NA suffering from a 'Top Down Syndrome'? On a certain Ambiguity still Lurking in the 'Systems of National Accounts'

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Paper Abstract: Although not always so perceived in this way, SNA/ESA represent a dualistic system. This Dualism is found as a reflection of the different nature of the statistical units (SU), for which a lower ("operative") Level and an upper ("institutional") Level are recognized; and similarly dual are their aggregates (industries; sectors) as well as the related transactions and accounts. In order to achieve a certain degree of symmetry in terms of the Market(M) vs the Non-Market(NM) quality of the SU (and, consequentially, of their Output) the "Top down" (TD) approach has been established. In other words: TD, Symmetry and System are concepts that are closely related. Together with any applicable legal reference points, they outline a framework - or a sort of 'System' in its own right.

To evaluate the application of TD with a view to systemic adequacy, practicality and other consequences, the alternative concept of "Bottom up"(BU) is here used. It serves not only as a real option of a different, if complementary method to achieve symmetry: it is a useful catalyst of a range of questions of a more methodical kind. For this purpose, a number of additional criteria have been introduced, which refer to the two main stages of observation as well as to different patterns of theoretical "Allowableness" of either method. On that basis a series of comparisons of TD vs BU across the two Levels are used, as the standard means of evaluation. Beyond mere criticism of present TD practice, that way the analysis extends towards evaluations of a more systemic kind, e.g. envisaging virtual alternatives instead of TD.- Admittedly, however, the present exercise remains in a fully theoretical range.

As the main results a range of systematically necessary feedback has been identified, which foil the straight applicability of TD. At least in one point the application of TD is systematically not workable at the present state of the art. Generally the 'Systems' mentioned earlier have shown to provide very poor support when it comes to dealing with the application of TD in practice, and there is also a complete lack of analytical alternatives more closely based on BU.