

Comments on the proposal by Lester Salamon and Helen Tice to consider changes in treatments of NPI's

We would like to support the statements made in the letter by Lester Salamon and Helen Tice on the importance of NPI's and the need to reflect the NPI's adequately in the national accounts, and we would urge the AEG to discuss the subject before finalizing its work.

Since we have prepared annual production accounts for NPI's since the 1960's, plus full income and expenditure accounts for selected years since 1982, we can confirm that the NPI's are of great importance in our economy, and their share has been growing over recent years. We welcomed the publication of the *Handbook on Non-Profit Institutions in the Systems of National Accounts*, and have also started the implementations of the recommendations of the handbook in the framework of the UN project.

However, taking into account the mandate of the current revision of the SNA, it only seems possible to aim for addition of sub-classifications to differentiate NPI's from other institutions in the corporate sectors and general government sector and clarifications of borderlines between the sectors. We support the recommendations 4 and 5 in the letter. We also support recommendation 1 to put emphasis on control, but would not take this to imply an extension to recommendation 2.

In our view, recommendation 2 has relatively wide implications for the accounts, and requires further groundwork and discussions. Consequently, we would not propose bringing it up for discussion at the AEG at this stage, although we agree that the proposal should be discussed in depth (by a specific task force for example) as soon as possible, and perhaps adopted in the future.

The proposal in recommendation 6 concerning voluntary work implies even more substantial changes to the accounts, and would necessitate discussions of the basic framework of the accounts. We would not propose bringing it up at this stage, and since we have not fully considered the issue, we would prefer not to give our opinion on considering the recommendation at a later stage.

Concerning recommendation 3: it is only relevant, if recommendation 2 is accepted.

The current SNA has a section on NPI's (paragraphs 4.54 to 4.67). In addition to the changes mentioned above, we would propose a fuller description of NPI's in the revised SNA, including an emphasis on the roles and importance of NPI's, and strong recommendations for the preparation of satellite accounts for NPI's according to the Handbook on NPI's.