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Outcome and National Accounts

Volume measures of non-market production are one leap to the direction of better picture of economic performance of a country in national accounts. Service production of government sector is notable almost in all countries and government decisions have strong influence in actual direct service production to customers.

National accounts is simply the framework where individuals who have created economic units are classified by their different roles as sectors and industries and their economical transactions are measured in macroeconomic accounts, balance sheets and tables. Valuations of goods and assets are given and only observed in compilation process.

National accounts does not include the terms of right, wrong, good, bad, fairness or social value. This is because the two simple principles derived from economic theory: individual choice and macroeconomic aggregates do not take these normative concepts in to consideration.

Soundness, applicability and coherency are the key features of methods when volume measures of non-market production are introduced in national accounts. This article aims to look up questions of quality adjusting of non-market production against restrictions deriving from national accounts and tries to illuminate problems of outcome corrections of quality, if they are implemented on non-market services in national accounts. This paper does not focus in certain group of non-market services, but tries to point the frictions when combining economic picture of the nation with outcome factors of the nations after consumption process.

The paper is based on the work done at Statistics Finland in developing and compiling volume indicators for non-market services. Work in Statistics Finland has concentrated mainly on individual services of education, health and social services but has also taken some collective services in to consideration.

Authors: Mr. Jani HEIKKINEN Mr / Sami HAUTAKANGAS, Statistics Finland

Address: FI-00022 STATISTICS FINLAND

Email: jani.heikkinen@stat.fi / sami.hautakangas@stat.fi

Telephone: +358 9 1734 3339 / +358 9 1734 3540