the source of the subsidy (central government, territorial authorities, professional associations, non professional associations, societies).

Variable n°30 Change in stocks
Variable n°30a Change in stocks held by their producers (part of 30)
Variable n°30b Change in stocks of goods purchased for resale, for the further provision of services (part of 30)
 Generally not important.

Variable n°31 Gross operating surplus
 No comments

B. Other variables specific to the sector under review

As said earlier, the specific variables for the sector of education are quantitative data, which consist of the number of pupils or students, the number of teachers, the number of hours attended by pupils or by students, the number of hours provided by teachers, the number of pupils or students per class or per teacher, the number of teacher-hours per pupil or per student ; all these data may be cross-classified by detailed level of education and/or by subject matter.

Another indicator of the "quality" of an educative or teaching entity is the rate of success to official exams, including the obtention of, for example, the driving licence.

Prior to a thorough study of the educational systems and of the available or potential statistics, it seems irrelevant to provide further details as to the quantitative indicators.

HEALTH AND SOCIAL WORK

DEFINITION AND CONTENT OF THE ACTIVITY

This activity corresponds to section N of the NACE Rev.1, which, itself, covers the division 85 of the classification.

The section is divided into three groups which will be treated separately in the discussion hereafter :

85.1 Human health activities

85.2 Veterinary activities

85.3 Social work activities

The human health activities group is itself divided into four classes :

85.11 Hospital activities. This class includes, according to the explanatory notes of the NACE Rev.1, hospitalisation activities such as (i) medical and surgical technical care activities such as diagnosis, treatment, operations, analyses, emergency activities, ... and (ii) accomodation activities such as boarding, meals. It includes short or long term hospital activities of general and specialised hospitals, sanatoria, preventoria, medical nursing homes, asylums, mental hospital institutions, rehabilitation centres, leprosaria and other health institutions which have accomodation facilities, including military base and prison hospitals. The activities are chiefly directed to in-patients and carried out under the direct supervision of medical doctors. The class excludes health activities for military personnel in the field (75.22), private consultant services to in-patients (85.12), dental activities without accomodation (85.13) and ambulance and rescue activities (85.14).

For better "reading" of the data, it might be interesting to separate further between hospital activities requiring less cares but where in-patient are staying for a long time (in particular asylums, mental hospital institutions, ...) and hospital activities with more intensive cares but where in-patients remain for a rather short period of time (general hospitals, for example).

85.12 Medical practice activities. According to the explanatory notes of the NACE Rev.1, this class includes medical consultation and treatment in the field of general and specialised medicine by general practitioners and medical specialists and surgeons. These activities can be carried out in private practice, group practice and in hospital out-patient clinics. Included are private consultants' activities in hospitals as well as activities carried-out in clinics such as those attached to firms, schools, houses for the aged, labour organisations and fraternal organisations as well as in-patients' home. Patients are usually ambulatory and can be referred to specialists by general practitioners. The activity does not take into account para-medical activities included in 85.14.

It would be interesting to separate here the general practitioners' activities on one hand (relative quantitative importance), the radiologists' activities on the other hand (important investments) from the other medical practice activities.

85.13 Dental practice activities. According to the explanatory notes of the NACE Rev.1, this class includes dental practice activities of a general or specialised nature and orthodontic activities, these activities can be carried out in private practice or in out-patient clinics including clinics attached to firms, schools, etc., as well as in operating rooms. This class excludes the production of artificial teeth, denture and prosthetic appliances by dental technicians who do not fit them (33.10).

85.14 Other human health activities. According to the explanatory notes of the NACE Rev.1, this class includes activities for human health not performed by hospitals or by medical doctors but by para-medical practitioners legally recognised to treat patients. This may include activities of nurses, midwives, physiotherapists or others in the field of optometry, hydrotherapy, medical massage, occupational therapy, speech therapy, chiropody, homeopathy, chiropractice, acupuncture, ... These activities may be carried out in health clinics such as those attached to firms, schools, homes for the aged, labour organisations and fraternal organisations, in residential health facilities other than hospitals, as well as in own consulting rooms, patients' homes or elsewhere. The class includes also activities of dental paramedical personnel such as dental therapists, school dental nurses and dental hygienists, activities of medical laboratories, activities of blood banks, sperm banks, transplant organ banks, activities of ambulance transport of patients. This class excludes the production of artificial teeth, denture and prostatic appliances by dental technicians who do not fit them (33.10), and the testing activities in the field of food hygiene (74.30).

It would be interesting to distinguish between real para-medical activities and other activities which are closer to non medical activities such as ambulance transport of patients and the various types of medical banks.

The veterinary activities group contains only one class :

85.20 Veterinary activities. According to the explanatory notes of the NACE Rev.1, this class includes animal health care and control activities for farm animals as well as for pet animal. These activities are carried out by qualified veterinarians in veterinary hospitals as well as when visiting farms, kennels or homes, in own consulting and surgery rooms or elsewhere. The class includes also animal ambulance activities. It excludes animal boarding activities without health care (01.42).

The social work activities are divided into two classes :

85.31 Social work activities with accomodation. According to the explanatory notes of the NACE Rev.1, this class includes activities provided on a round the clock basis directed to provide social assistance to children, the aged and special categories of persons with some limits on ability for self-care, but where medical treatment or education are not important elements: activities provided by orphanages, children's boarding homes and hostels, residential nurseries, homes for the aged, homes for the physically or mentally handicapped including the blind, deaf and dumb, rehabilitation homes (without medical treatment) for people addicted to drugs or alcohol, homes for the homeless, institutions that take care of unmarried mothers and their children, ... This class excludes adoption activities (85.32) and short term shelter activities for disaster victims (85.32).

85.32 Social work activities without accomodation. According to the explanatory notes of the NACE Rev.1, this class includes social, counselling, welfare, refugee, referral and similar activities the services of which are delivered to individuals and families in their homes or elsewhere, carried out by government offices or by private organisations, disaster relief organisations and national or local self-help organisations and by specialists providing counselling services: adoption activities, activities for the prevention of cruelty to children and others; eligibility determination in connection with welfare aid, rent supplements, or food stamps; old age and sick visiting; household budget counselling, marriage and family guidance; guidance provided to persons on parole or probation; community and neighbourhood activities; activities for disaster victims, refugees, immigrants, etc., including temporary or extended shelter for them; vocational rehabilitation and habilitation activities for handicapped or unemployed persons provided that the education component is limited. It includes also child day-care activities (creches), including day-care activities for the handicapped children, day-care activities for handicapped

adults, day facilities for homeless and other socially weak groups, and charitable activities like fund raising or other supporting activities aimed at social work. The class excludes activities typically included in compulsory social security schemes (75.30).

ENTITIES THE MAIN ACTIVITY OF WHICH IS THE STUDIED ACTIVITY

Human health activities

The organisations of human health systems are quite different from one country to another, especially as to the implication of central and local authorities. It is therefore difficult to present a final description of the various entities which provide health cares, especially within the framework of a discussion aimed at distinguishing among the various types of entities. A final presentation can only be done when a thorough study on health systems and their financement has been carried out.

Entities which exercise hospital activities as their main activity may be submitted to several types of regimes :

- entities which are classified in the institutional sector of administrations ; in general, the policy of these entities (investment, personnel, remuneration, ...) is completely dependant of decisions taken by the central government or by territorial authorities (or by a board consisting in majority of representants of these government and authorities) and their revenues come for more than half from the regular budgets of the central government and/or the territorial authorities ;
- entities which are classified within the institutional sector private non profit body serving households ; such entities are generally funded for more than half of their revenues from public or private operating subsidies or contributions ; their policy is decided by a board which has a certain degree of independance, and which do not serve principally or exclusively people connected with the the donor institutions (their staff members for example) ;
- entities the funding of which come for more than half of their revenues from private and sometimes partly public operating contributions or subsidies, the policy of which is decided by a board with a certain degree of independance, but which serve mostly people connected with the donor institutions ; those entities may be classified in various institutional sectors ; generally, they are linked directly to one entity and may be considered, according to their juridical status, either as an enterprise or as a local unit, while the contribution is, in business accounting, an intermediate medical consumption of the contributing entity (examples are trade union hospitals or hospitals belonging to a specific "non hospital" company) ; it should be noted that, in National Accounts, the contribution may be considered as a salary in kind of the contributing enterprise ;
- all other entities with a private funding, which are "normal" enterprises.

Any hospital entity as described hereabove may have several local units, either within the same locality or in various regions. For private enterprises and assimilated entities (PNPBSH), as to the main indicators studied, the level enterprise seems to be sufficient, but not as to employment and geographical repartition of health facilities. It should be noted also that another descriptive factor may be of importance and lead to the research of local kind of activity unity, viz. the specialisation of the service in the hospital.

Entities which exercise medical practice activities as principal activity can be divided into three categories :

- hospital type entities (but which have few in-patients) which provide cares for free or charge a fee directly to the out-patient or to his coverage organisation and re-pay the corresponding physician(s) on a salary or on a flat rate basis not linked to the actual cares provided ; such entities present similar classification problems as hospitals ; this category includes medical cabinets owned by physicians not receiving fees linked directly to the cares provided ; the entity corresponding to the latter is clearly an enterprise ;
- physicians and similar practitioners who receive a salary from the organisation for which they work (hospitals, central or territorial administrations, companies, ...) ; these entities are not included in the study carried out here, which concerns the producing entities which pay them ;
- physicians and similar practitioners who work on their own as liberal practitioners, including physicians working on a non-salary basis (fee) for hospitals, for similar entities or who are re-grouped in medical cabinets the general costs of which are shared by the participating physicians, who, otherwise, keep the fees received for themselves ; in the latter case, each physician is an individual entrepreneur and the cabinet itself is an enterprise to be included in the class "medical practice activity".

Entities which exercise dental practice activities as principal activity can be discussed and presented in the same manner as entities exercising medical practice activities.

Entities which exercise other human health activities as principal activity can be discussed and presented in the same manner as entities exercising medical practice activities.

Entities exercising veterinary activities as principal activity are generally classified in the institutional sector of societies and quasi societies. They include both veterinarians exercising on their own in their own cabinet or in a cabinet the costs of which they share with other veterinarians, and veterinary hospitals. Some hospitals are sometimes run by associations for the defence of animals and some veterinary practice (some vaccinations or health controls) may be performed by veterinarians salaried by central governments and/or territorial authorities.

Entities exercising social works activities as principal activity may be part of the institutional sector of administrations, be an association themselves (thus a separate enterprise), be a local unit of an association (especially for activities with accomodation) or a kind of activity unit in an association. According to their sources of income and to the participation of the donors and the users, they may be considered as private non profit bodies serving households or as non profit enterprises. It should be noted that some entities exercising social work activities with accomodation are fully private, in the sense that all costs are covered by the patients, especially as to homes for the aged, but not only in this case.

ENTITIES OF WHICH THE STUDIED ACTIVITY IS ONE OF THE SECONDARY ACTIVITIES

Entities the main activity of which is among hospital activities may have all other human health activities as well as all social work activities as secondary activities.

Medical cabinets, the main activity of which is medical practice, may include also dental practice and, more generally, other human health activities. Those cabinets

may have sometimes a small number of in-patients who remain there for observation for a short period of time.

Social work activities entities with accomodation may also treat and advise non "residents".

At last, hospitals as well as physician may have research and development, and teaching activities in the field of medicine.

Except for hospitals, which may carry out all human health activities, and for entities involved in social work activities with accomodation which may also carry out social work activities without accomodation, the secondary activities of other entities involved in health and social work activities seem to be of small importance.

On the other hand, some health and social work activities (including hospital activities) may be carried out in entities not engaged principally in such activities. These may be charitable association but also enterprises which ensure health cares for their staff members.

STATISTICAL UNIT

This concerns only health and social work activities performed outside the institutional sector of administrations.

It has been seen hereabove that the relevant statistical unit is the enterprise, in the various institutional sectors studied (private non profit bodies serving households, societies and quasi societies including individual entrepreneurs). Some health enterprises may have several local units while health cares may be provided by local units or kind of activity units within a non health organisation, *but it is not possible, as of now, to decide whether such possibility can be neglected.*

The enterprise level is sufficient except for the questions of (i) local employment and local health facilities, and (ii) repartition by specialities (kind of activity units).

SPECIFIC PROBLEMS OF THE SECTOR

As for education, the main problem in the sector is the co-existence of public and private entities exercising the same activities. As pointed out earlier, this results in the necessity to find out ways for aggregating both sectors in order to provide global statistics, to aggregate them with other service statistics or other general statistics, and to make significant international comparisons of the health and social work activities which are not dependant of the institutional arrangements.

The output of health and social work activities has been discussed in many instances, and, generally, the conclusions were that if comparisons should be made across entities or countries, or from one period to another, as long as the difficult problem of price comparisons (place to place as well as time to time) is not solved, only quantitative indicators can be used on the immediate output (and not on the long run output which is the health condition of the population).

When private entities are considered (they are assumed to include private non profit institutions), one category of problems deals with the fact that many entities receive subsidies either from the central or territorial authorities or from private associations and enterprises. Among others, this may raise two questions which have to be solved : (i) how to treat subsidies in kind (for example when the physicians are paid by an other entity (such as a company or a religious entity) than the hospital where they

work or when some member of the personnel of an hospital are provided or work for free) ? ; (ii) for the sake of comparisons of value added among enterprises which do not receive subsidies in similar ways from public and private entities, should not the operating subsidies be added to the actual turnover which consists of income received from people receiving the medical cares ?

As to volume comparisons, some direct price comparisons can be done over time assuming that there is no change in the institutional arrangement of the health care system, which is generally valid but only on short period for human health cares and social work activities. This assumes also that there is a real market yielding to an effective price, which may only be valid for some veterinary activities. A direct price comparison from place to place can only be envisaged if real markets exist in both places and if the systems can be considered as being similar. All these considerations justify the requirement to collect quantitative data, even for veterinary services.

THE ECONOMIC VARIABLES

A. The variables in the general framework

This concerns only health and social work activities performed outside the institutional sector of administrations.

Variable n°1 Number of enterprises

It could be interesting to obtain the information according to the juridical category, cross-qualified with the character market/non market of the enterprise, plus a further eventual decomposition according to the proposed sub-classes.

Variable n°2 Number of local units

Not of major interest.

Variable n°3 Variables concerning the characteristics and demography of enterprises

No comments.

Variable n°4a Division of the enterprises (or the local units) according to the number of persons employed or the number of hours worked by wage and salary earners

In hospitals and social work entities mostly, the question of part time workers (physicians or other employees) and non paid (seconded or benevolent) agents has to be taken into accounts.

Variable n°4b Division of the enterprises (or the local units) according to class of value added or turnover

See above the question raised *à propos* the inclusion of operating contributions and subsidies into the turnover.

Variable n°6 Variables relating to market share and Internationalisation

Not of major importance.

Variable n°8 Turnover (sum of 8a)

This is the actual turnover and not the turnover modified as proposed by addition of operating contributions and subsidies.

Variable n°8a Turnover by product (part of 8)

Relevant for hospitals and social work activities, but difficult to interpret in the case of existing operating contributions and subsidies. Also relevant for medical cabinets.

Variable n°8b Intra-/extra-EC exports (part of 8)

Not relevant, for the time being.

Variable n°9 Prices of products sold

Of major importance but difficult to treat (see the paragraph on specific problems of the sector).

Variable n°10 Labour costs

How to impute labour costs for personnel working for free ?

Variable n°11 Gross wages and salaries (part of 10)**Variable n°10b Voluntary social security contributions and other labor costs (part of 10)**

See variable n°10

Variable n°13 Purchases of goods and services

A distinction should be made according to the type of product purchased :

- pharmaceutical (human and animal) products ;
- other medical products ;
- non medical goods ;
- medical services purchased ;
- other services purchased.

Variable n°13a Purchases of goods and services for resale, for the future provision of services (part of 13)

Relevant as a cross-classification with variable n°13.

Variable n°14 Intangible Investments

This may be interesting as to medical softwares, management softwares and purchase of medical and surgical treatments (some reference should be made to royalties paid for using some specific "purchased" treatment or surgery).

Variable n°15 Fixed production

Does not seem to be relevant.

Variable n°15a Fixed production of tangible investment goods (part of 15)

See variable n°15.

Variable n°16 Tangible Investments

Construction is important for practically all types of health enterprises, mostly when they are not individual. Machinery is important for human and animal hospitals and for certain categories of physicians such as radiologists.

Variable n°16a Purchases of land (part of 16)

To be collected but not of major importance.

Variable n°17 Disposal of fixed assets

Some used pieces of machinery may be sold.

Variable n°18 Leasing used by the unit

Of importance, especially for medical and para-medical cabinets and for certain specialists with important investments (radiologists, chiropractors, ...).

Variable n°20 Gross value added at market prices

See the remark about adding operating contributions and subsidies.

Variable n°21 Value of production

See remark for value added.

Variable n°22 Number of persons employed

See the remark on personnel provided and/or working for free.

Variable n°22a Number of wage and salary earners (part of 22)

No specific remark.

Variable n°22b Number of persons employed on a part-time basis (part of 22)**Variable n°22c Number of female persons employed (part of 22)**

To be cross-classified by occupation.

Variable n°23 Number of salaried hours worked by wage and salary earners

No specific remark.

Variable n°24 Variables relating to personnel qualification levels

Important in great entities (hospitals in particular), with cross-classification by occupation.

Variable n°28 Duties and taxes (other than VAT) relating to production

To be collected for the calculation of operating surplus.

Variable n°29 Operating subsidies

A very important item. If possible, a further breakdown should be made according to the source of the subsidy (central government, territorial authorities, professional associations, trade unions, charitable associations, other associations, companies, households).

Variable n°30 Change in stocks

May be important in major enterprises, especially as to pharmaceutical products.

Variable n°30a Change in stocks held by their producers (part of 30)

Not very important.

Variable n°30b Change in stocks of goods purchased for resale, for the further provision of services (part of 30)

Generally not important.

Variable n°31 Gross operating surplus

Important, in particular, for obtaining the brut income of independant entrepreneurs (liberal practitioners), but, then, the operating surplus is to be calculated separately for them.

B. Other variables specific to the sector under review

Specific quantitative data vary from one activity to another. The list hereafter provides only some examples :

- number of beds, cross-classified by specialty ; -
- number of beds occupied during one year, cross-classified by specialty ;
- number of out-patient consultations, cross-classified by specialty ;
- number of hospital physicians, cross-classified by specialty service ;
- number of hospital nurses, cross-classified by specialty service ;
- number of consultations, of visits by liberal physicians cross-classified by specialty ;
- number of consultations, of visits by veterinarians ;
- number of beds and number of occupied beds per year in social institutions with accomodations, according to the type of institution ;
- etc.

Prior to a thorough study of the health care systems and of the available or potential statistics, it seems irrelevant to provide further details as to the quantitative indicators.

ACTIVITIES OF MEMBERSHIP ORGANISATIONS N.E.C.

DEFINITION AND CONTENT OF THE ACTIVITY

Activities of membership organisations n.e.c. correspond to division 91 of the NACE Rev.1. The sector includes the entities which have the status of association but the main activity of which does not correspond to any specific activity defined otherwise, or the activity of which cannot be specified with precision since it is too volatile or difficult to characterise.

Revenues of such associations consist principally of membership fees, completed eventually by subsidies from government or territorial authorities, by other non membership fee contributions, and, sometimes, by incomes from financial assets. Other sources of revenue may come from customised operations, sales of studies, representation in law suits or sales of publications, but these resources are small *vis-à-vis* the main revenues (otherwise, the association would be classified in the sector corresponding to its main activity : business and management consultancy activities, legal activities, publishing activities, ... , perhaps wholesale or retail trade!).

Generally, associations employ three types of personnel : (i) "normally" remunerated personnel, (ii) personnel lent and remunerated by member(s), and (iii) benevolent personnel. The number of salaried persons is generally small except at the level of federations and central organisations ; on the contrary, the number of seconded (for free) persons may be important when associations belonging to the same federation are taken altogether ; as to benevolent persons, they may all be important in number.

The division contains 3 groups distinguishing among activities of business, employers and professional organisations (91.1), activities of trade unions (91.2) and activities of other membership associations (91.3). Six classes are considered :

91.11 Activities of business and employers organisations. According to the explanatory notes of NACE Rev.1, this class includes activities of organisations whose members' interest centre on the development and prosperity of enterprises in a particular line of business or trade including farming, or on the economic growth and climate of a particular geographical area or political subdivision without regard for line of business. Included are activities of federations of such associations. The main service supplied involve dissemination of information, representation before government agencies, public relations and labour negotiations. The class includes also activities of chambers of commerce, guilds and similar organisations.

91.12 Activities of professional organisations. According to the explanatory notes of NACE Rev.1, this class includes activities of organisations whose members' interest centre chiefly on a particular scholarly discipline or professional practice or technical field. Included are activities of associations of specialists engaged in scientific, academic or cultural activities such as writers, painters, performers of various kinds, journalists, etc. The main services supplied involve the dissemination of information, the establishment and supervision of standards of practice, representation before government agencies and public relations. The class includes also activities of learned societies.

91.20 Activities of trade unions. According to the explanatory notes of NACE Rev.1, this class includes activities of associations whose members are employees interested chiefly in the representation of their views concerning the salary and work situation and in concerted action through organisation. This involves the activities of single plant unions, of unions composed of affiliated branches and of labour organisations composed of affiliated unions on the basis of trade, region, organisational structure or other criteria.

91.31 Activities of religious organisations. According to the explanatory notes of NACE Rev.1, this class includes activities of religious or similar organisations and activities of organisations furnishing monastery and convent services. This class excludes education provided by such organisations (80), health activities by such organisations (85.1), and social work activities by such organisations (85.3)

91.32 Activities of political organisations. According to the explanatory notes of NACE Rev.1, this class includes activities of political organisations and auxiliary organisations such as young people's auxiliaries, associated with political party. These organisations engage chiefly in influencing decision-taking in public governing bodies by placing members of the party or those sympathetic to the party in political office and involve the dissemination of information, public relations, fund raising, etc.

91.33 Activities of other membership organisations. According to the explanatory notes of NACE Rev.1, this class includes activities of organisations not directly affiliated to a political party, furthering a public cause or issue by means of public education, political influence, fund raising, etc.: citizens initiative or protest movements, environmental and ecological movements, organisations supporting community and education facilities not elsewhere classified, organisations for the protection and betterment of special groups, e.g. ethnic and minority groups, associations for patriotic purpose including war veterans' associations. It includes also special interest groups such as touring clubs and automobile associations and consumer associations, associations for the purpose of social acquaintanceship such as rotary clubs, lodges, ... , associations of youth, young persons' associations, student associations, clubs and fraternities, ... , associations for the pursuit of cultural or recreational activity or hobby (other than sport and game), e.g. poetry, literature and book clubs, historical, gardening, film and photo, music and art, craft and collectors' clubs, social clubs, carnival clubs, ... , associations for the protection of animals. This class excludes activities of professional associations (91.12) and associations for practising and promoting artistic activities (92.31).

ENTITIES THE MAIN ACTIVITY OF WHICH IS THE STUDIED ACTIVITY

From the definition of the activity itself, there is no ambiguity about the entity which exercise the studied activity as its main activity.

ENTITIES OF WHICH THE STUDIED ACTIVITY IS ONE OF THE SECONDARY ACTIVITIES

Since the activities of membership associations are rather varied and volatile, many of them can be found as secondary activities in entities not classified as employers, professional, trade union, religious, political, and other n.e.c. organisations. But such remark does not imply further treatment of these secondary activities.

STATISTICAL UNIT

Associations are considered either as current legal units or as legal units with a specific legal status. Anyhow, even if some associations are re-grouped within the framework of federations or central bodies, they have generally a great liberty in their various political or economical decisions, which justify considering them as enterprises.

SPECIFIC PROBLEMS OF THE SECTOR

One of the problem of the sector is that the organisations may be linked with other organisations, of which they are donors or members, and which carry out very specific activities. For example, a religious organisation may be the major contributor to another organisation which runs an hospital. Similarly, a professional organisation may be the major contributor to a professional school. As a consequence, it will be important to have a thorough breakdown of the expenditures of the organisations.

The incomes of membership organisations are more important that the turnover, which is only a very small part of the income. Thus, for this sector, one should know the income and its decomposition as to the sources of funding.

The question of the definition of the persons employed has already been pointed out hereabove. It is further complicated by the fact that, for all categories of personnel, many persons work on a part time basis.

THE ECONOMIC VARIABLES

A. The variables in the general framework

Variable n°1 Number of enterprises

No comment.

Variable n°2 Number of local units

Does not seem to be relevant.

Variable n°3 Variables concerning the characteristics and demography of enterprises

No comments.

Variable n°4a Division of the enterprises (or the local units) according to the number of persons employed or the number of hours worked by wage and salary earners

The number of persons employed is certainly the most significant indicator, but the number of salaried persons may be used, in particular to compare with the total labour costs.

Variable n°4b Division of the enterprises (or the local units) according to class of value added or turnover

The sales and the value added are generally not of major significance, which decreases the interest for the present variable.

Variable n°6 Variables relating to market share and internationalisation

Not relevant.

Variable n°8 Turnover (sum of 8a)

Not of major relevance.

Variable n°8a Turnover by product (part of 8)

See variable n°8.

Variable n°8b Intra-/extra-EC exports (part of 8)

Variable n°9 Prices of products sold

Not relevant.

Variable n°10 Labor costs**Variable n°11 Gross wages and salaries (part of 10)****Variable n°10b Voluntary social security contributions and other labor costs (part of 10)****Variable n°13 Purchases of goods and services****Variable n°13a Purchases of goods and services for resale, for the future provision of services (part of 13)**

No comments.

Variable n°14 Intangible investments

This may be a relevant variable in some cases, for example when the organisation purchases a professional software or some rights of usage in the name of and for free usage by its members.

Variable n°15 Fixed production**Variable n°15a Fixed production of tangible investment goods (part of 15)**

Not relevant.

Variable n°16 Tangible investments**Variable n°16a Purchases of land (part of 16)****Variable n°17 Disposal of fixed assets**

No comments.

Variable n°18 Leasing used by the unit

Does not seem to be relevant, in general.

Variable n°20 Gross value added at market prices**Variable n°21 Value of production**

Not significant.

Variable n°22 Number of persons employed

Important, and to be cross-classified with the three categories (salaried, lent, benevolent), and also with full time/part time, occupation in the organisation, sex, ...

Variable n°22a Number of wage and salary earners (part of 22)

No comments.

Variable n°22b Number of persons employed on a part-time basis (part of 22)

Important variable.

Variable n°22c Number of female persons employed (part of 22)

May be an important variable.

Variable n°23 Number of salaried hours worked by wage and salary earners

Important variable.

Variable n°24 Variables relating to personnel qualification levels

Rather important.

Variable n°28 Duties and taxes (other than VAT) relating to production

Not relevant.

Variable n°29 Operating subsidies

Many organisations of the types studied here are highly subsidised. This variable is therefore of major importance. It should be cross-classified with the source of the subsidy (not to be mistaken as the membership fee): government, territorial authorities, other membership associations, enterprises, households as donors.

Variable n°30 Change in stocks**Variable n°30a Change in stocks held by their producers (part of 30)****Variable n°30b Change in stocks of goods purchased for resale, for the further provision of services (part of 30)**

No comments.

Variable n°31 Gross operating surplus

Not relevant.

B. Other variables specific to the sector under review

As said above, it should be interesting to have a breakdown of expenditures for non current operations according to specific usages and, sometimes, to the nature of the recipient :

- (net ?) purchases of financial stocks ;
- contribution to other organisations (cross-classified with the sector of activity) ;
- contributions to the members ;
- others.

Also, the decomposition of incomes should be an important information, perhaps broken down as follows :

- membership fees ;
- subsidies from government or territorial authorities ;
- subsidies or contributions from other membership organisations ;
- contributions from enterprises ;
- contributions from households ;
- sales of services to members (and non members ?) ;
- incomes from financial assets ;
- (sales of financial assets ?)
- other incomes.

RECREATIONAL, CULTURAL AND SPORTING ACTIVITIES

DEFINITION AND CONTENT OF THE ACTIVITY

These activities are covered by the division 92 of the NACE Rev.1, from which audiovisual activities (motion picture and video activities, i.e. group 92.1, and radio and television activities, i.e. group 92.2) have been taken out.

Five groups are covered, viz. other entertainment activities (92.3), news agency activities (92.4), library, archives, museums and other cultural activities (92.5), sporting activities (92.6) and other recreational activities (92.7). This corresponds to 12 classes :

92.31 Artistic and literary creation and interpretation. According to the explanatory notes of NACE Rev.1, this class includes production of live theatrical presentations, concerts and operas or dance production and other stage productions, activities of groups or companies, orchestras or bands, activities of individual artists such as actors, directors, musicians, authors, lecturers or speakers, sculptors, painters, cartoonists, engravers, etchers, stage set designers and builders, ... , restoring of works of art such as paintings, ... This class excludes restoring of furniture (36.1) and restoring of buildings (45).

In fact, this class covers rather heterogeneous activities which could be divided in, at least, two more homogeneous sub-classes, such as :

sub-class A Artistic activities, which include activities exercised by independent artists, activities of permanent sets not bound to a place (theatrical troupes, orchestras, ...) as well as spectacle creation activities ; management of rights on artistic, literary, musical, etc. works of art is comprised here (except as to audiovisual creations) ; restoration of works of arts is also included in this sub-class ;

sub-class B Services connected to spectacles, which include (i) specialised technical services (machinery, costumes, decoration, lights, ...) and (ii) services of production, organisation and promotion of shows. Of course, technical activities for cinema, radio and television are excluded.

92.32 Operation of arts facilities. According to the explanatory notes of NACE Rev.1, this class includes operation of concert and theatre halls and other facilities, operations of ticket agencies, and activities of sound recording studios. This class excludes operation of cinemas.

92.33 Fair and amusement park activities. According to the explanatory notes of NACE Rev.1, this class includes also operation of preserved railways.

92.34 Other entertainment activities n.e.c.. According to the explanatory notes of NACE Rev.1, this class includes production of entertainment not elsewhere classified, activities of dancing schools and dance instructors, circus production, puppet shows, rodeos, activities of shooting galleries, ... This class excludes other recreational activities (92.72).

In fact, this class could be split into two sub-classes :

Sub-class A : Balls and discotheques, which includes also the activities of dance schools and professors.

Sub-class B : Other spectacles which includes the production of entertainments n.e.c. such as circus production, puppet show, rodeos, corridas, activities of shooting galleries, spectacles "son et lumière", etc.

92.40 News agency activities. According to the explanatory notes of NACE Rev.1, this class includes news syndicate and news agency activities furnishing news, pictures and features to the media, activities of journalists and press photographers.

92.51 Library and archives activities. According to the explanatory notes of NACE Rev.1, this class includes activities of libraries of all kinds, reading, listening and viewing rooms, public archives providing services to the general public or to a special clientele such as students, scientists, staff members : organisation of a collection whether specialised or not, making catalogues, lending and storage of books, maps, periodicals, films, records, tapes, works of arts, ... , retrieval activities in order to comply with information requests, ... This class excludes renting of video tapes (71.40) and data base activities (72.40).

92.52 Museums activities and preservation of historical sites and buildings. According to the explanatory notes of NACE Rev.1, this class includes operation of museums of all kinds : art museums, museums of jewellery, furniture, costumes, ceramics, silverware, natural history, science and technological museums, historical museums including military museums and historic houses, other specialised museums, open air museums. It includes also preservation and reconstruction of historical sites and buildings.

92.53 Botanical and zoological gardens and nature reserves activities. According to the explanatory notes of NACE Rev.1, this class includes operation of botanical and zoological gardens including children's zoos, operation of nature reserves including wildlife preservation, ...

92.61 Operation of sports arenas and stadiums. According to the explanatory notes of NACE Rev.1, this class includes operation of the facilities for outdoor or indoor sports events : football stadiums, swimming pools and stadiums, golf courses, boxing arenas, winter sport arenas and stadiums, field and track stadiums, ... The facilities may be enclosed or covered and may have provision for spectator seating or viewing. This class excludes rental of sporting equipment (71.40), and park and beach activities (92.72).

92.62 Other sporting activities. According to the explanatory notes of NACE Rev.1, this class includes organisation and operation of sports events outdoor or indoor for professionals or amateurs by organisations with or without own facilities : football clubs, bowling clubs, swimming clubs, golf clubs, boxing, wrestling, health or body building clubs, winter sport clubs, chess, draughts, domino or card clubs, field and track clubs, shooting clubs. It includes also activities related to promotion and production of sporting events, activities of individual own-account sportpersons and athletes, judges, timekeepers, instructors, teachers, coaches, ... , activities of sport and game schools, activities of racing stables, kennels and garages, activities of riding academies, activities of marinas, hunting for sport or education, related service activities. This class excludes rental of sporting equipment (71.40), and park and beach activities (92.72).

92.71 Gambling and betting activities. According to the explanatory notes of NACE Rev.1, this class includes also sale of lottery tickets.

92.72 Other recreational activities. According to the explanatory notes of NACE Rev.1, this class includes activities related to recreation not classified elsewhere in the division : activities of recreation parks and beaches including renting of facilities such as bath houses, lockers, chairs, ... , activities related to recreational fishing,

recreational transport facilities such as pedalos, riding stables, ... , training of pet animals, motion picture, television and other theatrical casting activities. This class excludes personal theatrical or artistic agency activities (74.84), and other entertainment activities, e.g. circus, production or activities of dancing schools (92.34).

ENTITIES THE MAIN ACTIVITY OF WHICH IS THE STUDIED ACTIVITY

Artistic and literary activities, sub-class artistic activities. The providers of these services are individuals or groups of individuals organised in "pools" or in some kinds of legal entity. Their resources come principally from the fees they receive for their performances or from their other prestations, and from the rights attached to their works. However, they can also receive public subsidies or private contributions not linked to an actual performance, which ensure the continuity of their existence and/or permit the access to their performances to people who otherwise would not be in a position to pay the seat price (the "rebate" on the seat price is not directly subsidised but indirectly through a decrease of the fee which the group or the orchestra asks from the owner of the performance place). In general, independant artists are individual entrepreneurs, and artistic groups constitute a society. It may happen that some theatre troupe or some orchestra be run by the central government or some territorial authorities, which compensate the members of the group as civil servants and ensure the purchase, maintenance and repair of the necessary instruments. It should be noted that some entities may have important investments with regards to their income (creation of spectacles, orchestras, ...). It should also be noted that many of the artistic activities are not permanent and that many of the entities, in particular individual theatrical artists, are not employed all year long.

Artistic and literary activities, sub-class services connected to spectacles. Technical specialised services are provided by individual entrepreneurs as well as by societies, who, in most cases, have only the fees for the services they provide as sole resource. The services of promotion and organisation of spectacles are provided by individuals and by societies who work at gathering the financial and human resources for the organisation of performances or shows.

Operation of arts facilities. Some of the concert and theatre halls and other art facilities may be the propriety of the central government or of the local authorities which operate them from their regular budget ; in that case, as well as in the case of halls operated by these entities but rented from private owners, the operation is included with the general operations of the institutional sector of administrations. Otherwise, the central government and the territorial authorities can create entities they fund but which have a private status, which may eventually be classified with private non profit bodies serving households, along with other entities the resources of which come in majority from statal subsidies and/or from private contributions. Subsidies and private contributions, usually inferior to 50 % of the resources are not unfrequent for the entities the main activity of which is the one under study. Sound recording studios are generally purely private societies ; they may have rather important immobilisations.

Fair and amusement park activities. Entities the main activity of which is the one studied here are in the private sector. The societies which run the major amusement parks may be completely privately owned, or the propriety may be shared by the central government or, more generally, by the territorial authorities and the private sector. Some of these societies may receive important subsidies from regional or local authorities, aimed at promoting tourism in the region or in the locality. The major societies may sub-let or concede part of their activities to other societies or individual entrepreneurs. They may also have secondary (mostly) touristic activities such as food selling, restauration, hotels, or they may concede such activity and receive

royalties from concedeers. Some of the societies running amusement parks may employ many persons and have important investments and immobilisations.

Other entertainment activities n.e.c. Balls and discotheques. The ball and discotheque activities are exercised as main activity mostly by private entities, individual entrepreneurs or societies. Some charity balls may sometimes be organised by a separate entity receiving funds from households or enterprises for the sole purpose of the ball and distributing the "profits" to one or several charitable associations. Dance professors and clubs proprietors are either individuals or societies.

Other entertainment activities n.e.c. Other spectacles. The entities which exercise the covered activities as their principal activity are mostly in the private sector (individual entrepreneurs or societies). Some of these societies may have common proprietorship of regional or local authorities and private investors (promotion of local tourism, in the case of "son et lumière", for example) ; they may also receive subsidies from the territorial authorities or the central government (support of the permanence of circus performances in a country, for example).

News agency activities. As implied, news agency activities are exercised by news agencies, but the class include also the services of individual journalists and press photographs. The news agencies have variable sizes, from the major international agencies operating in most of the countries of the world (clients and representations) to the local agency run by its proprietor with no other assistance. Agencies may also be intermediary between free lance journalists and the medias (care should be taken about double billing).

Library and archives activities. An important part of the entities which exercise the activity are run by the central government and/or by the territorial authorities ; they are therefore classified with the institutional sector of administrations ; this concerns especially the libraries, the historical archives and similar entities. Many other entities have the status of associations and receive subsidies from the public authorities and/or contributions from "parent" association(s), from enterprises or from households : they may be classified with private non profit bodies serving households or with other associations according to the share of the charges received from the exercise of their activity. At last, entities exercising the service as main activity may be completely in the private sector, generally as societies (investments may be important, for the purchase of books, records, ... , and the number of persons necessary to run the entity may also be important) Such societies may have mixed proprietorship (public and private).

Museums activities and preservation of historical sites and buildings. Same remarks as for libraries, ... It should be noted that the entities exercising the activities have important immobilisations, have important expenditures for maintenance and repair and may have important investments for land and building improvement and for the purchase of products linked to their activity.

Botanical and zoological gardens and nature reserves activities. Same remarks as for libraries, ... It should be noted that the entities exercising the activities have important immobilisations, have important expenditures for maintenance and repair and may have important investments for land and building improvement and for the purchase of products linked to their activity.

Operation of sports arenas and stadiums. Some entities which exercise the activity may be classified in the institutional sector of administrations. Some other may have the status of association, either private non profit body serving household or other association. Some other may be classified as "normal" societies, but may receive public subsidies and/or private contributions, and, also, their proprietorship may be shared between public and private owners.

Other sporting activities. (i) Organisation and management of sporting activities, and activities linked to promotion and organisation of sporting events are activities exercised rarely by entities in the institutional sector of administrations. Otherwise they may be exercised by all types of entities, the proprietorship of which may be shared between public and private sector, and which may receive public subsidies or private contributions. It should be noted that these activities do not require an important personnel. (ii) Activities of professional sportsmen, judges, ... are mostly exercised by individual entrepreneurs, who do not work all year long, in general. (iii) Activities of establishments for teaching sporting disciplines, activities of racing stables, ... , activities of marinas, other activities may be exercised according to the various status which have been presented so far.

Gambling and betting activities. The exercise of the activity is generally liable to a rather rigorous regulation, with frequent controls. Some entities (national lotto, some off-track betting places) may be classified with the institutional sector of administrations. Otherwise, the entities which exercise these activities as their principal activity are "normal" societies.

Other recreational activities. Mostly provided by private enterprises, which may receive some local or regional subsidies (in the framework of the promotion of tourism) and/or the proprietorship of which may be shared between private and public sectors.

ENTITIES OF WHICH THE STUDIED ACTIVITY IS ONE OF THE SECONDARY ACTIVITIES

This concerns only recreational, cultural and sporting activities performed outside the institutional sector of administrations.

Artistic and literary activities, sub-class artistic activities. Generally these activities are the principal ones of the entity which exercise them.

Artistic and literary activities, sub-class services connected to spectacles. These activities are generally not linked with other kinds of activity, but the entities which exercise them may have as client also entities in the audiovisual sector, where they may make most of their revenues.

Operation of arts facilities. This may be a secondary activity of some associations otherwise engaged in other activities (religious associations in particular).

Fair and amusement park activities. Some small or medium size amusement parks may be run, as a secondary activity, by some companies or some associations.

Other entertainment activities n.e.c., sub-class balls and discotheques. Balls may be organised by charitable associations or by specific entities engaged in another main activity (in France, for example, one can speak of the annual firemen balls). Discotheque activities may be secondary activities of hotels, restaurants, casinos, ...

Other entertainment activities n.e.c., sub-class other spectacles. It does not seem that the activities described here are exercised as secondary activities of entities engaged in another main activity.

News agency activities. This type of activity may be secondary to press activity, but generally only at the local level, where a local newspaper or a local journalist is, at the same time, the correspondent of a national or international news agency.

Library and archives activities. The activities covered here are often ancillary activities in large organisations. However, when accessible to others than the company staff members, they become a secondary activity of the organisation, which is also a frequent occurrence.

Museums activities and preservation of historical sites and buildings. Usually, private exercise of the activities covered here is not a secondary activity, except for certain companies which have some kind of historical background (an airline museum for example, when run by the company concerned) or which use the corresponding museum or presentations as part of their marketing strategy (the Getty museum, for example).

Botanical and zoological gardens and nature reserves activities. Same remarks as above.

Operation of sports arenas and stadiums. Some important companies may own or lend sports arenas and/or stadiums and operate them for the sake of their staff members who pay a nominal fee for their participation. In order to increase the attendance at certain periods of the day, of the week or of the year, the facilities may be made accessible to paying non staff members.

Other sporting activities. Organisers, promoters, operators of sport events may be the same as for artistic activities (and sometimes as for audiovisual activities). Depending of the relative importance of revenues for the two (three) types of spectacles, the studied activities will be principal or secondary. As for some other activities, they may be exercised within the framework of general entertainment organisations (country clubs, vacation clubs without accomodation, ...) or of touristic organisations (hotels, vacation clubs with accomodation, ...).

Gambling and betting activities. These activities, as said, are generally strictly regulated. However, in some countries, gambling activities may be performed within the framework of hotels or restaurants, unless the latter activities are secondary to gambling activities.

Other recreational activities. Some of these activities are exercised as secondary activities mainly by entertainment organisations and entities linked to tourism (hotels, vacation places with accomodation, ...).

STATISTICAL UNIT

This concerns only recreational, cultural and sporting activities performed outside the institutional sector of administrations.

If the organisation of the sector under study which has been developped hereabove is examined as to the statistical units, it can be said that each separate entity the main activity of which corresponds to one of the studied activities has a rather important degree of purity, in relation with the various activities described in the NACE Rev.1 for the sector. Secondly, each legal entity has a certain degree of liberty for its organisation and its investments, even when its funding comes in majority or for a great part from subsidies or private contributions. Thirdly, usually these entities are situated only in one location and are either independant or some kind of subsidiary of an entity not engaged in the studied activities. This means that the level of the enterprise will be the most relevant one for obtaining and studying the major indicators, even for making regional statistics. Perhaps in the case of news agencies, some studies on local units could be carried out.

As to entities for which the studied activities are secondary, prior to decide if some reference should be made to them, it would be important to decide whether they are of importance for the class considered. This could be true for activities of the kind studied here, provided within the framework of non specialised membership organisations like entertainment clubs, or within the framework of vacation organisations like resort hotels, vacation clubs with accommodation, ...

SPECIFIC PROBLEMS OF THE SECTOR

As for health and education, but to a lesser degree, one of the problems in the sector is the co-existence of public and private entities exercising the same activities. As pointed out earlier, this results in the necessity to find out ways for aggregating both sectors in order to provide global statistics, to aggregate them with other service statistics or other general statistics, and to make significant international comparisons of the recreational, cultural and sporting activities which are not dependant of the institutional arrangements.

Investments are sometimes very important in relation with some activities under study. Provision for their study should be taken care of.

The difficult problem of price comparisons (place to place as well as time to time) aimed at deflating values is not solved in totality. In most countries, time to time indexes are calculated for some recreational, cultural or sporting services provided to households, but they are usually not very detailed. Furthermore, they treat differently, from one country to another, the problems of subsidised prices. This latter problem along with the extreme heterogeneity of the sector and of the country habits make place to place price comparisons rather difficult. The output of recreational, cultural and sporting activities should therefore be characterised by quantitative indicators covering both public and private activities.

When private entities are considered (they are assumed to include private non profit institutions), one category of problems deals with the fact that many entities receive subsidies either from the central or territorial authorities or from private associations and enterprises. Among others, this may raise two questions which have to be solved : (i) how to treat subsidies in kind (for example when facilities are provided for free by the public owner or when personnel is provided for free by a donor association) ? ; (ii) for the sake of comparisons of value added among enterprises which do not receive subsidies in similar ways from public and private entities, should not the operating subsidies be added to the actual turnover which consists of "entrance fees" paid by household for attendance to a spectacle, a sporting event or to the performance of a sport or for the visit of a museum or ... ?

One should, at last, note the extreme heterogeneity of the sector, which requires great efforts for presenting the requests for obtaining relevant information under a required format.

THE ECONOMIC VARIABLES

A. The variables in the general framework

This concerns only recreational, cultural and sporting activities performed outside the institutional sector of administrations.

Variable n°1 Number of enterprises

Variable n°2 Number of local units

No comments.

Variable n°3 Variables concerning the characteristics and demography of enterprises

Interesting but sometimes difficult to interpret. For example, a specific enterprise (non profit entity) may be created for the organisation of a charity ball during one year and dissolved some time (same year, one or two years) later when all arrangements about the use of the funds collected are completed ; how to count such events, and balance them with other creations and disappearances of enterprises ?

Variable n°4a Division of the enterprises (or the local units) according to the number of persons employed or the number of hours worked by wage and salary earners

Interesting, but not for all activities, especially when there are questions of non full time employment of the companies or of the individual entrepreneurs themselves.

Variable n°4b Division of the enterprises (or the local units) according to class of value added or turnover

No comments.

Variable n°6 Variables relating to market share and internationalisation

Of rather low interest.

Variable n°8 Turnover (sum of 8a)

Interesting but there is the problem of subsidies and contributions, plus the fact that some activities may be exercised at the same time by non profit and profit enterprises.

Variable n°8a Turnover by product (part of 8)

This would concern only actual receipts for the exercise of the activity under study. Care should be taken to separate correctly between revenues from sales of goods and from sales of services (among which entrance fee is of major interest).

Variable n°8b Intra-/extra-EC exports (part of 8)

Of rather low interest, except for major news agencies which import and export informations.

Variable n°9 Prices of products sold

No comments.

Variable n°10 Labor costs

Care should be taken to the personnel paid by other organisations or benevolent.

Variable n°11 Gross wages and salaries (part of 10)

Variable n°10b Voluntary social security contributions and other labor costs (part of 10)

Variable n°13 Purchases of goods and services

No comments.

Variable n°13a Purchases of goods and services for resale, for the future provision of services (part of 13)

The practice of having a small shop in the entertainment place (museum, sport club) is developing. Furthermore, the activity of selling food and beverages in many cultural, leisure and sport places (especially during the show of major events) should not be neglected. At last, the double counting of some provision of services should be avoided : the case of press agencies serving as intermediate between free lance journalists and medias has already been cited ; in the cultural, recreational and sport activities, some operators of facilities may collect the payments in the name of the independant professors who teach in their facilities and re-pay them while retaining (or not) a certain amount for the service of payment collection or of renting the facility.

Variable n°14 Intangible investments

Does not appear to be important in the activities under review.

Variable n°15 Fixed production**Variable n°15a Fixed production of tangible investment goods (part of 15)**

Not relevant.

Variable n°16 Tangible investments

Important in some cases, as has been pointed out.

Variable n°16a Purchases of land (part of 16)

May be important in some cases.

Variable n°17 Disposal of fixed assets**Variable n°18 Leasing used by the unit**

No comments.

Variable n°20 Gross value added at market prices

See the remarks made for other sectors *à propos* the subsidies and contributions.

Variable n°21 Value of production

No comments.

Variable n°22 Number of persons employed

Important since cultural, recreational and sporting activities are viewed to be among the activities where new "social jobs" could be created. To follow the developments in this matter, the data on persons employed should take account of the fact that there are full and part time persons, that some persons receive full payment for their employment, other are paid by other entities, and, at last, some persons work for free.

Variable n°22a Number of wage and salary earners (part of 22)**Variable n°22b Number of persons employed on a part-time basis (part of 22)****Variable n°22c Number of female persons employed (part of 22)****Variable n°23 Number of salaried hours worked by wage and salary earners****Variable n°24 Variables relating to personnel qualification levels**

Same remark as above.

Variable n°28 Duties and taxes (other than VAT) relating to production

No comments.

Variable n°29 Operating subsidies

Important.

Variable n°30 Change in stocks**Variable n°30a Change in stocks held by their producers (part of 30)****Variable n°30b Change in stocks of goods purchased for resale, for the further provision of services (part of 30)**

No comments.

Variable n°31 Gross operating surplus

Of major importance since this permits to evaluate the brut income of individual entrepreneurs, if they can be separated from other entities. Many operators in the sector under study are individual entrepreneurs.

B. Other variables specific to the sector under review

For each activity, it would be interesting to define some quantitative indicators, such as the number of users of the activity, some characteristics of the facilities (number of seats, area, ...), ... But due to the extreme heterogeneity of the sector, it is not possible to make such definitions here.

The knowledge of the structures of financemement of the enterprises is also of major interest

OTHER SERVICES PROVIDED TO HOUSEHOLDS AND THE COMMUNITY

DEFINITION AND CONTENT OF THE ACTIVITY

These activities re-group activities in divisions 90 (sewage and refuse disposal, sanitation and similar activities) and 93 (other service activities) of the NACE Rev.1.

Division 90 contains one class which has the same title, i.e. **sewage and refuse disposal, sanitation and similar activities**. According to the explanatory notes of the NACE Rev.1, this class includes the treatment of solid wastes : collection of garbage, trash, rubbish and waste, waste transportation, removal of building debris, waste disposal by incineration or by other means (waste reduction, dumping of refuse on land or in water, burial of ploughing-under of refuse, treatment and destruction of toxic waste including the cleaning of polluted soil). It includes also the treatment of liquid waste : sewage removal, whether via drains, sewers or by other means, of human waste products and their treatment and disposal, disposal of sewage by dilution, screening and filtering, sedimentation, chemical precipitation, activated sludge treatment and other processes, maintenance of sewers and drains, emptying and cleaning of cesspools and septic tanks, servicing of chemical toilets, treatment of waste water from swimming pools and from industries. The class includes also collection of refuse in litter boxes in public places, outdoor sweeping and watering of streets, paths, parking lots, snow and ice cleaning on highways, airport runways, including spreading of salt or sand, ... This class excludes pest control in connection with agriculture (01.41), recycling of refuse and waste (37), collection, purification and distribution of water (41.00), construction and repair of sewage systems (45.21), and disinfecting and exterminating activities in buildings (74.70).

All these activities have a collective purpose, but they may also be exercised for some companies which produce many refuses.

Due to the increasing importance of these activities in the framework of the development of environmental activities, it is proposed to divide the class 90.00 into three sub classes.

Sub class A. Treatment of liquid waste. This sub class includes sewage removal, whether via drains, sewers or by other means, of human waste products and their treatment and disposal, disposal of sewage by dilution, screening and filtering, sedimentation, chemical precipitation, activated sludge treatment and other processes, maintenance of sewers and drains, emptying and cleaning of cesspools and septic tanks, servicing of chemical toilets, treatment of waste water from swimming pools and from industries. This sub class excludes construction and repair of sewage systems (45.21).

Sub class B. Collection and treatment of household solid waste and refuse. This sub class includes collection and transport of household waste and refusal, urban debris and current industrial wastes, sorting and disposal by any mean (incineration, compostage, dumping on controlled land, ploughing-in, ...), management of dumping places, stocking locations, transfer stations and incineration units. This sub class includes also collection of refuse in litter boxes in public places, outdoor sweeping and watering of streets, paths, parking lots, snow and ice cleaning in cities and towns, including spreading of salt or sand, ... Conventionally, this sub class would also include the units which produce energy or compost from urban waste and refuse.

Sub class C. Treatment and disposal of other wastes and refuses. This sub class includes collection and treatment of solid or liquid agricultural or industrial waste and refuse which require a special treatment, the treatment of toxic waste including the cleaning of polluted soil, the management of underground stocking sites for déchets.

This sub class excludes recycling of refuse and waste (37), interior cleaning of building, including disinfecting and exterminating activities (74.7), and the re-treatment of nuclear waste or of irradiated fuel (23.30).

Division 93 contains 5 classes :

93.01 Washing and drycleaning of textiles and fur products. According to the explanatory notes of the NACE Rev.1, this class includes laundering and dry cleaning, pressing, etc., of all kinds of clothing (including fur) and textiles, provided by mechanical equipment, by hand or by self-service coin-operated machines whether for the general public or for industrial or commercial clients. It includes also laundry collection and delivery, carpet and rug shampooing and drapery and curtain cleaning, renting of linens, work uniforms, and related items by laundries, repair and minor alteration of garments or other textile articles when done in connection with cleaning. This class excludes repair and alteration of clothing, etc., as an independent activity (52.74), and renting of clothing other than work uniforms, even if cleaning of these goods is an integral part of the activity (71.40)

This class is usually classified with service activities mostly in favour of households, but, in fact, the activities become more and more in favour of enterprises. The societies in the sector are abandoning the traditional operations of washing, cleaning and ironing of clothing and linens ; they are now developing their activities along two axis, (i) the organisation of self-service laundrettes, and (ii) the renting and washing of uniforms and linens and the like for enterprises or other types of collectivities (hotels, restaurants, hospitals, ...). That is why it is proposed to divide the class into two sub classes, one more oriented toward serving collectivities, the other one more oriented toward serving households :

Sub class A. Washing and dry cleaning for enterprises and collectivities. This sub class includes laundering and dry cleaning, pressing, etc., of all kinds of clothing (including fur) and textiles, provided by mechanical equipment or by hand for industrial or commercial clients. It includes also the collection and the delivery of laundry, the safe keeping of leather and fur articles, carpet and rug shampooing and drapery and curtain cleaning (including in the dwelling of the purchaser of the service), renting of linens, work uniforms, and related items by laundries.

Sub class B. Washing and dry cleaning for households. This sub class includes services of self service laundrettes, activities of "retail" laundries, including management of laundry deposit places, activities of cleaning of clothing. It includes also repair and minor alteration of garments or other textile articles when done in connection with cleaning. This sub class excludes repair and alteration of clothing, etc., as an independent activity (52.74).

93.02 Hairdressing and other beauty treatment. According to the explanatory notes of the NACE Rev.1, this class includes hair washing, trimming and cutting, setting, dyeing, tinting, waving, straightening and similar activities for men and women as well as shaving and beard trimming, facial massages, manicure and pedicure, make-up, ... This class excludes manufacture of whigs (36.63).

93.03 Funeral and related activities. According to the explanatory notes of the NACE Rev.1, this class includes burial and incineration of human or animal corpses and related activities : preparing the dead for burial or cremation and embalming and morticians' services, providing burial or cremation services, rental of equipped space in funeral parlours, rental or sale of graves. This class excludes religious funeral service activities (91.31).

93.04 Physical well-being activities. According to the explanatory notes of the NACE Rev.1, this class includes activities related to physical well-being and comfort

such as delivered by Turkish baths, saunas and steam baths, solariums, spas, reducing and slendering salons, massage salons, fitness centres, ...

93.05 Other service activities n.e.c. According to the explanatory notes of the NACE Rev.1, this class includes astrological and spiritualists' activities, social activities such as escort services, dating services, services of marriage bureaux, genealogical organisations, shoe shiners, porters, valets, car parkers, ...

These last four categories of activities are all for households. Classes 93.02, 93.04 and 93.05 will be examined altogether in the next paragraphs.

ENTITIES THE MAIN ACTIVITY OF WHICH IS THE STUDIED ACTIVITY

Sewage disposal, ... Many of the activities covered were, in the past, and still remain, for some of them, mostly in sub classes A and B, exercised directly by the local authorities. But, more and more, there is an externalisation toward enterprises, although local authorities may keep a certain control of the societies within the framework of specific organisations, or by keeping a partial control of the capital of the societies.

Waste disposals and connected activities are made by great or medium size societies which work for enterprises or other communities or group of communities or of enterprises. They make the major part of the turnover of the sector. They employ a rather important number of persons with low qualification. Their activity is mostly concentrated in the collection of wastes and refuses, their transport and their treatment.

Other sanitation service activities have similar characteristics.

Washing and drycleaning of textiles and fur products. The changes in activities in the sector which have been presented above are still under way. As to washing and cleaning for enterprises or collectivities, one can find a certain number of average size societies which work with local depots for traditional operations, but which specialise more and more in the new activities cited. On the other hand, a great number of individual entrepreneurs operate mostly self-service launderettes and small enterprise (2 or 3 persons employed), carry on the so-called traditional services for households. It should be noted that all activities are exercised in private societies, without any intervention of public authorities.

Funeral and related activities. Usually these activities are exercised by fully private societies. But the organisation of the sector may vary from one country to another according to national or local regulations.

Other service activities for households. These activities are generally exercised by individual entrepreneurs or by small societies. Some societies, for hairdressing in particular, may have more than one local unit, but this is rather unfrequent, the major way of organising arrays of societies being the franchising.

ENTITIES OF WHICH THE STUDIED ACTIVITY IS ONE OF THE SECONDARY ACTIVITIES

Sewage disposal, ... It does not seem that this activity is, for the time being, exercised by entities with another principal activity.

Washing and drycleaning of textiles and fur products. The rental of clothings is an activity classified separately. Similarly to what happens in laundring, the clothing rental may also ensure the washing for great entities.

Funeral and related activities. Usually not made as secondary activity.

Other service activities for households. Some activities may be secondary activities of societies with another main activity : fitness centers, hotels, vacation clubs, may provide saunas or steam bath as well as hair dressing.

STATISTICAL UNIT

As said in the explanatory notes, the enterprises in the sanitation and similar activities carry out some secondary activities such as recycling of refuse and wastes, repair of sewage disposals, disinfecting and exterminating activities, but these secondary activities are not important in comparison with the main activity. The enterprise level is thus the correct level for obtaining most of the indicators. The local units are only interesting for data on employment.

As to other activities, besides laundries which may also carry out the activity of renting clothes, all the societies which exercise the other activities have but minor secondary activities. The sector is rather pure. Also, as most societies are small (except for funeral and related activities), it can be asserted that the enterprise level for studying the indicators is the sole really relevant level.

SPECIFIC PROBLEMS OF THE SECTOR

So far, no specific problems are foreseen, besides the usual requirement to collect some quantitative data.

THE ECONOMIC VARIABLES

A. The variables in the general framework

Variable n°1 Number of enterprises

No comments.

Variable n°2 Number of local units

Not relevant except for division 90 and for funeral and related activities.

Variable n°3 Variables concerning the characteristics and demography of enterprises

Variable n°4a Division of the enterprises (or the local units) according to the number of persons employed or the number of hours worked by wage and salary earners

Variable n°4b Division of the enterprises (or the local units) according to class of value added or turnover

No comments.

Variable n°6 Variables relating to market share and internationalisation

Not relevant, except, perhaps, for sewage and refuse disposal, sanitation and similar activities.

Variable n°8 Turnover (sum of 8a)

No comments.

Variable n°8a Turnover by product (part of 8)

Interesting. Sales of products purchased for resale should not be overlooked in the case of services to households, especially for hairdressers and beauty parlours.

Variable n°8b Intra-/extra-EC exports (part of 8)

Not relevant except for funeral activities, but not very important within this activity.

Variable n°9 Prices of products sold

As to services to households, prices are already collected and their change over time are already measured within the framework of the consumer price index. Some place to place comparisons can also be achieved for services to households. The question of measures and comparison of prices is more problematic for activities in division 90.

Variable n°10 Labor costs**Variable n°11 Gross wages and salaries (part of 10)****Variable n°10b Voluntary social security contributions and other labor costs (part of 10)****Variable n°13 Purchases of goods and services**

No comments.

Variable n°13a Purchases of goods and services for resale, for the future provision of services (part of 13)

See variable n°8a.

Variable n°14 Intangible investments

Not of major importance.

Variable n°15 Fixed production**Variable n°15a Fixed production of tangible investment goods (part of 15)**

Not relevant.

Variable n°16 Tangible investments

May have some importance for enterprises in division 90, for laundries and for funeral and related activities. But, because of the number of small enterprises concerned, total investment in enterprises of services to households may also be important.

Variable n°16a Purchases of land (part of 16)**Variable n°17 Disposal of fixed assets****Variable n°18 Leasing used by the unit****Variable n°20 Gross value added at market prices****Variable n°21 Value of production****Variable n°22 Number of persons employed****Variable n°22a Number of wage and salary earners (part of 22)****Variable n°22b Number of persons employed on a part-time basis (part of 22)****Variable n°22c Number of female persons employed (part of 22)****Variable n°23 Number of salaried hours worked by wage and salary earners****Variable n°24 Variables relating to personnel qualification levels****Variable n°28 Duties and taxes (other than VAT) relating to production**

No comments.

Variable n°29 Operating subsidies

Not important.

Variable n°30 Change in stocks**Variable n°30a Change in stocks held by their producers (part of 30)****Variable n°30b Change in stocks of goods purchased for resale, for the further provision of services (part of 30)**

No comments.

Variable n°31 Gross operating surplus

Important, in particular for the evaluation of the brut income of individual entrepreneurs, who are numerous in the sector studied.

B. Other variables specific to the sector under review

Mostly quantitative data, and, perhaps, for division 90 some information about the structure of the capital.

REAL ESTATE ACTIVITIES

DEFINITION AND CONTENT OF THE ACTIVITY

This activity corresponds to division 70 of the NACE Rev.1. This division contains 5 classes. From the outset, it should be noted that the central government and the territorial authorities may exercise some of the real estate activities (development and selling, letting and management) in relation, mostly, to the so-called "social housing sector". The way such activities are funded from the general budget, the way decisions are taken, the quality of civil servants of all the people involved in such activities lead to integrate them with the activities of the institutional sector of administrations. The study will take account of public subsidies received by entities involved in real estate, as well as of public participation in the capital of societies involved in these activities.

The five classes concerned are the following :

70.11. Development and selling of real estate. According to the explanatory notes of the NACE Rev.1, this class includes development of real estate projects : bringing together financial, technical and physical means to realise real estate projects for later sale, whether for residential buildings or other. This class excludes development and construction work of a real estate project by a construction unit (45.2).

These activities may be divided into three groups, namely (i) the physical and financial organisation of construction and major renovation of real estate, (ii) the follow-up and the management of the development of the operations and (iii) the eventual division into separate lots and the sale of real estate after the operations of construction or of major renovation.

In fact, according to the usage of the real estate and due to the fact that, generally, the markets are very specific with regards to these usages, one could envisage distinguishing between development and selling of dwellings, development and selling of office buildings and development and selling of infrastructures (which covers all other types of constructions such as factories, hotels, commercial buildings, ... , as well as the ground improvements by drawing electricity lines, by bringing water through pipes, ...).

In some cases, the developers may (or must by law) create real estate societies for each programme of construction. Such societies permit to separate each programme and, in particular, protect the purchaser against the confusions of programmes fundings in the hands of the developer. Such societies are to be classified in the class under review, but, perhaps a special place should be made for them.

70.12. Buying and selling of own real estate. According to the explanatory notes of the NACE Rev.1, this class includes buying and selling of self owned real estate : apartment buildings and dwellings, non residential buildings, land.

These activities may cover some small renovation operations to the real estates purchased prior to their resale. However, if major renovations are undertaken, the activity is to be classified with development and selling of real estate.

70.20. Letting of own property. According to the explanatory notes of the NACE Rev.1, this class includes letting and operating of self owned real estate such as apartment buildings and dwellings, non residential buildings including exhibition halls, land. This class excludes operation of hotels, rooming houses, camps, trailer camps and other non residential or short stay lodging places (55).

In fact, the real estate letting market is well separated among dwelling renting, land renting and renting of other real estates (offices, stores, factories, ... as well as goodwills). Perhaps such activities should be separated.

70.31. Real estates agencies. According to the explanatory notes of the NACE Rev.1, this class includes intermediation in buying, selling, renting and appraising real estate.

Once again, there is a certain degree of specialisation of the activity according to the market concerned, such as (i) real estate agencies activities dealing with dwelling units, (ii) real estate agencies activities dealing with offices, (iii) real estate agencies activities dealing with land, (iv) real estate agencies activities dealing with industrial buildings and, at last, (v) real estate agencies activities dealing with commercial buildings and goodwills.

70.32. Management of real estate on a fee contract basis. According to the explanatory notes of the NACE Rev.1, this class includes rent collecting agencies.

It may be of interest to distinguish among the various real estate goods which are managed : housing units, offices, land, commercial units, factories, ...

ENTITIES THE MAIN ACTIVITY OF WHICH IS THE STUDIED ACTIVITY

Development and selling of real estate. These activities require only a small number of persons employed to exercise them ; the sector is therefore made of small societies, this being emphasised by the fact that each programme may lead to the creation of a separate society (groups may thus be constituted and evolve according to the onset or the completion of programmes) ; relations between enterprises are therefore rather complex. A problem may be raised by the fact that the groups may create some separate societies ancillary to the group, which help the "programme-societies" in the various aspects of their activities.

The public authorities may create their own societies for the development and selling of (social) dwellings. They may also intervene on the market by subsidising some programmes in counterpart of a lower selling price. Such subsidies may be direct operating subsidies or indirect subsidies through bonifications of interest rates for the developer in the framework of the relevant programme.

Buying and selling of own real estate. The societies which exercise the activity seem to be rather small (few persons employed, few salaried) and perform their activity in one sole location. Of course, real estate immobilisations of such societies are very important.

These societies may exercise secondary real estate activities such as developer and agency activities.

Letting of own property. The activity requires the propriety or the disposal through renting of a real estate patrimony and therefore, at least for big letting entities, the maintenance and the management (purchase and sale) of this patrimony.

In fact, a rather important part of the renting housing stock is in the possession of households who possess one or a few renting housing units ; it seems that, in many countries, such individual entrepreneurs are not recorded in the enterprise registers.

Another part of the real estate patrimony is in the possession of the central government, of the territorial authorities and of the so-called institutional investors (insurance companies may, by law, constitute a part of their reserves in renting real

estate patrimony). On the other hand, the "social" housing sector may be managed by societies which have been created by public authorities, in relation with local groups (associations, enterprises, households, ...); these societies have made construct or have purchased the buildings they own and let to households with reduced rents. The reduction of rents may come from different sources: direct operating subsidy to the renting society, subsidy paid directly to the society but modulated according to the financial and family situation of each renter, bonification of interest for the construction or the purchase of the building.

At last, the central government, and the territorial authorities may concede the management and the exploitation of real estate. The payments made by the concessionees (flat rate or in proportion of the income received) should be considered as rents, except for land (not produced asset). This is also valid as to private concession when the concessionee does not pay a rent defined a priori but an exploitation right based on the result of its activity: if land (not produced asset) management (farming for example) is conceded, the payment is not considered as a rent; when other real estate management (produced asset) is conceded, then the payments are considered as rents (this seems to be the case, for example, for highway cafeterias conceded by highway management societies to catering companies, since the concession concerns already established infrastructures and not bare land).

The societies which exercise letting of own property as their main activity have important real estate immobilisations and invest, each year, in this field. The management of these societies does not require an important personnel. In fact, the sector seems to be largely dominated by medium size (... for service enterprises: 10 to 30 salaried) enterprises, which, roughly, can be separated into three groups, (i) independent enterprises which own a real estate patrimony which they rent (are included here the societies for social housing if they exist as such and if they constitute separate entities from the eventual parent collectivity), (ii) enterprises which depend of another enterprise with another activity, or which are member of a group of enterprises (insurance groups for example), in charge of letting the real estate patrimony of the other enterprise or of the group to any potential renter, (iii) enterprises member of a group in charge to let the real estate patrimony to members of the group only.

Entities the main activity of which is letting of own property may also be involved in development activities (on own account, principally), in management activities (on own account, principally) and also in agency activity.

Real estates agencies. Real estate agency is practically a purely private business. As to housing and office units, agency activities are mostly performed by very small societies (less than 5 salaried), with one local unit; there exist however enterprises with multi-regional or even multi-national implantation (the implantation may also be through franchising), which have a bigger size and which serve mostly the enterprises the personnel of which has to change often his work location. As to land and industrial buildings, agency activity require some specific qualification, which imply the regroupment of the personnel in larger societies. At last, as to commercial units and goodwill, specific qualifications are also required, but the number of files to process is sufficient for small societies to receive a sufficient revenue; this explains that the sector is generally made of small specialised societies, except for the few agencies with multi-regional or multi-national implantation.

If the law authorises it, real estate agencies, may also be involved in the other real estate activities, but, such extension of activity is rather unfrequent.

Management of real estate on a fee contract basis. The management of real estate for households is generally exercised by small societies.

The real estate patrimony of enterprises can be divided in two parts : (i) a patrimony the use of which is made outside of the enterprise or of the group of enterprises ; the patrimony is rented to any person ; (ii) the patrimony which houses the owner enterprise or the owner group of enterprises. In the first case, the management can be contracted to a specialised enterprise. In the second case, the management is made on own account unless the patrimony is important, which implies an enterprise or a group at least of medium size (say from 200 employees).

The pure management of a real estate patrimony does not require much personnel.

Management societies may have secondary activities in purchase and resale, in agencies and in letting. Generally, the major societies which may have several local units remain specialised.

ENTITIES OF WHICH THE STUDIED ACTIVITY IS ONE OF THE SECONDARY ACTIVITIES

Development and selling of real estate. This is a very specific activity, which is rarely a secondary one, unless it is exercised on own account.

Buying and selling of own real estate. This activity requires the disposal of large amount of money or of important loans. If not exercised on own account by real estate letting societies, it does not seem to be exercised by other enterprises. Furthermore, because of the large sums involved, the profession is generally regulated *de jure* by the public authorities or *de facto* by the banks.

Letting of own property. This activity may be exercised as secondary activity by all owners of real estate. However, it becomes important if only the patrimony is important, but it has been seen that, in that case, a separate society is often created for the purpose of renting.

Real estates agencies. This is generally not a secondary activity.

Management of real estate on a fee contract basis. Same remark as for letting.

STATISTICAL UNIT

This concerns only real estate activities performed outside the institutional sector of administrations.

It has been seen that, as to real estate activities, except for a few number, the societies are small, even very small. It seems therefore difficult to split them into smaller kind of activity units. The local units, when they exist are also of very small size, with no influence on the local employment. As a conclusion, it appears that the level of enterprise is the relevant one to gather practically all information on real estate activities.

SPECIFIC PROBLEMS OF THE SECTOR

The involvement in the sector of the government and of the territorial authorities has already been mentioned

As pointed out, one of the problems of the sector is the fact that the concept of group of enterprises has some relevance : group of development and selling enterprises using the services of common ancillary enterprises within the group, letting and/or

management enterprises serving all the group. Some indicators should therefore be obtained at the group level, for development and selling activities, while the appartenance to a group not involved principally in real estate should be known from letting and management enterprises (their comportment may be different from the other enterprises exercising these activities).

The sector is also specific by the amounts of cash and credits involved. It could be interesting to obtain some information on the real estate credits, interests and interest rates, by type of user of such credit and for each type of activity.

One would also be interested by the evaluation of the real estate patrimonies.

As always some quantitative indicators should be sought.

THE ECONOMIC VARIABLES

A. The variables in the general framework

This concerns only real estate activities performed outside the institutional sector of administrations.

Variable n°1 Number of enterprises

No comments.

Variable n°2 Number of local units

Not of major importance.

Variable n°3 Variables concerning the characteristics and demography of enterprises

Important but to be examined with care as to enterprise in the developing and selling sector.

Variable n°4a Division of the enterprises (or the local units) according to the number of persons employed or the number of hours worked by wage and salary earners

Variable n°4b Division of the enterprises (or the local units) according to class of value added or turnover

No comments.

Variable n°6 Variables relating to market share and Internationalisation

Not relevant.

Variable n°8 Turnover (sum of 8a)

No comments.

Variable n°8a Turnover by product (part of 8)

The list of products should take into account the various decompositions by markets or by type of real estate which have been proposed earlier.

Variable n°8b Intra-/extra-EC exports (part of 8)

Not relevant.

Variable n°9 Prices of products sold

This is an important variable, but which is difficult to measure for its level as well as for its change over time and for place to place comparisons. Some rent change measures are already available in the framework of the consumer price index and some countries have developed some transaction price and cost of construction

indexes, but there is a need for homogenisation and further developments of price indicators.

Variable n°10 Labor costs

Variable n°11 Gross wages and salaries (part of 10)

Variable n°10b Voluntary social security contributions and other labor costs (part of 10)

Variable n°13 Purchases of goods and services

No comments.

Variable n°13a Purchases of goods and services for resale, for the future provision of services (part of 13)

Not relevant.

Variable n°14 Intangible investments

No comments.

Variable n°15 Fixed production

It has been pointed out that purchasers for resale and renters may produce real estate on own account.

Variable n°15a Fixed production of tangible investment goods (part of 15)

See variable n°15.

Variable n°16 Tangible investments

Of major importance for practically all enterprises in real estate except agencies and managers

Variable n°16a Purchases of land (part of 16)

Variable n°17 Disposal of fixed assets

See variable n°16.

Variable n°18 Leasing used by the unit

Variable n°20 Gross value added at market prices

Variable n°21 Value of production

Variable n°22 Number of persons employed

Variable n°22a Number of wage and salary earners (part of 22)

Variable n°22b Number of persons employed on a part-time basis (part of 22)

Variable n°22c Number of female persons employed (part of 22)

Variable n°23 Number of salaried hours worked by wage and salary earners

No No comments.

Variable n°24 Variables relating to personnel qualification levels

Not very relevant.

Variable n°28 Duties and taxes (other than VAT) relating to production

Variable n°29 Operating subsidies

Variable n°30 Change in stocks

No comments.

Variable n°30a Change in stocks held by their producers (part of 30)

Variable n°30b Change in stocks of goods purchased for resale, for the further provision of services (part of 30)

Not relevant.

Variable n°31 Gross operating surplus

No comments.

B. Other variables specific to the sector under review

As said earlier :

- an estimate of variables per enterprise group for developers and sellers of real estate should be made ;

- some variables (number of enterprises, turnover, labor costs, tangible investments, gross value added, operating surplus, number of persons employed, ...) should be obtained separately for independant enterprises, enterprises members of groups and enterprises with capital detained for a large part by public authorities, for enterprises the activity of which is letting of own property and management of real estate ;

- some data on patrimonies should be obtained like the immobilisations of buyers and sellers of real estates and of the renters of real estate, separated between households and societies, and between the type of real estate ;

- an evaluation of the real estate patrimony in the institutional sector of administrations would be interesting, especially as to housing units (numbers, surfaces and estimated value) ;

- quantitative indicators should be defined which concern generally the number of units and the surfaces concerned, cross classified with the type of real estate.

ANNEX 3

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Item 5 of the provisional agenda

NON-MARKET SERVICES: METHODOLOGICAL ISSUES AND NATIONAL PRACTICES

Prepared by the UN/ECE Secretariat

Non-market services: methodological issues and national practices¹

1. Market and non-market output

1. **Market output** is defined in the Revised 1993 System of National Accounts (SNA)² as output that is sold or otherwise disposed of on the market, or intended for sale or disposal on the market, excluding output sold at prices that are not economically significant. A price is said to be not economically significant when it has little or no influence on how much the government unit or non-profit institution (NPI) is prepared to supply and is expected to have only a marginal influence on the quantities demanded. It is thus a price that is not quantitatively significant from the point of view of either supply or demand. Apart from certain service industries for which special conventions are adopted, the value of the market output of a producer is given by the sum of the values of the following items for the period in question:

- (1) the total value of goods and services sold (at economically significant prices);
- (2) the total value of goods and services bartered;
- (3) the total value of goods and services used for payments in kind, including compensation in kind;
- (4) the total value of goods and services supplied by one establishment to another belonging to the same market enterprise to be used as intermediate inputs;
- (5) the value of changes in inventories of finished goods and work-in-progress intended for one or another of the above uses.

2. **Non-market output** is defined as output that is not produced for sale or other market use. It consists of goods and services produced for own final use or provided free, or at prices that are not economically significant, to other institutional units, either individually or collectively. The value of the non-market output of a producer is given by the sum of the values of the following items for the period in question:

- (1) the value of goods or services produced for own final consumption or own gross fixed capital formation;
- (2) the value of goods or services supplied free, or at prices that are not economically significant, to other institutional units, either individually or collectively;
- (3) the value of goods or services supplied by one non-market establishment to another;
- (4) the value of changes in inventories of finished goods and work-in-progress intended for one or other of the above uses.

3. The distinction between **market** and **non-market** output was drawn more precisely in the 1979 European System of Integrated Economic Accounts (ESA)³. The following conventions were adopted to decide whether products are market or non-market:

- a) the production of goods is always deemed to be market production;
- b) the production of certain services (defined in terms of NACE/CLIO three-digit codes) is

¹ Paper prepared by the UN/ECE secretariat for the Joint ECE/Eurostat/OECD Work Session on Statistics of Services, Geneva, 13-15 September 1993. The paper draws on the documents referred to in the footnotes to the text. It also summarizes information from the countries' replies to the ECE secretariat enquiry on national practices in measuring non-market services.

² Revised System of National Accounts, Chapter VI, The Production Account (ST/ESA/STAT/SER.F/2/Rev. 4, 15 May 1992), pp. 13-14.

³ European System of Integrated Economic Accounts, Second Edition, 1979, pp. 25-26.

always deemed to be market production;

c) the production of certain other services is always deemed to be non-market production;

d) the production of a third group of services is deemed:

- to be market production if the resources of the producer unit are mainly (50 per cent or more of total current resources) derived from the sale of its output at a market price, whatever the price charged may be called:

- selling price, inclusive charge;

- fee, rate, toll, duty;

- voluntary or compulsory contributions of a quasi-fiscal nature levied on enterprises by units whose principal activity is to provide services in exchange;

- to be non-market production if the resources of the producer unit are mainly derived from sources other than the sale of output, i.e. from government transfers, voluntary contributions from households in their capacity as consumers, or from property income.

2. Non-market services

4. Non-market services as defined in 1979 ESA include:⁴

- domestic services produced for themselves by households as employers of paid domestic staff (NACE/CLIO 99);

- collective services, i.e. those provided without charge, or with a nominal charge, to the community as a whole or to particular groups of households.

5. The output of collective services covers:

a) the following services, which, by convention, are always deemed to be non-market:

NACE/CLIO:

- 910: Services of general government: general public administration, national defence and compulsory social security
- 922: Administration of cemeteries
- 961: Social work
- 965: Trade unions
- 966: Religious organizations and learned societies
- 967: Tourist information offices, tourist clubs
- 968: Services supplied to the general public n.e.c.

b) the following services, which are non-market if the resources of the producer unit are mainly derived from sources other than the proceeds of sales, i.e. from the voluntary contributions of households in their capacity as consumers, from government transfers and from property income:

NACE/CLIO:

- 921: Refuse disposal service, sanitation services and the like
- 931: High schools
- 932: General teaching schools
- 933: Professional training and retraining schools
- 934: Infant schools
- 940: Research and development

⁴ European System of Integrated Economic Accounts, Second Edition, 1979, pp. 45-46.

- 951: Hospitals, clinics and sanatoriums
- 952: Other health institutions
- 954: Dental practices and clinics
- 956: Veterinary surgeons and veterinary clinics
- 962: Social homes
- 963: Professional associations and economic organizations
- 964: Employers' federations
- 975: Entertainments (except for cinemas and sports)
- 977: Libraries, public archives, museums, botanical and zoological gardens
- 978: Sports grounds or halls, sports clubs, and independent sports teachers or coaches
- 979: Recreational services n.e.c.

6. The NACE/CLIO groupings used in 1979 ESA to compile input-output tables were based on NACE, 70. Although the same, as in the revised 1993 SNA, approach to the definition of market and non-market output will be adopted in the revised ESA, it might be useful for the practical work in economic statistics to maintain an *a priori* attribution of certain activities to market or non-market services. A tentative grouping for collective non-market services in terms of NACE, Rev.1 is presented below:

a) the following collective services can always be considered as non-market:

NACE, Rev.1:

- 75.11: General (overall) public service activities
- 75.12: Regulation of the activities of agencies that provide health care, education, cultural services and other social services excluding social security
- 75.13: Regulation of and contribution to more efficient operation of business
- 75.14: Supporting service activities for the government as a whole
- 75.21: Foreign affairs
- 75.22: Defence activities
- 75.23: Justice and judicial activities
- 75.24: Public security, law and order activities
- 75.30: Compulsory social security activities
- 91.20: Activities of trade unions
- 91.31: Activities of religious organizations
- 91.32: Activities of political organizations
- 91.33: Activities of other membership organizations n.e.c.

b) the following collective services can be considered as non-market if the resources of the producer unit are mainly derived from sources other than the proceeds of sales, i.e. from the voluntary contributions of households in their capacity as consumers, from government transfers and from property income:

NACE, Rev.1:

- 73.10: Research and experimental development on natural sciences and engineering
- 73.20: Research and experimental development on social sciences and humanities
- 75.25: Fire service activities
- 80.10: Primary education
- 80.21: General secondary education
- 80.22: Technical and vocational secondary education
- 80.30: Higher education
- 80.42: Adult and other education n.e.c.

- 85.31: Social work activities with accomodation
- 85.32: Social work activities without accomodation
- 90.00: Sewage and refuse disposal, sanitation and similar activities
- 91.11: Activities of business and employers organizations
- 91.12: Activities of professional organizations
- 85.11: Hospital activities
- 85.20: Veterinary activities
- 92.31: Artistic and literary creation and interpretation
- 92.32: Operation of arts facilities
- 92.33: Fair and amusement park activities
- 92.34: Other entertainment activities n.e.c.
- 92.51: Library and archives activities
- 92.52: Museums activities and preservation of historical sites and buildings
- 92.53: Botanical and zoological gardens and nature reserves activities
- 92.61: Operation of sports arenas and stadiums
- 92.62: Other sporting activities
- 92.72: Other recreational activities n.e.c.
- 93.03: Funeral and related activities

7. Collective services are produced by the non-market branches of general government or private non-profit institutions, depending on whether the institutional unit producing them belongs to the general government sector or to the private non-profit institutions sector.

8. It may be helpful to distinguish the scope of non-market output from two related concepts. The non-market sector is not the same as the "public sector". The public sector includes public enterprises that sell their output in the market for profit and excludes private non-profit institutions and services produced by households for own final consumption. The non-market sector is broader than the "government sector"; the latter designates that part of the public sector which excludes public enterprises.

3. Non-market producers.

9. The Revised SNA defines a non-market producer as an establishment or enterprise most or all of whose output is in non-market. It should be borne in mind that "enterprise" is the term used in the Revised SNA to describe an institutional unit in its capacity as a producer of goods and services. An enterprise may therefore be any of the following kinds of institutional units: a corporate (including quasi-corporate) enterprise, an unincorporated enterprise, an NPI. An unincorporated enterprise, however, refers to an institutional unit - a household or a government unit - only in its capacity as a producer of goods and services. It covers only those activities of the unit which are directed towards the production of goods and services. An establishment is defined as an enterprise, or part of an enterprise, that is situated in a single location and in which only a single (non-ancillary) productive activity is carried out or in which the principal productive activity accounts for most of the value added.⁵

10. There are two kinds of non-market producers corresponding to the two types of non-market output. The first type consists of unincorporated enterprises owned by households most or all of whose output is intended for final consumption or gross fixed capital formation by those households

⁵ Revised System of National Accounts, Chapter V, Establishments and Industries (ST/ESA/STAT/ SER.F/2/ Rev. 4, 17 April 1992), pp. 1, 6.

or enterprises: for example, owner-occupiers or subsistence farmers who sell only a small fraction of their output. The second type of non-market producers consists of establishments owned by government units or NPIs that supply goods or services free, or at prices that are not economically significant, to households or the community as a whole.⁶

11. The biggest supplier of non-market services is the general government sector. Services provided by governments are broadly of three kinds.⁷ First, there are services of preserving internal order and involving compulsory powers. These services concern the regulation of economic affairs in the general interest, through such measures as control over imports and exports, regulation of conditions of work etc. Secondly, there are the basic services needed for community living as a whole, such as refuse disposal, protection against fire, and provision of roads. Thirdly, there are services like education, health, and social security, which are mainly for the benefit of individual persons and contribute directly to standards of living. They are often of a type that may also be supplied by private endeavour.

12. The government units engaged in the production of non-market services fall within the institutional sector of general government. This sector consists of the following groups of institutional units.⁸

(1) All units of government - central, state or provincial, district or county, municipal, town or village - which engage in a wide range of activities, for example, administration, defence and regulation of the public order; health, educational, cultural, recreational and other social services; and promotion of economic growth and welfare and technological development. The legislature, executive, departments, establishments and other bodies of government should be included irrespective of their treatment in the actual government accounts. It is immaterial whether they are accounted for in ordinary or extraordinary budgets, or in extra-budgetary funds. This group also includes producing establishments which are not legally separated from the government unit itself.

(2) All social security funds at each level of government. These are schemes imposed and controlled by government for the purpose of providing social security benefits for the community or for large sections of the community, including, for example, old age, disability and survivors' benefits, reimbursements for medical expenses and in some cases the provision of medical services. Social security funds exclude, however, schemes for government employees formulated by an organ of government solely in its role as an employer and similar schemes provided by private businesses for their employees. The funds may be financed either through specific contributions collected by government from employees or employers or through transfers from the general revenues of government.

(3) All non-market NPIs that are controlled and mainly financed by government units. These NPIs may include, for example, schools, universities, hospitals, museums, libraries, art galleries etc. It should be emphasized that both the financing and the control criteria must be met for a non-profit institution to be included in the general government sector. In some countries

⁶ Revised System of National Accounts, Chapter VI, The Production Account (ST/ESA/STAT/SER.F/2/ Rev. 4, 15 May 1992), p. 16.

⁷ Handbook of National Accounts. Public Sector Accounts. Studies in methods, Series F, No. 50, United Nations, 1988, p.12.

⁸ Revised System of National Accounts, Chapter IV, Institutional Units and Sectors (ST/ESA/STAT/SER.F/2/ Rev.4, 18 March 1992), p. 32; and A System of National Accounts, Studies in Methods, Series F, No.2, Rev.3, 1968, pp. 75-77.

non-profit institutions such as hospitals, schools, and universities may be controlled by religious orders or private charitable foundations. These institutions are not to be included in the general government sector even though they may be mainly financed by government.

13. **Statistical units.** Data in respect of the producers of government services are to be classified according to the kind of economic activity in which they engage, and the purpose for which they carry on these activities. To make these classifications possible, the statistical unit used in the case of the producers of government services should be establishment-type units which are as homogeneous as is feasible in respect of both the kind of services they perform and the purpose they are designed to serve. The establishment-type units should be delineated so that it is practicable to gather and compile data on their production, consumption expenditure, capital formation and employment. The use of the same statistical unit for all these purposes provides the basis for correlating these series and transferring data by kind of economic activity of the producers into data by the purpose they serve.

14. In general, it will be necessary to select certain types of governmental administrative units as the establishment-type units for the producers of government services. The character and breadth of the appropriate administrative unit will depend on the structure, organization and record keeping practices of the government in question, and the extent to which the purpose served and kind of activity carried on coincide at given levels of administration.

15. Some departments of a government may render a single major kind of service. They will be suitable statistical units. An example may be a department engaged in operating schools or public health services, or furnishing public assistance or sanitary services. Other departments of a government may carry on more than one major kind of activity in order to serve a single major purpose. For example, a department of education or health may in addition to operating the schools or public health services, respectively, engage in policy making, regulation and research. Or, a department of the army may operate schools, hospitals, and other social and cultural services for the dependants of soldiers, as well as the soldiers themselves, in addition to administering the army. In these instances it will be necessary to use sub-divisions of departments, perhaps bureaux or sections of bureaux, as statistical units in order to reach a sufficient degree of homogeneity in respect of the kind of activity conducted and the purpose served. The suitable administrative unit is likely to be at a lower level in the hierarchy in the case of a central government than in the case of a local government.

16. The possibility of gathering and compiling data on the costs of production, sales, capital formation and employment of producers of government services, will set limits to how far down in the administrative hierarchy practicable establishment-type units might be delineated. Generally, the lower the position on the administrative ladder of the statistical units used, the more homogeneous are they likely to be in respect of kind of activity carried on and the purpose served. The main obstacles to using detailed administrative units will probably be inadequate data, if any, on the employment, capital formation and other outlays in respect of overhead activities which should be allocated to these units, and on their use of supplies. The lack of detailed data will probably lead to the use of departments or bureaux, or at best, large sections of bureaux, as statistical units. Because of the breadth of the administrative units which it will be necessary to use as establishments in the case of producers of government services, detailed distinctions are not made in the relevant categories of the industrial classification or in the corresponding categories of the purpose classification. However, if project and performance budgeting, or a similar technique, is used, the data required in order to employ detailed administrative units as establishments are likely to be available. In these circumstances, it may even be possible to compile figures of the cost-structure of production, of employment and perhaps of capital formation in respect of the various

functions of government departments or bureaux. In any case, government accounting records should allow detailed classification of grants, subsidies, other current transfers, loans and similar outlays according to the purpose served.

17. The general government sector does not include public corporations and quasi-corporations even when the equity of such corporation is wholly owned by government units. Such public enterprises participate directly in productive activities similar to those carried out commercially by private concerns and fall within the corporate sector. Typical cases are the operation by public entities such as railways and postal and telephone services, and the provision of gas and electricity. Producers of government services together with public enterprises form the public sector.

18. Another major supplier of non-market services are private non-profit institutions serving households (the term "private non-profit institutions" is often used as an abbreviation). Like the producers of government services, they provide services to households on a non-profit basis. The transactors included in this category of producers primarily furnish services to households such as education, medical and dental care, welfare assistance, religion, and cultural, recreational and social facilities. Private NPIs serving households constitute a separate institutional sector within SNA and should be distinguished from non-market NPIs controlled and mainly financed by government units.

19. Much of the activities of producers of private non-profit services to households is usually financed through the dues of members, contributions, grants and endowments from individuals, business units and government, and income from property. The bodies may be societies, trade unions, churches, schools, hospitals, foundations, fraternal organizations, clubs etc., which have been founded by associations of individuals without the aim of making a profit. They may be incorporated or unincorporated.

20. The producers of private non-profit services to households are to be classified according to the kind of activities in which they primarily engage and the purpose for which these activities are carried on. The statistical units used in respect of these producers should therefore be establishment-type units. In a number of instances, a private non-profit institution as a whole, that is a legal entity, will provide the appropriate establishment-type unit. The legal entity may be a corporate body, association of individuals, foundation, fund or the like. Should an institution engage in a number of differing kinds of non-profit activities, for example, providing higher education and conducting scientific research, or furnishing adult education and public library facilities, to a substantial extent, it will be desirable, if feasible, to raise statistical units in respect of each major kind of service. The feasibility of dividing the differing types of activity into establishments will depend on the manner in which the institution is organized and managed, and accounts are kept. Each of the establishments should of course cover all of the costs of production, sales, capital formation and employment involved in carrying out the activities dealt with and in providing the associated supporting services.

21. As in the case of producers of government services, the main difficulties in delineating these establishments will relate to the allocation of outlays for the common overhead services. The feasibility of raising a separate establishment for each kind of activity will therefore reflect the extent to which the outlays on supporting services are, or can be, segregated in respect of each kind of activity. This, in turn, will depend on the way in which the institution is organized, or the manner in which records are kept.

4. Classifications

22. **Kind-of-activity classification.** With regard to production of non-market services by the

general government and private non-profit institutions the revised SNA does not call for any detailed breakdown by kind of activity. In general, units producing such services will fall into ISIC, Rev.3 - NACE, Rev.1 Sections L (Public Administration and Defence; Compulsory Social Security), M (Education), N (Health and Social Work) and O (Other Community, Social and Personal Service Activities). The level of detail in the breakdown of these categories is rather limited. It was difficult to agree upon a common denominator for a more detailed breakdown because of a great variety of forms of government organization.

23. When drafting the part for public administration for ISIC, Rev.3, the COFOG categories were used as a starting point.⁹ COFOG provides a more detailed breakdown of government activities. For government bodies, the units of classification will normally be the smallest administrative units - programmes, bureaus, offices, ministries - for which budgetary information is obtainable. The breakdown by government institutional subsectors is also of great interest. It allows to identify the activities controlled by the various levels of government. Decision-making on the local government level may involve quite different elements from decision-making on the central government level.

24. With respect to public enterprises and private non-profit institutions producing output for sale on the market, the rules for identifying establishment-type units, using the classification by kind of activity (ISIC-NACE), are the same as for private units and present no particular difficulties.

25. **Functional classifications.** Functional (or "purpose") classifications are used for studying changes in the pattern of government expenditures as a result of shifts in economic or social policies and for making intercountry comparisons of the emphasis given to various economic and social objectives. Functional classifications are used for classifying certain transactions of producers of general government and private non-profit institutions serving households. They are described as functional classifications because they identify the "functions" - in the sense of "purposes" or "objectives" - for which these groups of transactors engage in certain transactions.¹⁰ The functional classifications which are of interest for this paper are COFOG and COPNI.

26. **COFOG.** The Classification of the Functions of Government (COFOG) is a classification of transactions designed to apply to general government and its subsectors. The 14 major groups of COFOG consist of:

- three categories for government services:
 - 01 General Public Services
 - 02 Defence Affairs and Services
 - 03 Public Order and Safety Affairs
- five categories for community and social services:
 - 04 Education Affairs and Services
 - 05 Health Affairs and Services
 - 06 Social Security and Welfare Affairs and Services
 - 07 Housing and Community Amenity Affairs and Services
 - 08 Recreational, Cultural and Religious Affairs and Services

⁹ International Standard Industrial Classification of all Economic Activities, United Nations, Statistical Papers, Series M, No. 4, Rev. 3, 1990, pp. 39 and 44.

¹⁰ Revised System of National Accounts, Chapter XVIII, Functional Classifications (ST/ESA/STAT/SER.F/2/Rev.4, 8 May 1992), pp. 1-4.

- five for economic services:

- 09 Fuel and Energy Affairs and Services
- 10 Agriculture, Forestry, Fishing and Hunting Affairs and Services
- 11 Mining and Mineral (other than Fuel), Manufacturing and Construction Affairs and Services
- 12 Transportation and Communication Affairs and Services
- 13 Other Economic Affairs and Services

- one for functions not classifiable elsewhere:

- 14 Expenditures not classified by major groups

27. COFOG was developed mainly for use in the System of National Accounts. It serves the basis in the SNA for distinguishing at a practical level between expenditure by government (in the income and outlay and capital accounts of government) on individual services and collective services.¹¹ By convention, all government final consumption expenditure, except for that on general administration, regulation, research, etc., under each of the following headings should be treated as expenditures on individual services:

- 04 Education
- 05 Health
- 06 Social Security and Welfare
- 08.01 Sport and recreation
- 08.02 Culture

In addition, expenditures under the following sub-headings should also be treated as individual when they are important:

- 07.11 part of the provision of housing
- 07.31 part of the collection of household refuse
- 12.12 part of the operation of transport system

28. The basic source of information for COFOG consists of administrative records kept by Governments. These records are intended for control purposes and in many countries do not contain the detail necessary for COFOG.

29. The units of classification of COFOG are, in principle, individual transactions which may be in the areas of final consumption, intermediate consumption, current and capital transfers, capital formation etc. This means that each purchase, wage payment transfer, loan disbursement, or other outlay could be assigned a COFOG code according to the function that the transaction serves. For most other outlays however, it is often not possible to use transactions as units of classification. Instead COFOG codes are assigned to agencies, offices, programme units, bureaus, and similar units within government departments, at as fine a level of detail as the basic data permit. It may well happen that the smallest bodies that can be identified in the government accounts may perform more than one COFOG function. It may sometimes be possible to apportion outlays of multifunction bodies on the basis of the proportion of person-months devoted to the different functions, but more commonly the best that can be done is to assign all outlays of multifunction units to whichever

¹¹ Revised System of National Accounts, Chapter IX, The Use of Income Accounts (ST/ESA/STAT/SER.F/2/Rev.4, 8 May 1992).

function appears to account for the largest part of total outlays.¹²

30. **COPNI** The Classification of the Purposes of Non-Profit Institutions Serving Households (COPNI) covers the same range of transactions as COFOG, i.e. current transactions, capital outlays and the acquisition of certain financial assets. Most countries find it difficult to collect detailed information on the activities of non-profit institutions serving households and it is likely that, in general, institutions will have to be assigned in their entirety to one of the following eight purposes:¹³

- 1 Research and scientific services
- 2 Education services
- 3 Health services
- 4 Welfare services
- 5 Recreational, cultural and related services
- 6 Religious services
- 7 Services of professional and labour organizations and civic associations
- 8 Miscellaneous services not elsewhere classified

Of course, if an institution is known to be multipurpose - a religious mission that provides education as well as religious services, for example - attempts should be made to divide their outlays between the different purposes served even if this can only be done very approximately.

31. Similar categories of each of the purpose classifications are defined so that data grouped according to these categories may be combined into the total consumption expenditure, capital formation, etc. of the government and private non-profit institutions on education, health, recreational and cultural services and so on. The related categories of each of the purpose classifications are also aligned to the categories of the classification of household goods and services (CHGS), a classification used in SNA to classify the outlays on goods and services which households make in the domestic market, according to the major purpose for which the goods and services are acquired. The categories of these three schemes relating to such objectives as health, education, recreation and cultural services, or housing are defined so that data may be compiled on the total consumption of the population for these purposes, irrespective of the class of economic agents who make the outlays. This alignment also lays the basis for analysing the sources of finance of the consumption expenditure for these purposes.

32. Since ISIC-NACE are used for classifying transactors rather than transactions, the relationship between ISIC-NACE on one hand, and COFOG and COPNI on the other, is only marginal. Some subdivisions of COFOG correspond in practice roughly to ISIC activity categories. The relationship between ISIC, Rev.3-Nace, Rev.1, COFOG and COPNI, in terms of ISIC-NACE categories likely to be relevant to the general government sector and private non-profit institutions is shown in table 1. In practice, COFOG types of outlays are transformed, where possible, to economic activities for use in national accounts.

33. Further study may be needed to clarify the link between the classifications by kind of activity (ISIC-NACE) and those by function (COFOG, COPNI). For example, building a school would be

¹² Handbook of National Accounts. Public Sector Accounts. Studies in Methods, Series F, No. 50, United Nations, 1988, p. 29.

¹³ Revised System of National Accounts, Chapter XVIII, Functional Classifications (ST/ESA/STAT/SER.F/2/Rev.4, 8 May 1992).

classified as construction in ISIC, but as education in COFOG. Construction is the activity involved, but education is its purpose. Another problem when comparing ISIC and COFOG is that the latter, for example, covers not only direct outlays on government-owned schools, but also the subsidizing of privately-owned schools and outlays on subsidiary services to education such as school transport, food, lodging and recreational activities for students. COFOG is not simply a further detailing of ISIC for government activity; it is established upon different principles and serves a different purpose.

5. The measurement of non-market output

34. All non-market services produced by government units and NPIs are valued in SNA by the sum of the costs incurred in their production, that is, as the sum of:

- intermediate consumption;
- compensation of employees;
- consumption of fixed capital;
- taxes, less subsidies, on production;
- net operating surplus on services of own buildings.

The net operating surplus on the production of non-market goods of services is assumed always to be zero, except for the notional net operating surplus on the services of buildings owned by government units or NPIs.¹⁴

35. The data on non-market services are produced in the countries for two major purposes. First, these data are compiled for national accounts to see the relative importance of the activities of non-market producers within the economy as a whole. Information is often collected for different levels of government and for private non-profit institutions. Secondly, detailed statistics are collected about individual branches producing non-market services. These statistics are used for policy-making decisions in, for example, education, health and other services provided by the general government.

36. **General government.** An important source of information for the compilation of government accounts are audited accounts of government. The primary purpose of these accounts is to ensure that expenditures have not exceeded the amounts and purposes approved for them in the budget. The accounts usually give separate figures for each department or agency they cover and often provide a considerable amount of detail, within the departmental totals, for different types of expenditures and for different activities or projects. However, a set of audited accounts is rarely available for all government transactions and in sufficient level of detail. Furthermore, it usually becomes available only after considerable delay. Other sources of data are used to produce timely estimates, to provide breakdowns needed in national accounts and to ensure comprehensive coverage.

37. Audited accounts may be limited to expenditures requiring legislative approval and therefore exclude expenditure for which there is a continuing commitment or which is covered in extraordinary budgets or by extra-budgetary funds. Such expenditures, budgets or funds may relate only to specific agencies or may cut across all agencies of the government. Where this is the case, there are usually separate accounts covering such budgets or funds from which the necessary data

¹⁴ Revised System of National Accounts, Chapter VI, The Production Account (ST/ESA/STAT/SER.F/2/ Rev.4, 15 May 1992), p. 27.

can be obtained.

Table 1. Relation between ISIC, Rev.3 - NACE, Rev.1, COFOG and COPNI¹⁵

	ISIC, Rev.3 - NACE, Rev.1	COFOG	COPNI
41	Collection, purification and distribution of water	07.2 Water supply affairs and services	-
4520	Building of complete constructions or parts thereof; civil engineering	07.3 p. Sanitary affairs and services	-
6021	Other scheduled passenger land transport	12.12 Transportation affairs and services	-
7511	General (overall) public service activities	01 (excl. .13, .2, .41, .43), 14 General public services	1 Research and scientific services
7512	Regulation of the activities of agencies that provide health care, education, cultural services and other social services, excluding social security	04, 05, 07, 08 Education, health, housing and recreational affairs and services	2,3,5,6 Education, health, recreational, religious services
7513	Regulation of and contribution to more efficient operation of business	09-13 Economic services	-
7514	Ancillary service activities for the Government as a whole	01.41, .43 General services	-
7521	Foreign affairs	01.13, .2 External affairs and foreign aid	-
7522	Defence activities	02 Defence affairs and services	-
7523	Public order and safety activities	03 Public order and safety activities	-
7530	Compulsory social security activities	06.1, .3 p Social security affairs and services	-
80	Education	04 Education affairs and services	2 Education services
85	Health and social work	05, 06.2, .3 p. Health and welfare affairs and services	4 Welfare services
90	Sewage and refuse disposal, sanitation	07.31 p. Sanitary affairs and services	-
92	Recreational, cultural and sporting activities	08 Recreational, cultural and religious affairs and services	5 Recreational, cultural and related services
9112	Activities of professional organizations	-	7 Services of professional and labour organizations and civic associations
9120	Activities of trade unions		
9133	Activities of other membership organizations, n.e.c.		

¹⁵ The column on COPNI has been added to the correspondence table between ISIC, Rev.3 and COFOG taken from the International Standard Industrial Classification of all Economic Activities, Statistical papers, Series M, No. 4, Rev. 3, United Nations, 1990, p. 140. This column should be regarded as providing an indication of relevance of COPNI categories regarding respective ISIC categories, rather than a correspondence between them.

38. Audited accounts may not be readily available for lower levels of government. In some countries they are released after long delays and contain less detail than the central government accounts. Different levels of government - regional, provincial, municipal - may present their accounts in a different form. There are also countries where some government units such as school boards and social security funds are more or less functionally independent and are not required to account publicly for all their revenues or expenditures. To cover these and other units providing non-market services, questionnaires are sent out in some countries asking mainly for detailed expenditure and revenue data. Information may also be collected on the number of employed persons and on the local government debt figures. Questionnaires are often prepared jointly by the statistical office and the finance ministry.

39. The collaboration between the statistical office and the finance ministry is regarded in many countries as an important element in improving consistency of government budget documents used for internal government planning with the national accounting data. In some countries government units prepare their annual estimates of expenditure not only under the traditional headings but also reclassified, in summary form, according to the economic categories used in the national accounts - final consumption expenditure, current transfers, subsidies, fixed capital formation, etc. The actual expenditures are similarly classified. Some other countries compile data for central government in the form required for national accounts purposes, giving both the detail by type of transaction and the classification by purpose. The integration of government and national accounting by embodying the requirements of the national accounts in the regular accounting and reporting procedures of the various government units makes it easier to understand the linkages between government actions and the rest of the economy.

40. Another important source of information for compiling government accounts includes various preliminary estimates of expenditures and revenues prepared by departments and agencies of government for the next fiscal year for inclusion into budgets for various levels of government. They would normally provide considerably more detail than the audited accounts. During the fiscal year, government bodies prepare regular (quarterly or monthly) statements of their outlays and receipts. Preliminary estimates for national accounts are usually based on these various preliminary documents. The preliminary estimates are revised a year or two later when the audited accounts become available.

41. Few countries, if any, compile all basic accounts (production, income and outlay, capital accumulation, capital finance, changes in assets and liabilities, and balance sheets) for the government sector. First priority is normally attached to compilation of the current receipts and outlay account, production account and capital accumulation account. These accounts can be compiled for general government as a whole and for its major subsectors: central government, state government, local government, and social security funds. Additional breakdown by kind-of-activity may or may not be calculated regularly. For national accounts purposes some government aggregates are also estimated at constant prices, i.e. gross output, value added and final consumption.

42. Some countries compile functional and institutional accounts separately for the central government and local government subsectors of the general government. The functional accounts characterize government activities by type of activities and by purpose. They describe production, consumption expenditure and fixed capital formation. The calculations can be carried out in both current and constant prices. The institutional accounts show the sector's income and disbursement, capital formation and its financing.

43. The compilation of functional accounts for the **central government** subsector draws heavily

on the items in the state budget and in related accounts of government. The information on expenditures by type available there is detailed enough to allow the estimates of value added, intermediate consumption and gross output. Output of non-market services may be estimated for different purposes of the government: education, research, health etc. Intermediate consumption for each purpose may be calculated totally and for different commodities.

44. Wages and salaries constitute the main component in estimating value added. Other cost components are often estimated using information about the cost structure of value added available for benchmark years or derived with the help of special models. Estimates of fixed capital consumption are made by kind of activity and rarely by purpose. Market sales by producers of government non-market services are subtracted from gross output to obtain the value of consumption expenditure attributed to the units of the subsector. For example, sales values are estimated in some countries for the purposes of recreation and education on the basis of taxation statistics (data on lotteries), household budget surveys and turnover statistics.

45. Data on employment are obtained from the wage and salary statistics on civil servants and other state employees. These statistics are compiled by kind of activity. In calculating labour input, use may be made of the data from labour force surveys on working days in the year, also classified by kind of activity.

46. The compilation of institutional accounts for the government sector is also based on data from the state budget and government accounts. Financial market statistics are used to derive net acquisition of financial assets and liabilities by the state. Classification by purpose is rarely used in the preparation of institutional accounts, although it is recognized that the usefulness of institutional accounts would be significantly improved if the breakdown by purpose was available. The institutional approach is rarely extended to the production accounts. The coverage of the output of the institutional sector "general government" to the extent described in the budget could improve the usability of the budget as an instrument of economic policy.

47. Different approaches are used to obtain constant price estimates for government aggregates. Some countries use the extrapolation of real inputs (number of employees) and deflation of current expenditures. Other countries deflate each transaction for each activity and purpose class. Wages and salaries are deflated by the wage and salary index. Social security contributions follow volume changes in wages and salaries. The estimates of fixed capital consumption may be obtained with the help of a capital stock model. The indices of intermediate consumption of producers of government services are calculated in some countries as a combination of the index for purchases and the index for repairs and maintenance. These two index groups have separate weights for each kind of activity and purpose. Sales are deflated by implicit price indices of total output by activities and purpose. Consumption expenditure in constant prices is obtained by deducting sales from total output.

48. Some countries have a long tradition in collecting statistics on the activities of the **local government**. The approaches used in compiling local government accounts are similar to those used for the general government subsector. Data needed to compile accounts for the local government are often obtained from economic statistics of municipalities and municipal budget proposals. These sources contain valuable information about non-market services provided at the level of local government. The largest outlay items of the local government sector are various social assistance items paid to households and other transfers to the state, social security funds and non-profit institutions. Annex 1 contains classifications used in compiling municipal finance statistics in Finland.

49. **Private non-profit institutions serving households.** The output of units owned by private non-profit institutions is estimated on the basis of financial statements and balance sheets obtained directly from these units. Physical indicators and other statistical data describing activities of private non-profit institutions in education, research and scientific services, health, social work, membership organizations, religious services and other areas are often used to supplement financial data in compiling their accounts. The accounts are often first prepared by activities and then rearranged and consolidated for non-profit institutions as the institutional sector.

50. In the production accounts, the institutional sector "private non-profit institutions serving households" may be split, using the activity classification, into industries and producers of non-market services to households. The units producing commodities form part of industries. Others are classified as producers of non-market services. In the income and outlay and capital finance accounts all units of the sector may be treated as part of the household sector. Adjustments by activities are sometimes introduced in the production, consumption expenditure and capital formation accounts for missing units, using employment figures from the population and housing census as control totals.

51. There are countries which, in deviation from SNA recommendations, include non-profit institutions owned by the general government in the institutional sector "private non-profit institutions serving households". This is done in order to define the general government sector as precisely as possible.

52. **Other statistics on non-market services.** Various and often very detailed quantitative data about the individual branches producing non-market services may be available in the countries. Such data would include for example statistics on finance and taxes, education, justice, public health, social security schemes and other. These data are collected for policy making purposes in the respective fields.

53. Because of the heterogeneity of individual branches providing non-market services, there are no integrated surveys covering all services involved. Very often data are collected not by means of direct statistical surveying but by relying on administrative sources which, although serving different purposes may be used in statistics. Since the statistical indicators used in various non-market branches vary considerably, it is difficult to categorize the quantitative variables describing the services rendered. Indicators like the number of institutions, the number of employed persons, the number and type of cases, the number of persons for whom a service has been provided are used to describe the services rendered.

Annex 1. Classifications used in compiling municipal finance statistics in Finland.

L. Classification of the functions of municipalities and joint municipal authorities

1 General administration

- 110 Administration
- 120 Buildings and premises
- 130 Other internal services

2 Social welfare and health care affairs and services

- 201 Administration of the social welfare and health care
- 205 Children day care
- 210 Institutional care for children and families
- 215 Other services for children and families
- 220 Institutional care of the old people
- 225 Institutional care of the handicapped
- 230 Sheltered work and work rehabilitation
- 235 Home service
- 240 Other services for the old people and the handicapped
- 245 Social work with intoxicant abusers
- 2501 Out patient services of the basic health care
- 2502 Bedpatient services of the basic health care
- 2601 Outpatient services of the specialized medical treatment
- 270 Environmental health care
- 290 Other social welfare and health care affairs and services

3 Education and cultural affairs and services

- 301 Administration of the education and cultural affairs
- 305 Comprehensive school
- 310 Higher secondary school
- 315 Vocational and professional education institutions
- 325 Folk high schools
- 330 Music schools and colleges
- 345 Education affairs n.e.c.
- 350 Library
- 355 Physical training and recreational affairs
- 360 Youth work
- 370 Museums
- 375 Theatres
- 380 Orchestras
- 390 General cultural affairs

4 Community affairs and services

- 410 Community planning
- 420 Building control
- 430 Promotion of housing affairs
- 440 Environment care
- 450 Refuse collection and disposal
- 460 Transport routes
- 470 Parks and public grounds

- 480 Fire and rescue affairs
- 490 Other community services

5 Other services

- 510 Promotion of the business and industrial life
- 520 Substitute services for vacation
- 530 Administration of justice
- 540 Other order and safety affairs
- 590 Other services n.e.c.

6 Business activities

- 610 Water supply and sewerage
- 620 Energy supply
- 630 Public transport
- 640 Harbour
- 650 Other public utilities
- 660 Farms and woodland estates
- 671 Renting of flats
- 674 Renting of other premises
- 678 Renting of areas
- 680 Works made to order from outside

7 Financing

II. Expenditure and Income Classification for the Statistics and Accounting System of the Municipalities and Municipal Consortiums

Expenditure items

Current and investment expenditures:

- Wages and salaries
- Social insurance contributions
- Pensions
- Purchases of materials
 - Office and school materials
 - Literature
 - Food stuffs
 - Clothing
 - Medicines and nursing materials
 - Cleansing materials and equipment
 - Fuels and lubricants
 - Heating, electricity and water
 - Furniture
 - Building materials
 - Other materials
- Purchases of customer services
 - Purchases of customer services from state
 - Purchases of customer services from municipalities
 - Purchases of customer services from joint municipal authorities
 - Purchases of customer services from others
- Purchases of other services
 - Office, banking and expert services
 - Printing and advertising
 - Mailing and telecommunication services
 - Insurances
 - Cleansing and laundry services
 - Construction and maintenance of buildings and areas
 - Construction and maintenance of machines equipment
 - Traveling, transport and accommodation services
 - Social welfare, health care, educational and cultural services
 - Share of the taxation costs
 - Share of the local road costs
 - Other co-operation shares
 - Other services
- Rents
 - Rents on buildings and flats
 - Rents on machinery and equipment
 - Other rents
- Subsidies
 - Subsidies to households
 - Subsidies to corporations
- Taxes
 - Indirect taxes
 - Direct taxes
- Internal interests
- Other expenditures
- Internal rents

- Imputed items
- Depreciations of fixed assets
- Interests of fixed assets
- Investments shares to the joint municipal authorities
- Purchases of fixed assets
- Expences entered as transfer appropriations

Financial expences:

- Interests
 - Interests on domestic debts
 - Interests on foreign debts
 - Losses on exchange
 - Credit tax
 - Provisions and other loan costs
 - Tax paying interests
 - Penalty interests
- Internal interests
- Other financial expences
- Contributions to the national pensions institute
- Loss
- Transfers to funds
- Lending
- Instalments of budget loans
- Refunds to the member municipalities

Income items

Current and investments incomes:

- Payments
- Sales incomes
 - Sales incomes from state
 - Sales incomes from municipalities
 - Sales incomes from joint municipal authorities
 - Sales incomes form others
- Rents
 - Rents on flats
 - Rents on buildings
 - Rents on land and water areas
 - Other rents
- Personnel compensations
- Internal incomes
- Internal interests
- Other incomes
- State shares and subsidies
- Sales of fixed assets
- Paying of transfer appropriations
- Internal rents
- Cost allocation items

Financial incomes:

- State grants and subsidies
 - General state grants and subsidies
 - State grants for the social welfare and health care
 - State grants for the education and culture
 - Other state grants and subsidies

Taxes

- Municipal tax
- Real estate tax
- Share of the corporate tax field
- Dog tax
- Other taxes

Interests

- Interests on lending
- Interests on deposits
- Profits on exchanges
- Dividends and interests on co-operative capital
- Interests on taxpaying
- Other interests

Internal interests

- Other financial incomes
- Transfers from funds
- Instalments of loans
- Taking up of budget loans
- Investments shares
- Depreciations on fixed assets
- Interests on fixed assets

Specification of investments

Investments by function are specified by goods type as follows:

Investments expences:

- Dwelling houses
- Other house buildings
- Fixed constructions and equipment
- Movable fixed assets
- Land and water areas
- Intangible fixed assets
- Other fixed assets
- Investment shares to the joint municipal authorities
- Other investment expences

Investment expences, total

Investment incomes:

- State grants and subsidies

Sales of fixed assets, total

- Dwelling houses
- Other house buildings
- Fixed constructions and equipments
- Movable fixed assets
- Land and water areas
- Intangible fixed assets
- Other investment incomes

Investment incomes, total

The investment of business operation and other investments are also specified separately by type of acquisition as follows:

Investments shares to joint municipal authorities, total
 Purchases of fixed assets, total

Own building operation, total

Wages and salaries
 Social insurance contributions
 Pensions
 Purchases of materials
 Purchases of services
 Rents
 Other expences

Developing operation, total

Other investments expences, total

Investments, total