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COMPILATION OF HOUSEHOLD SECTOR ACCOUNTS IN THE NETHERLANDS NATIONAL
ACCOUNTS*

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Abstract

This paper provides a concise description of the way household sector accounts are compiled in the Netherlands National accounts. It starts with a brief description of the historical development of National accounts in the Netherlands. Then the present national accounting scheme is succinctly described, followed by a description of the contents, main sources and methods of the transactions on the accounts for the household sector. Differences with the recommendations in the United Nations' System of National Accounts are set forth as much as possible. The description starts with the production account and ends with the capital finance account. Special attention is paid to the estimation of private final consumption expenditure. The paper is concluded with some intentions concerning further development of the household sector accounts in the Netherlands.

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1. Introduction

This paper presents a description of the compilation of household sector accounts in the Netherlands National accounts. It starts with a brief description of the historical development of National accounts in the Netherlands (section 2). Then the present national accounting scheme is briefly described (section 3), as well as the contents, sources and methods of the various transaction items on the several accounts for the household sector using the SNA Questionnaire tables (sections 4-7). Differences with the United Nations' System of National Accounts are indicated if necessary.

In section 8 the estimation of private final consumption expenditure in the Netherlands National accounts is described. In this connection the possibilities of incorporating budget survey data in National accounts are discussed. In two appendices the Continuous budget survey and the Statistics of personal income and wealth are described.

2. Historical development 1)

During the starting period of National accounting in the Netherlands in the second half of the forties - after some experiments during World War II - the system of accounts distinguished only a limited number of transactions for five separate sectors; mainly as a consequence of the scarcity of statistics in those days. Besides, attention was more directed on input-output tables, than on the system of accounts. The former were seen as an important aid for obtaining consistent estimates of supply and demand of goods and services. They provided moreover a coherent and fairly detailed picture of the production structure of the Dutch economy, which was of great importance in a period of reconstruction.

A peculiarity of the first period of national accounting in the Netherlands was the special attention that was paid to the national wealth and to a national balance sheet of the Netherlands. National balance sheets were compiled for the years 1948-1949. Estimates of the national wealth were made for the years 1948-1958. During the early fifties also much work was devoted to quarterly estimates of national income and the development of quarterly National accounts.

At the end of this first stage, as National accounts were used more and more for scientific research, government policy and sectoral analysis, it became necessary to search for a form that met the wishes of these users. The first comprehensive results were published in 1954 and this led to a second stage in the development of National accounting in the Netherlands. With the construction of the new system of accounts a diagram of the economic process in which national income acted as a central magnitude, was used as a guidance.

The Dutch system of accounts deviated largely from the international recommendations of those days. The United Nations' "System of National Accounts and Supporting Tables" (1953) was more restricted in its aims than the Dutch system of that time.

During the years 1950-52, however, compilation of quarterly National accounts required so much work that the compilation of separate annual figures had to be dropped. The annual figure was obtained simply as the sum of the four quarterly figures. But before long it appeared that the method employed caused deviations from the actual trends. So in 1953 the work on quarterly National accounts was stopped, and the activities on annual data were resumed on the basis of more structural information. In the end the Netherlands Central Bureau of Statistics decided on a revision of the annual National accounts from 1948.

With the publication "National Accounts of the Netherlands 1948-1957 (revised data)" (1958) a third stage in the development of National accounts in the Netherlands started. The principal purpose of the revision was to obtain time-series which were completely comparable as regards accuracy, definitions and classifications. At the same time the international definitions as given by the United Nations and the Organisation for European Economic Co-operation were substituted for the Dutch definitions, insofar as the latter differed from the international ones. Finally, certain specifications not given in previous publications on the National accounts were worked out. These new specifications were needed for purposes of domestic economic policy and for submission to international agencies. The number of sectors distinguished in the system of accounts also increased (from 5 to 7).

Since 1958 the Netherlands system of National accounts remained much the same until the revision of the United Nations' "A System of National Accounts" in 1968. In the publication "National Accounts 1972" the Netherlands Central Bureau of Statistics adapted the definitions of the transactions and aggregates of the new SNA. As a consequence the data were revised from 1960 on. The sector-breakdown, however, was still based on the principles set out in the previous publications.

Two years before, in 1970, the Netherlands Central Bureau of Statistics had instituted the so-called "Standaard Bedrijfsindeling" (SBI 1970, revised in 1974), based on the "International Standard Industrial Classifications of All Economic Activities" (ISIC 1968) and the "Nomenclature des activités économiques dans les Communautés européennes" (NACE 1970). This meant that for some branches previous data were not compatible with data from 1969 onwards.

During 1978-81 the Netherlands Central Bureau of Statistics carried out a second revision of the National accounts. This revision was needed to bring the results from new and improved statistics into the National accounts, combined with the wish to update the classification of some transactions and transactors. The revision concerned the reporting year 1977 and the results were published in 1981 with the publication "National Accounts 1980". Recently the 1977-revision has been calculated back till 1969. The revised estimates have been presented in the publication "National Accounts 1969-1981 with revised series for the years 1969-1976" (published in 1985).

In 1986, after a starting period of a few years, the publication of quarterly National accounts was resumed. At present there are quarterly estimates of the supply and disposition of goods and services, gross domestic product by major division of industries, compensation of employees etc. from 1977 for the Netherlands.

3. The present national accounting scheme

3.1. The sectoral breakdown

The present national accounting scheme used by the Netherlands Central Bureau of Statistics comprises the following sectors:

1. Non-financial enterprises
2. Government: Central government and other public authorities
3. Government: Social security funds
4. Households and private non-profit institutions
5. Banking
6. Insurance
7. Rest of the world.

This division arises from the major role in the economic system. The primary distinction made is that between enterprises and households; a distinction which is based on the different roles played by these groups in the economic process. The important function performed by the Government in meeting the collective needs of the economy and in redistributing incomes leads naturally to the creation of a separate Government sector. The economic transactions of financial institutions (Banking and Insurance) differ so much from other economic units, that it seems useful to keep them separate.

Little difference of opinion exists on the division into sectors, so far as the nature of the distinctive sectors is concerned. In drawing the boundaries between the various sectors, there are certain factors which demand further consideration. They arise from the fact that similar activities may occur in different sectors; thus, production may be generated by Government, as well as by enterprises. The boundary between Government and enterprises is determined by the nature of the economic activities performed, rather than by administrative or legal distinctions. Hence, it is useful to include in the enterprise sector Government institutions producing goods and services which could equally well be produced by private enterprises, even if the Government enterprises have a practical or legal monopoly.

The transactions of the enterprise sector with regard to production and capital formation are subdivided according to kind of economic activity based on the "Standard Industrial Classification" (SBI 1974) of the Netherlands Central Bureau of Statistics.

The combined sector of households and private non-profit institutions includes all persons who are residents of the Netherlands and all non-productive institutions. The concept of residence is defined in accordance with the instructions of the International Monetary Fund for the compilation of the balance of payments. Residents of the Netherlands who are temporarily abroad (tourists, diplomatic representatives, members of the armed forces, etc.), also are included in the household sector. The expenditure of these persons abroad is consequently regarded as imports by Netherlands households. Conversely, foreign tourists, etc. temporarily staying in the Netherlands are not included in households, but in the "Rest of the world"; their purchases are therefore included in exports.

The distinction between households and other sectors is primarily based on the difference in economic activities and not on a subdivision of persons or institutions. Every person who is a Netherlands resident is part of the household sector. In addition he often takes part in the production process by making his services available, as an employee, as an entrepreneur, or as a provider of capital. As such, he will also be included in the enterprise sector or any of the other sectors, depending on the sector in which he takes part - directly or indirectly - in the production process. The rewards for these productive services appear as payments by the latter sectors and as receipts by the household sector. The expenditure of this income, after correction for any current transfers, is also shown in the accounts of the household sector.

The same applies, in principle, to groups. When individuals combine in groups for productive purposes, such groups will be included in the enterprise sector, so far as their productive activities are concerned (e.g., production co-operatives, companies). If, however, the group has no productive purposes (e.g., amateur sport clubs, charitable institutions, etc.), their purchases of goods and services are classified as household consumption expenditure, either financed by members' contributions or by Government transfers. The wages and salaries paid to persons employed by these associations are also regarded as part of household consumption, while the services rendered by these persons are included in the enterprise sector as production.

Persons living in communities, e.g., convents, institutes for nursing and care of the sick, barracks, boarding institutes, etc., are also included in the household sector. In so far as they are engaged in productive activities, however, they are attributed to other sectors. The services of nuns engaged in teaching are thus included in the Government sector. The paid staff of nursing institutes, etc. (e.g., nursing and domestic staff) are included in the enterprise sector.

3.2. The accounts

The present system of accounts covers the following accounts:

1. Transactions in goods and services
2. Income distribution:
 - a. Primary distribution of income
 - b. Redistribution of income
3. Consumption and saving
4. Gross capital formation
5. Transactions concerning capital finance

The purpose of the system of accounts is to provide a systematic analysis of the nature of the economic activities and to reflect the interdependence of the economic phenomena. The system is based on a classification of economic transactions by accounts and sectors. In the accounts the stress is on the nature of the transactions; in the sectors it is on the economic significance of persons and institutions involved in the transactions. The choice of accounts in the Dutch system was designed to distinguish the principal aspects of the economic process.

The next sections present a description of the contents, sources and methods of the transaction items on the various accounts for the household sector. The description is based on the SNA Questionnaire tables for Households and private unincorporated enterprises.

4. The production account

4.1. Gross output and intermediate consumption

The Dutch National accounts do not distinguish a separate production account for the household sector. Instead a combined production account of the sectors Non-financial corporate and quasi-corporate enterprises and households (including private non-profit institutions) is published yearly (See table 1). On the production account no distinction is made between output for sale and non-marketed output.

All items on the production account come available within the framework of the yearly input-output tables compiled by the Netherlands Central Bureau of Statistics. The main source for the input-output tables consists of the annual production statistics, which provide fairly detailed structural data. The most important input and output data for production statistics are collected, as far as possible, in values and quantities. In the case of input data this applies to quantities of the main raw and auxiliary materials.

Although the coverage of the production statistics is steadily widening, not all economic activities are as yet covered by these statistics. For various industries (e.g., agriculture and health services), while there are no production statistics, sufficient usable information is nonetheless collected. Supplementary estimates are sometimes needed, because there is no adequate source of information for the branch of industry as a whole. Grossing up is carried out where there is a limited amount of information (e.g., wages and salaries or employment data) on part of a branch of industry not covered by the available statistical source for that branch of industry. An example of this is the production statistics in manufacturing, which contains a cut-off point for smaller firms (less than 10 employees).

An adjustment frequently carried out in certain sectors is the conversion of data on a financial year to data that relate to a calendar year. Corrections are also made to returns from the collection phase, e.g., revaluation of stocks and compensation for underreporting resulting for example from fraud.

The main plausibility checks are confrontations by branch of supply and disposition of commodities, and the yearly changes in value, price and quantity data and changes in indicators such as production per man year and compensation of employees per employee (wage rate).

The data on imports and exports are taken from the Dutch foreign trade statistics. In estimating exports per branch of industry use is also made of data from production statistics on the basis of firms' invoices to customers abroad. Estimates of exports of services per branch of industry are based partly on data from the production statistics and partly on data from De Nederlandsche Bank N.V. (Dutch central bank).

4.2. Components of value added

The item indirect taxes (table 1, line 7) records the taxes paid by enterprises, with the exception of taxes levied on company profits. Operating surpluses of public enterprises which occupy a monopolistic position (e.g., natural gas production) are not regarded as indirect taxes.

Subsidies (table 1, line 8) include all grants on current account which private and public enterprises receive from Government. They include the subsidies of the Agricultural Equalisation Fund and the subsidies on fuel, ships and some other products. Subsidies also include subsidies on public transport and wage subsidies. Rent reducing subsidies are also included, in particular the contributions to the operation of Housing Act houses and to the operating deficits of new private houses. Payments arising from the Contribution Regulation for House building and the contributions to the cost of improvement and division of existing houses, on the other hand, are classified as capital transfers.

The amount of the subsidies granted by the Agricultural Equalisation Fund is not necessarily equal to the difference between the expenditure and receipts of this fund. The value of the changes in stock, held by the fund, and the profits and losses arising from price changes of existing stocks (that is, of stocks in existence at the beginning as well as the end of the period in review) are not included in calculating the subsidy. These stocks are classified as stocks of enterprises, implying that the Agricultural Equalisation Fund, so far as stock formation is concerned, is regarded as a public enterprise. Levies on milk production, food etc. are treated as negative subsidies.

The concept of subsidies is limited to the categories mentioned above and has not been further extended. Government contributions to private non-profit institutions are classified as current transfers to the household sector.

Consumption of fixed capital by non-financial enterprises (corporate, quasi-corporate and unincorporated) (table 1, line 9) is estimated by means of the so-called "perpetual inventory method". This method starts with the determination of the gross capital stock. This is achieved by accumulating the gross fixed capital formation of non-financial enterprises per type of capital good over a sequence of years that equals the supposed service life (N) of these capital goods, after revaluation at actual prices. Every year t , after revaluation, the new fixed capital formation is added and the fixed capital formation of year $t-N$ is subtracted. By applying a rate of depreciation to every kind of asset - the inverse of the supposed service life of the asset in question - an estimate of consumption of fixed capital in year t is obtained. In consequence of the method followed, no separate information on consumption of fixed capital is available for private unincorporated enterprises.

The item Compensation of employees (table 1, line 10) is described below (see section 5.1.).

Operating surplus (table 1, line 11) is derived as a residual item on the production account and comprises the operating surplus of corporate, quasi-corporate and unincorporated enterprises.

As is described above, information on production, intermediate consumption of raw and auxiliary materials, other costs and components of value added of private unincorporated enterprises is estimated within the framework of an input-output table. This implies, consequently, that at the moment no separate information for private unincorporated enterprises on the above mentioned items on the production account is available in the Netherlands National accounts.

4.3. Owner-occupied housing and own account capital formation

Regarding the estimate of owner-occupied housing it can be observed that the imputed output corresponds to gross rent. The production is computed by multiplying a volume component by a price for several categories of houses. The volume component is based on information from the Housing demand survey (latest: 1981). The information from the latest survey is updated by means of a registration of changes in the stock of dwellings by municipalities. The figures are then corrected using a local government estimation of the number of uninhabited houses.

The price component of the rental value of owner-occupied housing consists of the average computed rent of owner-occupied dwellings per category. This computed rent is a good deal higher than the rent for the average rented dwelling. This has two reasons:

- the quality of owner-occupied dwellings is relatively high;
- the imputed rent reflects the free market price. This free market price cannot in general be equalized with the actual rent paid for rental houses due to Government regulations.

The computed rent for owner-occupied houses is raised yearly by a certain percentage. This increment is equal to the increase in the free market rent of comparable rented dwellings plus an increase due to improvements on the houses.

Intermediate consumption by owner-occupied housing is estimated on the basis of the relevant expenditure of housing associations. Government sources are used to determine amounts for indirect taxes (mainly tax on immovables and polder-board levies).

Own account capital formation covers the production of all goods by enterprises for their own use which fall under the notion of capital formation. This capital formation is valued at the cost of production. As is mentioned before, no separate information on own account capital formation of private unincorporated enterprises is available.

5. The income and outlay account

5.1. Compensation of employees

Compensation of employees (table 2, line 1) covers all earnings of resident employees. All persons in paid employment of private or public enterprises, of Government, etc., or of households (domestic employees) and private non-profit institutions (persons employed by associations, religious institutions, etc.) are classified as employees. They include, of course, not only operatives but also the technical, administrative and supervising staff.

The salaries of company managing directors are also included in the wage bill (excluding their income from, e.g., shares or founders' shares). Members of a household taking part in the enterprise of the head of the household are not regarded as employees unless a labour contract is expressly concluded. The entrepreneur's income (that is, the estimated or imputed wages or salaries of the entrepreneur for labour performed by him in his own enterprise) is not included in the wage bill.

Wages and salaries also comprise various supplementary payments, e.g., gratuities, bonuses, overtime pay, tips and commissions, as well as supplies in kind (free residence, free food, etc.). The wage tax and employees' contributions for social security are not deducted from the amount of wages and salaries. The pay of conscripts to the armed forces is also included; "bread-winners" compensation, however, is regarded as a current income transfer to households. So far as members of the armed forces are concerned, the supply of food and clothing are included and lodging in the case of permanent official dwellings for regular soldiers and members of their families. Income in kind of civilian employees covers lodging, uniform clothing and food provided by the Government. Wages and salaries of persons employed by social security funds are also included. Wages and salaries received from the rest of the world relate, inter alia, to the rewards of Netherlands frontier workers and of Netherlands residents employed by non-resident enterprises. It should be noted that these amounts do not always show accurately the value of the services rendered by the person concerned in respect of his foreign employment. This is due to the limited basic data available. In many cases, the figures relate only to the amounts which are actually remitted to the Netherlands (on a cash basis).

Employers' contributions for social security (table 2, line 3) include premiums paid by employers due to labour disablement insurance, sickness insurance, sickness costs insurance, unemployment insurance, insurance against the risk of unemployment due to weather conditions, children's allowance insurance and voluntary advanced retirement schemes. Employers' contributions for social security also include premiums paid by employers to Industry Associations' pension funds, company pension funds, collective pensions administered by life insurance companies, the General Civil Pension Fund, the Pension Fund of Public Corporations Food Supply, the Railway Pension Fund and the General Miners Fund. Additional current transfers by Central government to social security funds are not included in social security contributions.

Employers' contributions for private pension and welfare plans (table 2, line 4) include payments according to the family allowance regulation for civil servants, continued payment of wages and salaries of employees not insured according to the Sickness Benefits Act, the Interim-regulation for costs of sickness and direct payments according to voluntary advanced retirement schemes. Employers' contributions for private pension and welfare plans also include pensions paid directly out of the profits of enterprises, government contributions for military pensions and unemployment benefits to former civil servants, to former employees of social insurance institutions and to former employees of public enterprises.

Information on compensation of employees is derived from various sources. Main sources are the annual production statistics and administrative sources, such as "bedrijfsverenigingen" (Industry Associations, among other things responsible for collecting social insurance contributions) and other institutions in the field of social security. In addition a number of wages statistics are used, notably for the estimation of figures for recent years.

Compensation of employees is estimated within the framework of the yearly input-output tables (See above). The item is computed in connection with an estimate of the number of employees by kind of economic activity. For some branches of industry the basic data are adjusted to compensate for under-reporting. For the valuation of payments in kind fiscal standards are sustained. Compensation of employees received by resident households is calculated as the sum of compensation of employees paid by domestic sectors plus net wages and salaries received from the rest of the world.

In principle it is possible to estimate a breakdown of compensation of employees by socio-economic groups of households using information from Statistics of personal income and wealth (See appendix B).

5.2. Property and entrepreneurial income

Entrepreneurial income from private unincorporated enterprises (table 2, line 5) consists of a rough estimate of entrepreneurial income of all private unincorporated enterprises (including owner-occupied housing), i.e. an estimate of operating surplus less an estimate of net property income payable. This estimate is, inter alia, based on information concerning the number of private unincorporated enterprises by kind of economic activity and on employment data on these enterprises. In this way the share of private unincorporated enterprises in the operating surpluses of the various activities distinguished in the input-output tables is assessed. The Netherlands National accounts do not as yet distinguish quasi-corporate enterprises owned by private households.

Interest covers all actual interest payments. With one exception, flows of interest do not include any kind of imputed interest, like interest on reserves or provisions of companies. Neither do they include any reimbursements paid by unincorporated public enterprises on loans provided by the government agency itself. The latter payments are regarded as withdrawn profits rather than interest payments. The one exception is the imputation of interest in respect of the household equity in life insurance reserves and pension funds.

Interest payments in the Netherlands National accounts are recorded on an accrual basis. Consequently, the payments are entered into the accounts as of the date they relate to, unless there are statistical or technical obstructions for doing so (e.g., interest payments to and from the rest of the world).

Interest paid by households (table 2, line 20) is estimated on information from financial institutions (retail banks and other money-creating institutions, savings banks finance companies, municipal and semi-municipal credit banks, and life insurance companies), together with statistics of consumer credit and of instalment credit. Interest paid on mortgages just as interest paid by private unincorporated enterprises is not included here, because, as is mentioned above, this kind of interest payment is deducted from operating surplus of private unincorporated enterprises and owner-occupied housing before this income reaches the household sector.

Actual interest received by households and private non-profit institutions (table 2, line 7) is derived as a residual item in the income and outlay accounts. Besides income tax returns, which are known for underreporting, there are, however, no external checks for comparison.

Imputed interest on equity in life insurance and pension funds is computed from information from life insurance companies and pension funds.

Dividends, net land rent and royalties (table 2, lines 8 and 21) encompass all other forms of property income received and paid by households and private non-profit institutions. Net land rent and royalties paid by households are netted against net land rent and royalties received by them. Dividends, net land rent and royalties are recorded as of the date they are due to be paid. Net rents received by households in respect of let of dwellings and other durables are included in entrepreneurial income from private unincorporated enterprises. The total of dividends, net land rent and royalties received by households is estimated as a residual item from the corresponding flows of all other sectors. At present it is not possible to subdivide the flow of dividends, net land rent and royalties into separate flows.

In principle it would be possible to estimate a breakdown of property and entrepreneurial income by socio-economic groups of households using information from income distribution statistics (See appendix B).

5.3. Casualty insurance transactions

Casualty insurance transactions consist of premiums to and claims on casualty insurance companies. The service charge of casualty insurance companies is calculated as the difference between the premiums received and the claims paid during a year. The service charge consumed by households and private non-profit institutions in the Netherlands National accounts is made equal to the difference between the premiums paid by them and the claims received by them. Consequently, the net premiums paid by households and private non-profit institutions (table 2, line 29) are equal to the claims received by them (table 2, line 10).

Net premiums and claims in respect of casualty insurance are recorded when they are due to be paid. Premiums and claims in respect of casualty insurance are estimated from information on non-life insurance companies.

A breakdown by socio-economic groups of households of casualty insurance transactions does not seem possible within the near future. In addition, it should be observed that the present system of accounts in the Netherlands does not record net premiums and claims in respect of casualty insurance explicitly.

5.4. Direct taxes and social security contributions

Social security contributions (table 2, line 23) comprise all contributions by employers and households to social security funds. They include premiums pursuant to disablement insurance, unemployment insurance, insurance against the risk of unemployment due to weather conditions, sickness insurance, sickness costs insurance, the General Old Age Pensions Act, the General Widows' and Orphans' Pensions Act, Family Allowances Acts and regulations for voluntary advanced retirement. Employees' contributions to the pension scheme for members of the armed forces are also included in social security contributions. Supplementary payments made by Central government to social security funds are not included in social security contributions, but are regarded as other current transfers from Central government to social security funds.

Information on social security contributions is obtained from the various social security funds, the Social Insurance Bank, the Social Insurance Council, the Health Insurance Fund Council and similar institutions.

Direct taxes on income (table 2, line 25) consist of income tax, wage tax, dividend tax and lottery tax. Other direct taxes (table 2, line 26) consist of inhabited house tax, motor vehicle tax, tax on immovables, property tax, non-residence tax and levies on the pollution of water. Direct taxes are recorded in the accounts as of the date of payment (i.e. on a cash basis).

Fees, fines and penalties (table 2, line 27) cover such payments by households to public authorities like fees for schools, universities and examinations, dog-licences, fines and various duties. All information on direct taxes and on fees, fines and penalties is derived from Government sources (administrative accounts and budgets).

A breakdown by socio-economic groups of households of direct taxes and social security contributions could be made using information from income distribution statistics (See appendix B).

5.5. Other current transfers

Social security benefits (table 2, line 11) comprise all benefits received by resident households from social security funds. These benefits include payments according to disablement insurance, unemployment insurance, insurance against the risk of unemployment due to weather conditions, sickness insurance, the Health Insurance Fund Act, the General Old Age Pensions Act, the General Widows' and Orphans' Pensions Act, Family Allowances Acts, regulations for voluntary advanced retirement schemes and that part of military pensions that is financed by employees' contributions. Information on social security benefits is derived from social security funds, the Social Insurance Bank, the Social Insurance Council, the Health Insurance Fund Council and other social insurance institutions.

Social assistance grants (table 2, line 12) consist of cash grants by public authorities to households, such as special pensions to war victims, aid to emigrants, study grants, separation allowances and demobilisation payments, payments to participants of workshops for vocational training, individual rent-assistance, payments according to the General Assistance Act, the Unemployment Provisions Act, the Social Workshops Act and the Artists' Regulation, and direct payment of pensions by the Government (excluding military pensions). All information on social assistance grants is derived from Government sources.

Unfunded employee pension and welfare benefits (table 2, line 13) include pensions paid directly out of profits of enterprises, military pensions financed directly by Government as former employer, unemployment benefits to former civil servants, to former employees of social insurance institutions and to former employees of public enterprises, payments according to the family allowance regulation for civil servants, continued payment of wages and salaries of employees not insured according to the Sickness Benefits Act, the Interim-regulation for costs of sickness and direct payments according to voluntary advanced retirement schemes. This item is equal to the employers' contributions for private pension and welfare plans.

The imputed employee pension and welfare contributions (table 2, line 33) are, by definition, equal to employers' contributions for private pension and welfare plans (table 2, line 4).

Transfers from general government (table 2, line 14) consist of payments to households according to the Savings scheme for Civil Servants, the Savings Act for Juveniles and the General Savings Act 1971. Transfers from general government in table 2 also include current transfers made by general government to private non-profit institutions, because these institutions are included in the household sector. All information on transfers from general Government is drawn from Government sources.

Transfers from the rest of the world (table 2, line 15) include, inter alia, remittances from the rest of the world for support of members of the family and benefits from foreign social security funds. Transfers to the rest of the world (table 2, line 31) include, inter alia, remittances to the rest of the world for maintenance of members of the family, study grants, school fees and contributions to nursing costs. Transfers to and from the rest of the world are recorded as of the date they are made. Information on these transfers is obtained from the Balance of payments compiled by De Nederlandsche Bank NV.

Transfers to private non-profit institutions serving households (table 2, line 30) are nil in table 2, because, since these institutions are included in the household sector, this item is consolidated within this sector.

Other current transfers (except imputed) paid by households consist of, inter alia, the proceeds of the State Lottery and retention of Exceptional Medical Expenses Act benefits of penitentiary patients.

Other current transfers could be broken down by socio-economic groups of households using information from statistics on the distribution of income and other sources (See e.g. appendix B).

5.6. Final consumption expenditure and net saving

Final consumption expenditure of households and private non-profit institutions (table 2, line 18) include, firstly, purchases of goods and services by households from enterprises, valued at retail prices. This is by far the most important part of private final consumption expenditure. It covers, in particular, purchases made in shops and department stores and from other suppliers, payments for the services of crafts and trades, expenditure in hotels, restaurants, cafes, expenditure on transport services and on entertainment, etc. Private final consumption expenditure also includes payments for medical and domestic services, etc. and payments for the administrative expenses of life insurance companies and pension funds. The administrative expenses of social insurance are, however, regarded as current expenditure by the social security funds.

The estimated value of food, lodging and clothing, provided by employers, is included in final consumption expenditure. Rents paid by tenants or imputed to owner-occupied dwellings also enter into household consumption.

In the Netherlands goods produced for home consumption are only important in agriculture. They are valued at the prevailing prices for similar products sold to third parties (that is, at the value ex-farm). It is obviously necessary to make distinctions here, particularly in cases where there is no relevant price and the value is therefore difficult to define. Goods produced by the consumer himself in and for the express use of his own household are as a rule included neither in national production, nor in consumption. This applies to the activities of housewives in their households and also to the produce of allotments.

Private final consumption expenditure covers durable as well as non-durable goods. Durable goods, e.g. furniture, audio-visual equipment, cars, etc., bought by households, are thus regarded not as investment goods, but as consumption goods and they appear as such in the accounts at their full price in the year in which the purchase was made. This does not apply to houses and land: Expenditure on these items is regarded as capital accumulation and not as consumption. Durable consumer goods bought by instalments, or on hire-purchase contracts are included in the expenditure of the period in which delivery took place.

Consumption goods bought by households for stock formation are included, at their full value, in the expenditure of the year they were bought.

Money gifts are regarded as current transfers (or, e.g., in the case of war-damage compensation, as capital transfers). The value of consumption goods bought with them is included in private final consumption expenditure. In the case of gifts in kind, the value of the goods given can be regarded, either as consumption of the giving or the receiving party. In so far as the gifts are made within the household sector, this does not affect the calculation of the total consumption of this sector. Where gifts from other sectors to households are concerned, the general procedure is to assume an income transfer between the relevant sector and the household sector and to add the same amount to the consumption of the latter sector (this applies, for example, to gifts in kind from abroad). The expenditure on food for persons in prisons and institutions is treated as government final consumption expenditure.

Private final consumption expenditure is estimated in the Netherlands National accounts using the commodity-flow method. In section 8.1. the estimation method will be described more profoundly.

Net saving (table 2, line 34) is derived as a residual item on the income and outlay account.

6. The capital accumulation account

The capital accumulation account (table 3) relates only to households, since the capital accumulation transactions of private non-financial unincorporated enterprises and private non-profit institutions are included in the enterprise sector. Consumption of fixed capital, gross capital formation, purchases of land and intangibles are not available separately for private unincorporated enterprises and non-profit institutions.

Capital transfers received from resident sectors (table 3, line 5) include supplementary payments by Central government for the construction and restoration of churches etc., payments by Government for terminating private unincorporated business enterprises, investment grants to non-profit institutions and redemption money to households according to the liquidation of the Invalidity and Old age insurance Acts since 1967.

7. The capital finance account and balance sheets

7.1. Introductory remarks

Up to the present no separate capital finance accounts for the household sector were published by the Netherlands Central Bureau of Statistics. Recently the Bureau has begun to compile a complete set of financial accounts for the various sectors of the System of National Accounts, starting with the year 1977. As to the compilation of sectoral balance sheets at the Bureau of Statistics within the near future, no explicit intentions exist.

Table 4 shows the first tentative results of financial transactions for the combined sector of households, private non-financial unincorporated enterprises and private non-profit institutions for the years 1977-79. The financial transactions of this sector are mainly derived from information of other sectors, principally financial institutions. For the time being the available statistical data do not permit a separate capital finance account for the sector Private non-profit institutions and the sector Households, including private non-financial unincorporated enterprises.

The data for the capital finance account for the sector Households, private non-financial unincorporated enterprises and private non-profit institutions are generally determined as a residual item of the other sectors.

7.2. Acquisition of financial assets

Currency and transferable deposits (table 4, line 1) include notes and coins in circulation and sight deposits with money-creating institutions which are immediately convertible into the legal tender of the country without any kind of penalty or restriction, and which are transferable by cheque, banker's order or the like. This heading includes Dutch currency and transferable deposits in Dutch florins as well as notes, coins and transferable deposits in foreign currency. The estimates of the item currency and transferable deposits is derived from information of credit institutions.

Other deposits (table 4, line 2) cover all deposits other than transferable sight deposits. These deposits cannot be utilised at any moment without restriction or without first being converted into notes, or transferable sight deposits. They include, inter alia, time deposits, sight savings deposits, time

saving deposits, fixed term deposits, saving certificates and foreign currency deposits. This item is completely drawn from information of credit institutions.

Bills and bonds, short term (table 4, line 3) are nil for the household sector. In the Netherlands bills and short-term bonds include treasury bills issued by the Dutch Government or by foreign Governments.

Bonds, long term (table 4, line 4) include securities which at the time of issue have a maturity of several years and which bear fixed rates of interest. They are as a rule freely negotiable and quoted on the stock exchange. Long-term bonds also include mortgage bonds issued by mortgage banks for real estate. Information on long-term bonds is derived from data on non-financial corporations, credit institutions, insurance companies, general Government and the rest of the world (Balance of payments).

Short-term loans, n.e.c. (table 4, line 6) are nil as regards households, private non-financial unincorporated enterprises and private non-profit institutions.

Long-term loans, n.e.c. (table 4, line 7) include credits whose original maturity, agreed by contract, is one year at the minimum. They consist of, inter alia, mortgages on real estate and private loans. These items are estimated as a residual item from the other sectors.

The heading trade credit and advances (table 4, line 8) is rather heterogeneous qua composition. It includes short-term trade credits - resulting from the timelag which occurs between the conclusion of certain transactions and the actual receipt of the payments involved -, interest receivable (i.e. not yet received in cash), etc. This heading also includes changes in reserves against prepayments of premiums and unsettled claims in respect of casualty. The service charge of casualty insurance companies in the Netherlands National accounts does not include the change in reserves against prepayment of casualty insurance premiums and unsettled casualty insurance claims, and remains therefore outside final consumption expenditure of households. It is recorded as a part of the acquisition of financial assets by households. The item trade credit and advances is a rough estimate of amounts receivable by households based on data from the other parties (the institutional sectors of origin).

Net equity of households in life insurance and pension fund reserves (table 4, line 9) covers the actuarial reserves against outstanding risks which, under a contract of life insurance or pension scheme, are established in order to guarantee the payment of future claims of households. Table 5 shows the determination of net equity of households in life insurance and pension funds reserves composed of all gross additions to the equity and all reductions in the equity. All estimates are based on information drawn from life insurance companies, pension funds and the Balance of payments.

7.3. Incurrence of liabilities and net lending

Short-term loans, n.e.c. (table 4, line 11) include all credits whose original maturity, agreed by contract, is one year at the maximum. They consist mainly of short-term bank credits. This item is estimated from information obtained from money-creating institutions.

Long-term loans, n.e.c. (table 4, line 12) include all credits whose original maturity, agreed by contract, is one year at the minimum. They cover, inter alia, mortgages on real estate, instalment credit and other consumer credit, study loans and private loans by owners of unincorporated enterprises. Nearly all forms of consumer credit in the Netherlands are, according to their original duration, included in long-term loans, n.e.c. Information on long-term loans is mainly obtained from financial institutions.

The heading trade credit and advances (table 4, line 13) includes items like short-term trade credit, taxes and social security contributions payable, interest payable, etc. This item is a rough estimate of amounts payable by household to other sectors based on data from the institutional sector of receipt.

Other accounts payable (table 4, line 14) by households etc. are nil, or they are shown under the heading trade credit and advances in the case of taxes, interest, and so on.

Total acquisition of financial assets less total incurrence of liabilities shows a statistical discrepancy with net lending as determined on the capital accumulation account. This statistical discrepancy is highly caused by the fact that the transactions on the capital finance account relate to households including private non-financial unincorporated enterprises and private non-profit institutions, whereas the transactions on the capital accumulation account relate to households only (i.e. excluding owner-occupied dwellings, unincorporated enterprises and non-profit institutions). This implies that the statistical discrepancy shown on the capital finance account includes net lending of private non-financial unincorporated enterprises, owner-occupied housing and private non-profit institutions. Net lending is defined in this connection as consumption of fixed capital plus net capital transfers received less gross capital formation, less net purchases of land and less net purchases of intangibles. (Net saving being zero, by definition.)

7.4. Concluding remarks

As observed before, the results for the financial transactions of households are not yet final. The coming years estimates of financial transactions will be extended further. However, a breakdown of financial transactions by socio-economic groups of households does not seem probable within the near future.

8. Private final consumption expenditure by type

8.1. Estimation method used in the National accounts

Private final consumption expenditure in the Netherlands National accounts was until recently estimated using exclusively the so-called commodity-flow method. The estimates by this method are made up of the following parts:

- a. An estimate of goods and services supplied by domestic producers in the domestic market (i.e. production less exports), which can be classified as household goods and services. These goods and services are valued at producers' prices.
- b. Imported goods and services (c.i.f. prices) classified as household goods and services.
- c. Estimates of changes in stocks of household goods and services.
- d. Estimates of distributive trade and transport margins.
- e. Estimates of the turnover tax (Value added tax), the special excise on passenger cars, excise duties on imported goods and import duties.

At the various stages impurities may originate in the estimates:

- some household goods and services can also be used up in intermediate consumption or in fixed capital formation
- estimates of distributive trade and transport margins have to be based on imperfect information
- information on stocks in trade is still insufficient.

From 1983 along with the commodity-flow method also data from retail trade statistics and budget survey data are used (see section 8.3).

Table 6 shows private final consumption expenditure in the domestic market by type. Final consumption expenditure in the domestic market by households includes final consumption expenditure of private non-profit institutions. For lack of information all insurance costs are included in miscellaneous goods and services (line 23).

8.2. Disparities with the Continuous budget survey

One of the aims of the Continuous budget survey carried out by the Netherlands Central Bureau of Statistics, is to compare data from the consumption accounts for Dutch households from the budget survey with information on final consumption expenditure from the National accounts (See e.g., appendix A).

The concept of consumption the budget survey tries to measure, therefore corresponds with that of the System of National Accounts, which defines consumption as the use of goods and services for non-productive ends. Goods and services not counted as production (e.g., housewives' services) are not regarded as consumption according to this definition. In some cases goods not intended for sale are included in production and therefore included in consumption in the National accounts. For example, consumption by farming families of goods produced on their own farms is included in the calculation of agricultural production. These goods are then valued at the price the producer would have received from them if they had been sold. Expenditure on consumption also includes expenditure on consumer durables, i.e. consumer goods (such as furniture, wireless sets, television sets, cars for personal use, etc.) with a longer life than consumer items (such as bread, milk etc.). These consumer durables are not, with the exception of owner-occupied dwellings, regarded as capital goods, that is, no income or depreciation is calculated on them. In the case of owner-occupied dwellings, the services are included under production and consumption and are valued by means of the rent payable on similar rented dwellings.

The concept of consumption in the National accounts comprises the consumption of the whole resident population. This implies that e.g., expenditure on consumption by Dutch tourists abroad is included in consumption, while expenditure by foreigners in the Netherlands is excluded.

If this is applied to the budget survey, the "household consumption" to be recorded may be defined in more detail as: the value of goods and services purchased during the survey period (for the full purchase price), the value of goods and services received as payments in kind (free use of dwelling etc.), the value of consumption of home produce and own stocks by self-employed persons and the rental value of owner-occupied dwellings.

Using the collected data "consumption accounts" are drawn up. These consumption accounts exclude "non-consumption expenditure". This includes direct taxes, social insurance contributions, transfers within the household sector (e.g., alimony, cash gifts) and premiums on insurance for annuities, if they may be regarded as household savings.

Consumption accounts are drawn up using the classifications of the National accounts system. This is possible because the material of the budget survey is classified in great detail. Besides sampling errors, measurement errors and processing errors the data of some categories of expenditure are not fully comparable with those in the National accounts as a result of unavoidable differences between the estimation methods of the National accounts and the budget survey. The following main categories are involved in this connection:

- the services of hospitals, sanatoria, psychiatric institutions etc.
- other health services
- material damage

The group of articles entitled "Services of hospitals, sanatoria, psychiatric institutions etc." in the budget survey refers to household health insurance contributions (excluding the administrative costs involved in these contributions, which fall under the item "Insurance services"). In the case of households for whom health insurance is compulsory, both employee's and employer's contributions are taken into account. In the National accounts, however, the value of medical services consumed is included in this group.

In the budget survey, therefore, expenditure on the services of general practitioners, dentists, specialists, hospitals, etc. which are not covered by insurance comes under "other health services". In the National accounts, however, the full cost of treatment by general practitioners, dentists, specialists, etc. is included in consumption under this category of expenditure. This means that this category of expenditure covers less in the budget survey than in the National accounts. The item "material damage", does not occur in the National accounts tables. It refers to material damage covered by insurance. Repair or replacement of articles as a result of damage against

which families are not insured or insured only for costs above a certain amount are not classified under "material damage" in the National accounts, but in the appropriate categories of expenditure. The amounts given under the "material damage" category of expenditure are obtained as follows. Through the budget survey data are obtained on the size of the premiums paid for insurance against such risks. Then the National accounts are used to determine which part of the premiums paid are used for expenditure as a result of damages incurred and which part is therefore left for the service charge of the insurance companies, which, as mentioned, fall under the item "insurance services". By adapting the macroeconomic data to the premiums recorded under the budget survey, and by estimation, average family consumption connected with "material damage" may be obtained. Naturally this method does not show what goods were supplied to households for repair or replacement of the damaged or lost articles. It does not, therefore, make it possible to assign the "material damage" to the relevant categories of expenditure.

8.3. The possibilities of incorporating budget survey data in National accounts

At present research is being done into the possibilities of incorporating budget survey data in National accounts. The research concentrates on making an estimate of private final consumption expenditure using information from the Continuous budget survey on yearly changes in consumption of the various household goods and services, after the necessary adjustments. This estimate by type of goods and services is then confronted with the one based on the commodity-flow method supplemented with data from retail trade statistics. Analysis of the disparities will have to lead to improvements in the estimation methods being used. In this way the results of the Continuous budget survey will contribute yearly to the estimates of private final consumption expenditure in the National accounts.

So far results of the Budget survey were mainly useful regarding the changes in expenditure on food and clothing. Concerning the changes in expenditure on furniture, household equipment, cars and such the Budget survey is less useful, given the relative small size of the sample in the Netherlands.

9. Summary

In the present paper it has been tried to provide a concise description of the compilation of household sector accounts in the Netherlands National accounts. Concerning the further development of the household sector accounts it seems possible - within the near future - to make a breakdown of the income distribution by socio-economic groups of households (like e.g., self-employed, employees and unemployed, pensioners) using information from Income distribution statistics. Recently Van der Laan and De Waard (1985) have made a successful attempt at linking data from the Income statistics with National accounts data of the Netherlands. This study will form the basis for the future breakdown of the household sector in the National accounts.

The possibilities for a breakdown of private final consumption expenditure by socio-economic groups will depend largely on the reconciliation of the Continuous budget survey with the National accounts (See section 8.3). This reconciliation will be facilitated using use and make matrices in the process of compiling input-output tables in the Netherlands.

A breakdown of the production account, the capital accumulation account and the capital finance account by socio-economic groups of households does not seem possible within the near future.

Appendix A. Description of the Continuous budget survey²⁾

A1. Aims of the Continuous budget survey

In January 1978, the Netherlands Central Bureau of Statistics introduced a national Continuous budget survey of 2,000 households and persons living alone. As from 1980 however, 3,000 households are surveyed.

The survey has a variety of aims, the most important of which are:

- a. Collection of up-to-date information on the consumption of various population groups in connection with the revision of the price index of family consumption;
- b. The data from the Continuous budget survey provide useful information for policy on a number of matters such as income, short-term economic trends, the environment, energy and the retail trade;
- c. Development of short-term indicators for consumption on the basis of the Continuous budget survey;
- d. At the same time the Continuous budget survey is used to calculate how the burden of indirect taxation is spread over various income groups, the cost of bringing up children and flexibility of incomes, and to forecast expenditure on consumption on the basis of demographic developments;
- e. Comparison of data on household consumption in the National accounts with those derived from the budget survey.

A2. Sampling

The households and persons living alone are selected by a two-stage sampling process. First, approximately 100 municipalities are selected. Addresses are drawn at random from the list of addresses in these municipalities. In view of practical consideration, a minimum of 24 addresses per municipality must be chosen.

A3. Methods

A3.1. The questionnaires

To avoid placing too great a burden on the selected households, a combination of household logbook and interview methods are used to collect the data. In the household logbook method, the household enters data in a household logbook and on a number of questionnaires. In the interview method the interviewer obtains data on the household by means of interviews.

A3.2. Distribution of households over the whole year

In the previous section it was mentioned that the households keep a record of all their expenditure during one month. To achieve the best possible spread of observation for seasonal articles, the households are assigned a month during which they are asked to record all outlays (referred to as the recording month). 2,000 households began the survey in January 1978; 167 households recorded all their expenditure in January, 167 others in February etc. When assigning the families to the month, the aim is to ensure that the various income groups are represented in each recording month in a view of a desired analysis by income group.

A3.3. Calculation of average consumption

The description under A3.2 shows that, for each household, information is obtained on only part of total expenditure each year. Expenditure on frequently purchased goods (such as food and small household articles) is noted for one month; expenditure on consumer durables, holidays, gas and electricity is recorded for a year for each household. For the calculation of average consumption per year, therefore, expenditure on frequent purchases must first be converted to a yearly basis, basically by multiplying by 12. Of course, the articles recorded on a yearly basis do not have to be corrected in order to determine average yearly consumption.

A4. Concepts

A4.1. Income

The Netherlands Central Bureau of Statistics wants to classify consumption according to the spendable household income. The income of all members of the household is taken into account when determining this income.

Spendable household income breaks down as follows:

Gross earnings of husband 1)	+
Gross earnings of wife 1)	+
Gross earnings of children 1)	+
Gross income from part-time work	+
Gross income from current transfers:	
- Family allowances	+
- Sickness benefits etc. not received through the employer	+
- Government grants, ownership of dwelling, study grants etc.	+
Gross income from property:	
- Interest	+
- Rent of all types	+
- Dividends	+
Contribution to old age pensions and widows' and orphans' pensions	-
Contributions to sickness, disablement and unemployment insurance schemes	-
Tax on earnings and income	-
Net income (= spendable household income) =	

1) Gross earnings include, where applicable, the employer's part of the health insurance contribution if insurance is compulsory.

A4.2. Consumption

Consumption covers the expenditures of households on goods and services for non-productive purposes, either from domestic production or imported. The household consumption thus recorded consists of the value of goods and services purchased during the survey period (for the full purchase price), the value of goods and services received as payments in kind (free use of dwelling etc.), the value of consumption of home produce and own stocks by self-employed persons and the rental value of owner-occupied dwellings. Excluded from consumption are compulsory transfers by households to general Government and social security funds, savings (including that part of the contributions to life insurance and pension funds which can be seen as savings of households), and do-it-yourself activities (naturally the purchases of materials for these activities are part of consumption).

A4.3. The terms household, person living alone, and head of household

a. Definition of household

Any group of two or more persons living under the same roof and having a common budget (same principal dwelling, cooking and eating together, etc.). A household may therefore consist of:

- a married couple with children;
- father or mother with children;
- persons not related to one another (e.g., two friends, widow with boarder(s), (as yet) unmarried couple, etc.).

b. Definition of person living alone

- any person who lives at an address as the sole occupant;
- any person who lives as main occupant or lodger with others at the same address, but does not have a common budget with the others.

c. Definition of head of household

- in households including a married couple, the man;
- in households not including a married couple, the father or the mother as applicable;
- in all other cases, the person responsible for paying the rent (or the owner of the dwelling).

A4.4. Classifications

Households are classified by socio-economic category based on the socio-economic category of the head of the household.

The following categories are distinguished: self-employed persons, employees (subdivided into employees in private enterprises and civil servants) and non-employed persons. Other classifications refer to region, size-classes of net income, and degree of urbanization.

Appendix B. Description of the Statistics of personal income and wealth³⁾

B1. Introduction

Statistics on distribution of personal income and wealth are compiled in the Netherlands since the end of the last century. Income and wealth data relating to a sample of assessable persons are used as basic material. These data are drawn from material available at the Revenue Department of the Ministry of Finance (Treasury). Consequently, the Statistics of income and wealth are so-called secondary statistics: the initial data are collected for a different purpose. Besides the advantages of detailed information and almost no non-response there are some disadvantages; e.g., only data of importance for taxation are collected.

Of old, data on distribution of personal income and wealth are published using the individual income-earner or the married couple as income unit. There is, however, an increasing need for statistical information about the income distribution of households. Income data of households are especially important for measuring differences in spending possibilities, for a household acts as spending unit for a lot of expenditure. It is also important to know how the household incomes are built up of different components. After an attempt had been made in this direction for the year 1962, a first extensive household income inquiry started for the year 1977.

B2. Aims of the Statistics of personal income and wealth

The aims of the Income statistics are the following:

- a. to provide an insight into the acquisition and distribution of incomes for individual income-earners as well as households;
- b. to measure differences in prosperity between households;
- c. to establish a basis for a connection between the distribution of income and the distribution of consumer expenditure (budget survey);
- d. to establish a basis for special analyses, inside as well as outside the Netherlands Central Bureau of Statistics;
- e. to establish a basis for the link between Income statistics and the System of National Accounts, offering the possibility for a further breakdown of the accounts of the household sector.

The main objective of the wealth statistics is to give an insight into the distribution of wealth over individual wealth-owners and households. The relation between the levels of income and wealth is also taken into account.

B3. Methods

B3.1. Collection of data

The data on income and wealth are taken from the administrative tax records of the Revenue Department of the Ministry of Finance. The records of wage tax and income tax provides detailed information on the large number of income components. These records also furnish several personal and other characteristics, like sex, age, marital status and, possibly, occupation and branch of industry in which one is working. It turned out that the tax administration covers nearly all income-earners.

The data on personal wealth derived from the tax records only refer to owners of relatively large amounts of property. Owners of properties below approx. 100,000 hfl. do not systematically figure in these records, because their properties are below the tax-free amount.

Taxation data are also used for adding together personal incomes in order to arrive at household incomes. The sample used for the Labour force sample survey is also used for the Income statistics too. This sample covers about 3% of the total number of addresses in the Netherlands, i.e. about 150,000 households. The figures on the composition of households combined with the figures from the tax records provide the basic material for the Income statistics. Using tax records as data source for the Income statistics implies that the results become available about 2 1/2 years after the end of the year under review. This time lag is largely caused by the circumstance that the compilation of the statistics can only be started when (nearly) all assessments are settled.

B3.2. The Dutch personal income and property tax

Given the fact that the tax records are used as a source for the Statistics of income and wealth it is important to give a brief explanation of the Dutch system of taxation on personal income and wealth. In principle everyone who lives in the Netherlands is liable to taxation on income and wealth. The Dutch personal income tax is synthetical; tax is imposed according to the income-earner's ability to pay.

For the determination of the income tax due the income subject to tax from different sources are added together. This income includes wages and salaries, fringe benefits (e.g., an amount for private use of an employer's car), net business income, interest, actual receipts of income from immovable property and imputed rental value of owner-occupied dwellings (an amount corresponding to about 1 per cent of the dwelling's value), pensions and other social security benefits (excluding family allowances), alimony, and strike pay. Costs indissolubly connected with the acquisition of certain income components (e.g., travel expenses to the place of work, and other work-related expenses) can be counted as negative under certain conditions. There are also possibilities to deduct special charges. Contributions to private pensions (both employer's and employee's contributions) are not included in income subject to tax.

For every assessable person a certain amount is exempt from taxation. The level of this tax relief depends on marital status, age, and the age and number of dependent children. There are also non-standard tax allowances in respect of the excess of interest received over interest paid (other than interest forming part of business profits) and in respect of dividends received on which the dividend tax has been charged. The taxable part of income is taxed according to a progressive rate. The taxable income is divided over nine slices. The tariffs applicable in 1985 to the slices vary from 16% for the lowest slice (1977: 20%) to 72% for the highest one (1977: 72%).

Since 1973 married women are fiscally partially independent. This implies that a married woman is taxed independently as regards her income from present-day work, business profits and payments on account of the Sickness Benefits Act or the Unemployment Insurance Act. Income from former labour is considered fiscally as income of the husband, as well as income from property and individual rent subsidies. In 1984, however, the individual taxation of the income of married women has been expanded to all pensions and annuities, social insurance benefits and study grants.

Wage tax is a P.A.Y.E. tax that is deducted from the wages and salaries, and is transferred by employers to the Inland Revenue Department. Tariffs of wage and income tax are exactly the same. In about 45% of the cases the wage tax is also the final levy.

The property tax refers to possessions minus debts. Certain possessions are kept out of the tax levying process. Just like in income tax the tax-free amounts depend on marital status, and age and number of dependent children. Possessions and debts of married women are seen as possessions of her husband. The tariff of the property tax amounts to 8 o/oo of property per January 1st of the year under review.

In 1979 an amending bill was introduced. This implied more and higher tax-free amounts for certain groups of property owners. As regards wage and income tax a memorandum was introduced in 1979 concerning equal treatment of the married (working) woman and her husband and of partners in other forms of living together.

B4. Concepts

B4.1. Income concepts and wealth concept

Different income concepts are used to make the way of acquisition, the distribution and the redistribution of incomes as perceptible as possible. Original income consists of all personal income components from primary sources, i.e. remunerations for the disposal of factors of production. This concept is operationalized as the sum total of labour income, property income (including imputed rent of owner-occupied dwellings), profits from entrepreneurial activities and other non-transfer incomes. Two variants of original income are used, viz. including and excluding social security contributions paid by employers.

Total income consists of original income (excluding employers' contributions to social security and similar schemes) plus current transfers (Social benefits, pensions, etc.). Also this concept has two variants, namely before and after deduction of transfers paid. By transfers paid are, inter alia, understood social security contributions paid by the employees, but not direct taxes.

Spendable income is total income after deduction of transfers paid minus wage tax, income tax and property tax.

The wealth concept is defined as the value of the possessions (assets) minus the value of the debts (liabilities). By possessions are understood matters to which economic value can be assigned. Almost every kind of property is subject to property tax, no matter whether it is business, professional or private property. By debts are understood obligations to which economic value can be assigned. In principle every debt is considered. Possessions and debts of married women are treated as belonging to the husbands, in spite of any marriage contract. A different procedure is not possible on the basis of taxation data. Therefore wealth statistics do not include married women with property.

B4.2. Statistical units

Three statistical units are used in the statistics since 1977, namely:

a. Individual

all persons are treated as separate income-earners

b. Man + wife

married couples are treated as being one income-earner with their aggregate income; all unmarried persons are treated as separate income-earners

c. Household

the incomes of all members of the household are added together to one household income

In almost all statistical information on personal income distribution the income unit "man + wife" is used, among other things from continuity considerations. Before the (partial) fiscal independency of married women in 1973 the basic material did not offer possibilities for other procedures. Figures on the income distribution of individuals and households were composed for the first time for the year 1977.

B4.3. Socio-economic categories

The income-earners are divided into five socio-economic categories. For this characterization the income components profit, wage (or unemployment benefit) and pension are compared. The highest of these three components determines whether an income-earner is characterized as self-employed, employee (or unemployed person) or pensioner. The category employees is subdivided into employees in private enterprises and civil servants. Employees whose profession is managing director are characterized as a separate category. Income-earners who earn no profits, wages or pensions are characterized as persons without occupation. This category consists, inter alia, of persons living on benefits (not on account of sickness or unemployment), and of persons only receiving income from property.

The classification of households by socio-economic status is based on the socio-economic category of the head of the household.

B4.4. Household concept, types of households, and family stages

By household is understood any group of two or more persons living together and having a common budget. By head of the household is understood the man in families including a married couple, the father or mother in families without a married couple and in all other cases the one who pays the rent or owns the house.

By one-person household is understood any person living alone at an address or any person living together with other persons on the same address but not having a common budget with any of them. The household concept is wider than the family concept. A family is defined in the narrow sense of family-nucleus, i.e. a household including a married couple and/or children. Households can be divided into three main types:

- a. Non-family households and one-person households: households without married couples and without children
- b. One-family households (without others): households consisting of married couples with or without children, and incomplete families (one-parent families)
- c. Other one- and multi-family households: one-family households with others, and multi-family households with or without others

These main types are subdivided according to sex of the household members, number of children and number of others. Incomplete families are discerned separately. As regards family-households several family stages are distinguished according to age of the children; childless families are distinguished by age of the woman. Private households and institutional households are discerned as separate categories. Persons in institutional households are regarded as individuals with the exception of married couples in homes for aged persons who are regarded as private households.

B4.5. Standardization of incomes

Household income is, inter alia, used as an indicator of the prosperity of the household members. To be able to compare the prosperity of different households the household incomes are standardized according to size and composition of the household. For the calculation of standards (the so-called "family equivalence scales") several methods are available. Some results are published according to the several available methods.

B4.6. Other classifications

Besides the classifications referred to above (i.e. size-class of income and socio-economic category) some other classifications are used in the Income statistics, viz. sex, marital status, number of children, region, occupation, branch of industry, age and working period.

Table 1. Production account for the sector Non-financial enterprises, corporate, quasi-corporate and unincorporated

Line Item	1977	1978	1979	1980	1981	1982	1983	1984	1985
m ln hfl									
GROSS OUTPUT									
1 Output for sale	436,550	468,730	513,720	563,240	600,270	619,220	639,260	686,130	708,370
2 Non-marketed output									
3 Gross output	436,550	468,730	513,720	563,240	600,270	619,220	639,260	686,130	708,370
GROSS INPUT									
4 Intermediate consumption	202,740	216,980	246,290	277,760	299,570	303,870	312,030	341,510	348,050
5 Subtotal: Value added	233,810	251,750	267,430	285,480	300,700	315,350	327,230	344,620	360,320
6 Indirect taxes net liability of non-financial enterprises	26,080	28,460	28,910	31,020	31,860	31,650	32,770	34,150	35,620
7 Indirect taxes	31,680	34,960	36,750	39,310	39,920	40,900	43,210	46,050	48,480
8 Less: Subsidies	5,600	6,500	7,840	8,290	8,060	9,250	10,440	11,900	12,860
9 Consumption of fixed capital	22,230	24,380	26,910	29,830	32,770	35,130	36,560	38,250	39,680
10 Compensation of employees	116,810	126,240	135,900	145,030	147,230	150,870	152,510	152,860	157,460
11 Operating surplus	68,690	72,670	75,710	79,600	88,840	97,700	105,390	119,360	127,560
12 Gross input	436,550	468,730	513,720	563,240	600,270	619,220	639,260	686,130	708,370

Table 2. Income and outlay account for the combined sector Households, private non-financial unincorporated enterprises and private non-profit institutions

Line Item	1977	1978	1979	1980	1981	1982	1983	1984	1985
	mln hfl								
RECEIPTS									
1 Compensation of employees	159,690	172,850	186,020	197,960	201,640	207,690	209,810	209,630	215,040
2 Wages and salaries	123,470	133,850	143,360	152,080	155,080	160,320	159,850	160,060	164,790
3 Employers' contributions for social security	31,020	33,480	36,520	40,220	40,880	41,630	44,250	43,850	44,440
4 Employers' contributions for private pension and welfare plans	5,200	5,520	6,140	5,660	5,680	5,740	5,710	5,720	5,810
5 Entrepreneurial income from private unincorporated enterprises	24,000	24,000	21,000	19,000	20,500	24,500	27,500	31,000	31,000
6 Property income	21,760	26,160	31,070	36,850	39,390	44,990	47,330	49,880	55,690
7 Interest	18,390	21,450	24,630	29,700	34,180	39,040	40,540	42,790	47,320
8 Dividends, net land rent and royalties	3,370	4,710	6,440	7,150	5,210	5,950	6,790	7,090	8,370
9 Current transfers	76,090	84,620	92,910	100,050	108,720	118,730	124,570	125,240	127,390
10 Casualty insurance claims	3,720	4,130	4,550	4,880	5,190	5,360	5,570	5,860	6,300
11 Social security benefits	51,770	58,450	64,380	70,520	75,260	80,070	80,900	81,130	82,990
12 Social assistance grants	10,540	11,100	12,020	13,170	16,090	20,980	25,250	25,400	22,890
13 Unfunded employee pension and welfare benefits	5,200	5,520	6,140	5,660	5,680	5,740	5,710	5,720	5,810
14 Transfers from general government 1)	4,250	4,700	4,890	4,860	5,430	5,590	6,170	6,190	8,360
15 Transfers from the rest of the world	610	720	930	960	1,070	990	970	940	1,040
16 Other transfers n.e.c.	-	-	-	-	-	-	-	-	-
17 Total current receipts	281,540	307,630	331,000	353,860	370,250	395,910	409,210	415,750	429,120
1) of which received by private non-profit institutions	4,180	4,630	4,840	4,820	5,370	5,530	6,110	6,120	8,290

Table 2. Income and outlay account for the combined sector Households, private non-financial unincorporated enterprises and private non-profit institutions (continued)

Line Item	1977	1978	1979	1980	1981	1982	1983	1984	1985
mln hfl									
DISBURSEMENTS									
18 Final consumption expenditure	164,310	179,170	192,430	205,780	213,230	221,830	229,860	234,730	244,790
19 Property income	1,030	1,320	1,670	1,910	2,070	1,890	1,740	1,710	1,740
20 Interest	1,030	1,320	1,670	1,910	2,070	1,890	1,740	1,710	1,740
21 Net land rent and royalties	-	-	-	-	-	-	-	-	-
22 Direct taxes and other current trans- fers n.e.c. to government	81,670	89,830	97,850	105,970	109,970	117,320	126,340	125,800	127,030
23 Social security contributions	47,000	51,560	56,450	61,370	66,300	72,660	83,470	83,100	85,060
24 Direct taxes	33,680	37,200	40,240	43,330	42,180	42,950	41,040	40,740	39,820
25 Income taxes	31,820	34,970	37,710	40,510	39,310	39,960	38,000	37,490	36,420
26 Other	1,860	2,230	2,530	2,820	2,870	2,990	3,040	3,250	3,400
27 Fees, fines and penalties	990	1,070	1,150	1,270	1,490	1,710	1,830	1,960	2,150
28 Other current transfers	10,600	11,460	12,760	12,960	13,500	13,690	13,970	14,520	15,090
29 Casualty insurance premiums, net	3,720	4,130	4,550	4,880	5,190	5,360	5,570	5,860	6,300
30 Transfers to private non-profit institutions serving households	-	-	-	-	-	-	-	-	-
31 Transfers to the rest of the world	1,270	1,400	1,650	1,960	2,150	2,140	2,230	2,400	2,530
32 Other current transfers, except imputed	410	410	420	460	480	450	460	540	450
33 Imputed employee pension and welfare contributions	5,200	5,520	6,140	5,660	5,680	5,740	5,710	5,720	5,810
34 Net saving	23,930	25,850	26,290	27,240	31,480	41,180	37,300	38,990	40,470
35 Total current disbursements and net saving	281,540	307,630	331,000	353,860	370,250	395,910	409,210	415,750	429,120

Table 3. Capital accumulation account for the combined sector Households, private non-financial unincorporated enterprises and private non-profit institutions

Line Item	1977	1978	1979	1980	1981	1982	1983	1984	1985
FINANCE OF GROSS ACCUMULATION									
mln hf1									
1 Gross saving	.	.	.	.	.	.	.	.	.
2 Consumption of fixed capital 1)	23,930	25,850	26,290	27,240	31,480	41,180	37,300	38,990	40,470
3 Net saving	610	440	460	280	340	390	570	770	600
4 Capital transfers 2)	680	610	610	560	580	610	640	890	670
5 From resident sectors									
6 From the rest of the world, net	(70)	(170)	(150)	(280)	(240)	(220)	(70)	(120)	(70)
7 Total finance of gross accumulation	24,540	26,290	26,750	27,520	31,820	41,570	37,870	39,760	41,070

GROSS ACCUMULATION

8 Gross capital formation 1)	.	.	.	.	.	.	.	.	.
9 Purchases of land, net 1)	.	.	.	.	.	.	.	.	.
10 Purchases of intangibles, net 1)	.	.	.	.	.	.	.	.	.
11 Capital transfers to resident sectors 2)	520	590	710	740	780	710	680	800	820
12 Net lending	24,020	25,700	26,040	26,780	31,040	40,860	37,190	38,960	40,250
13 Total gross accumulation	24,540	26,290	26,750	27,520	31,820	41,570	37,870	39,760	41,070

1) Included in the capital accumulation account for the sector 'Non-financial enterprises, corporate, quasi-corporate and unincorporated'.

2) Exclusive of capital transfers to and from private non-financial unincorporated enterprises.

Table 4. Capital finance account for the combined sector Households, private non-financial unincorporated enterprises and private non-profit institutions (tentative results)

Line Item	1977	1978	1979
mIn hfl			
ACQUISITION OF FINANCIAL ASSETS			
1 Currency and transferable deposits	6,600	2,900	1,500
2 Other deposits	12,200	15,700	18,800
3 Bills and bonds, short term	-	-	-
4 Bonds, long term	1,500	1,800	(200)
5 Corporate equity securities	(100)	(100)	(2,000)
6 Short-term loans, n.e.c.	-	-	-
7 Long-term loans n.e.c.	1,600	2,200	1,500
8 Trade credit and advances	2,300	2,900	4,600
9 Net equity of households in life insurance and pension fund reserves	18,770	21,040	23,010
10 Total acquisition of financial assets	42,870	46,440	47,210
INCURRENCE OF LIABILITIES			
11 Short-term loans, n.e.c.	1,700	2,500	1,800
12 Long-term loans, n.e.c.	22,200	25,100	19,700
13 Trade credit and advances	800	1,300	3,400
14 Other accounts payable	-	-	-
15 Total incurrence of liabilities	24,700	28,900	24,900
16 Statistical discrepancy 1)	(5,850)	(8,160)	(3,730)
17 Net lending	24,020	25,700	26,040
18 Incurrence of liabilities and net lending	42,870	46,440	47,210

1) Including net lending of owner-occupied housing, private non-financial unincorporated enterprises and private non-profit institutions (equals consumption of fixed capital plus capital transfers received, net less gross capital formation and less purchases of land and intangibles, net).

Table 5. Composition of net equity of households in life insurance and pension fund reserves

Item	1977	1978	1979	1980	1981	1982	1983	1984	1985
	mln hf1								
1 Employers' contributions to domestic pension funds	10,400	11,120	11,830	12,750	12,400	12,200	12,550	12,200	11,840
2 Employees' contributions to domestic pension funds	3,800	4,110	4,330	4,630	4,680	4,920	5,110	5,130	4,740
3 Premiums for individual life insurance	2,860	3,190	3,470	3,710	4,040	4,380	4,630	4,940	5,190
4 Contributions to foreign pension funds	10	10	10	20	20	20	20	20	20
5 Net property income earned by life insurance companies and pension funds	11,190	12,850	14,740	17,170	19,960	23,130	26,080	28,530	30,950
6 Capital transfers by central government and other public authorities to pension funds	520	490	500	280	260	390	420	490	590
7 LESS: Administrative expenses of pension funds	280	300	330	370	400	430	460	480	500
8 LESS: Service charge of life insurance companies	1,860	2,030	2,240	2,240	2,130	2,300	2,280	2,760	2,940
9 Total gross additions to the equity of life insurance companies and pension funds	26,640	29,440	32,310	35,950	38,830	42,310	46,070	48,070	49,890
10 Benefits from domestic life insurance companies	2,160	2,260	2,560	3,290	5,070	3,610	3,940	4,330	5,010
11 Benefits from domestic pension funds	5,660	6,090	6,660	7,090	7,630	8,860	9,710	10,490	11,190
12 Benefits from foreign pension funds	50	50	80	80	90	90	110	110	120
13 Total reductions in the equity of life insurance companies and pension funds	7,870	8,400	9,300	10,460	12,790	12,560	13,760	14,930	16,320
14 Net equity of households in life insurance and pension fund reserves (Total gross additions less total reductions)	18,770	21,040	23,010	25,490	26,040	29,750	32,310	33,140	33,570

Table 6. Private final consumption expenditure in the domestic market by type (in purchasers' values)

Line item	1977	1978	1979	1980	1981	1982	1983	1984	1985
1 Food, beverages and tobacco	34,720	35,980	37,620	39,610	41,840	41,860	44,750	45,680	46,700
2 Food	27,050	27,790	28,780	30,630	32,390	33,910	34,520	35,360	36,110
3 Non-alcoholic beverages	820	930	1,050	1,190	1,140	1,310	1,360	1,360	1,480
4 Alcoholic beverages	3,620	3,730	4,120	4,060	4,340	4,620	4,690	4,580	4,650
5 Tobacco	3,230	3,530	3,670	3,830	3,970	4,020	4,180	4,380	4,460
6 Clothing and footwear	13,670	14,480	15,340	16,170	15,770	15,690	15,690	15,340	16,370
7 Gross rent, fuel and power	22,080	23,520	29,170	32,640	36,410	39,670	42,540	44,580	47,820
8 Fuel and power	6,530	7,440	9,200	10,530	12,150	12,770	13,200	13,840	15,670
9 Other	16,350	18,080	19,970	22,110	24,260	26,900	29,340	30,740	32,150
10 Furniture, furnishings and household equipment and operation	16,450	17,660	17,720	18,590	17,570	17,190	17,400	17,200	17,660
11 Household operation	3,320	3,530	3,690	3,940	4,070	4,500	4,310	4,290	4,420
12 Other	13,130	14,130	14,030	14,650	13,500	12,690	13,090	12,910	13,240
13 Medical care and health expenses	10,680	20,890	22,750	24,830	26,580	28,410	29,220	29,790	30,400
14 Transport and communication	10,160	19,740	21,620	21,810	22,500	23,070	24,330	24,590	26,090
15 Personal transport equipment	7,520	8,110	8,420	6,760	6,630	6,950	7,990	8,010	8,930
16 Other	10,640	11,630	13,200	15,050	15,870	16,120	16,340	16,580	17,160
17 Recreational, entertainment, education and cultural services	15,920	17,890	18,700	20,050	20,300	20,380	21,250	21,950	22,570
18 Education	500	550	600	660	700	710	730	710	720
19 Other	15,420	17,340	18,100	19,390	19,600	19,670	20,520	21,240	21,850
20 Miscellaneous goods and services	21,160	23,130	25,220	27,310	28,180	29,150	30,050	31,500	32,530
21 Personal care and effects	1,930	2,090	2,180	2,440	2,590	2,760	2,880	2,960	3,080
22 Expenditures in restaurants, cafes and hotels	7,510	8,170	8,860	9,660	10,050	10,560	10,880	11,610	11,980
23 Other	11,720	12,870	14,180	15,210	15,540	15,830	16,290	16,930	17,470
24 Total final consumption expenditure in the domestic market by households and private non-profit institutions	161,640	175,290	188,140	201,010	209,150	217,420	225,230	230,630	240,140
25 PLUS: Direct purchases abroad by resident households	6,440	7,670	8,180	9,450	9,410	9,630	9,670	10,150	10,740
26 LESS: Direct purchases in the domestic market by non-resident households	3,770	3,790	3,890	4,680	5,330	5,220	5,240	6,050	6,090
27 Private final consumption expenditure	164,310	179,170	192,430	205,780	214,230	221,830	229,860	234,730	244,790

(in bill)

Notes

1. For a more detailed description of the history of National accounting in the Netherlands one is referred to Nooteboom (1978) and Oomens (1984).
2. See for a more detailed description Netherlands Central Bureau of Statistics (1982, 1984a, 1985a).
3. See for a more detailed description Netherlands Central Bureau of Statistics (1983, 1985b, 1985d, 1985e, 1986d) and United Nations (1985), pp. 303-22.

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- : Inkomensverdeling van huishoudens 1977 (Distribution of Income of Households 1977), Staatsuitgeverij, The Hague, 1983
- : Budgetonderzoek 1978-1981: landelijke en regionale kerncijfers (Budget Survey 1978-1981: National and Regional Key Figures), Staatsuitgeverij, The Hague, 1984a

1) With regard to recurrent survey reports only reference is made to the latest publication.

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- : Budgetonderzoek 1980 (Budget Survey 1980), Staatsuitgeverij, The Hague, 1985a
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Available National Accounts Occasional Papers

- NA/01 *Flexibility in the system of National Accounts*, Eck, R. van, C.N. Gorter and H.K. van Tuinen (1983)
This paper sets out some of the main ideas of what gradually developed into the Dutch view on the fourth revision of the SNA. In particular it focuses on the validity and even desirability of the inclusion of a number of carefully chosen alternative definitions the "Blue Book", and the organization of a flexible system starting from a core that is easier to understand than the 1968 SNA.
- NA/02 *The unobserved economy and the National Accounts in the Netherlands, a sensitivity analysis*, Broesterhuizen, G.A.A.M. (1983)
This paper studies the influence of fraud on macro-economic statistics, especially GDP. The term "fraud" is used as meaning unreporting or underreporting income (e.g. to the tax authorities). The conclusion of the analysis of growth figures is that a bias in the growth of GDP of more than 0.5% is very unlikely.
- NA/03 *Secondary activities and the National Accounts: Aspects of the Dutch measurement practice and its effects on the unofficial economy*, Eck, R. van (1985)
In the process of estimating national product and other variables in the National Accounts a number of methods is used to obtain initial estimates for each economic activity. These methods are described and for each method various possibilities for distortion are considered.
- NA/04 *Comparability of input-output tables in time*, Al, P.G. and G.A.A.M. Broesterhuizen (1985)
In this paper it is argued that the comparability in time of statistics, and input-output tables in particular, can be filled in in various ways. The way in which it is filled depends on the structure and object of the statistics concerned. In this respect it is important to differentiate between coordinated input-output tables, in which groups of units (industries) are divided into rows and columns, and analytical input-output tables, in which the rows and columns refer to homogeneous activities.
- NA/05 *The use of chain indices for deflating the National Accounts*, Al, P.G., B.M. Balk, S. de Boer and G.P. den Bakker (1985)
This paper is devoted to the problem of deflating National Accounts and input-output tables. This problem is approached from the theoretical as well as from the practical side. Although the theoretical argument favors the use of chained Vartia-I indices, the current practice of compiling National Accounts restricts to using chained Paasche and Laspeyres indices. Various possible objections to the use of chained indices are discussed and rejected.
- NA/06 *Revision of the system of National Accounts: the case for flexibility*, Bochove, C.A. van and H.K. van Tuinen (1985)
This paper examines the purposes of the SNA and concludes that they frequently conflict with one another. Consequently, the structure of the SNA should be made more flexible. This can be achieved by means of a system of a general purpose core supplemented with special modules. This core is a full-fledged, detailed system of National Accounts with a greater institutional content than the present SNA and a more elaborate description of the economy at the meso-level. The modules are more analytic and reflect special purposes and specific theoretical views. It is argued that future revisions will concentrate on the modules and that the core is more durable than systems like present SNA.
- NA/07 *Integration of input-output tables and sector accounts; a possible solution*, Bos, C. v.d. (1985)
In this paper, the establishment-enterprise or company problem is tackled by taking the institutional sectors to which the establishments belong into account during the construction of input-output tables. The extra burden on the construction of input-output tables resulting from this approach is examined for the Dutch situation. An adapted sectoring of institutional units is proposed for the construction of input-output tables. The proposed approach contains perspectives on further specification of the institutional sectors,

households and non-financial enterprises and quasi-corporate enterprises.

- NA/08 *A note on Dutch National Accounting data 1900-1984*, Bochove, C.A. van (1985)
This note provides a brief survey of Dutch national accounting data for 1900-1984, concentrating on national income. It indicates where these data can be found and what the major discontinuities are. The note concludes that estimates of the level of national income may contain inaccuracies; that its growth rate is measured accurately for the period since 1948; and that the real income growth rate series for 1900-1984 may contain a systematic bias.
- NA/09 *The structure of the next SNA: review of the basic options*, Bochove, C.A. van and A.M. Bloem (1985)
There are two basic issues with respect to the structure of the next version the UN System of National Accounts. The first is its 'size': reviewing this issue, it can be concluded that the next SNA must be 'large' in the sense of containing an integrated meso-economic statistical system. It is essential that the next SNA contains an institutional system without the imputations and attributions that pollute present SNA. This can be achieved by distinguishing, in the central system of the next SNA, a core (the institutional system), a standard module for non-market production and a standard module describing attributed income and consumption of the household sector.
- NA/10 *Dual sectoring in National Accounts*, Al, P.G. (1985)
The economic process consists of various sub-processes, each requiring its own characteristic classification when described from a statistical point of view. In doing this, the interfaces linking the sub-systems describing the individual processes must be charted in order to reflect the relations existing within the overall process. In this paper, this issue is examined with the special reference to dual sectoring in systems of National Accounts. Following a conceptual explanation of dual sectoring, an outline is given of a statistical system with complete dual sectoring in which the linkages are also defined and worked out. It is shown that the SNA 1968 is incomplete and obscure with respect to the links between the two sub-processes.
- NA/11 *Backward and forward linkages with an application to the Dutch agro-industrial complex*, Harthoorn, R. (1985)
Some industries induce production in other industries. An elegant method is developed for calculating forward and backward linkages avoiding double counting. For 1981 these methods have been applied to determine the influence of Dutch agriculture in the Dutch economy in terms of value added and labour force.
- NA/12 *Production chains*, Harthoorn, R. (1986)
This paper introduces the notion of production chains as a measure of the hierarchy of industries in the production process. Production chains are sequences of transformation of products by successive industries. It is possible to calculate forward transformations as well as backward ones.
- NA/13 *The simultaneous compilation of current price and deflated input-output tables*, Boer, S. de and G.A.A.M. Broesterhuizen (1986)
This paper discusses a number of aspects of the procedure according to which input-output tables are compiled in the Netherlands. A few years ago this method underwent an essential revision. The most significant improvement means that during the entire statistical process, from the processing and analysis of the basic data up to and including the phase of balancing the tables, data in current prices and deflated data are obtained simultaneously and in consistency with each other. Data in current prices first used to be compiled and data in constant prices and changes in volume and prices used to be estimated only afterwards. With the new method the opportunity for the analysis of the interrelations between various kinds of data, and thus better estimates is used.
- NA/14 *A proposal for the synoptic structure of the next SNA*, Al, P.G. and C.A. van Bochove (1986)

- NA/15 *Features of the hidden economy in the Netherlands*, Eck, R. van and B. Kazemier (1986)
This paper presents survey results on the size and structure of the hidden labour market in the Netherlands.
- NA/16 *Uncovering hidden income distributions: the Dutch approach*, Bochove, C.A. van (1987)
- NA/17 *Main national accounting series 1900-1986*, Bochove, C.A. van and T.A. Huitker (1987)
The main national accounting series for the Netherlands, 1900-1986, are provided, along with a brief explanation.
- NA/18 *The Dutch economy, 1921-1939 and 1969-1985. A comparison based on revised macro-economic data for the interwar period*, Bakker, G.P. den, T.A. Huitker and C.A. van Bochove (1987)
- NA/19 *Constant wealth national income: accounting for war damage with an application to the Netherlands, 1940-1945*, Bochove, C.A. van and W. van Sorge (1987)
- NA/20 *The micro-meso-macro linkage for business in an SNA-compatible system of economic statistics*, Bochove, C.A. van (1987)
- NA/21 *Micro-macro link for government*, Bloem, A.M. (1987)
This paper describes the way the link between the statistics on government finance and national accounts is provided for in the Dutch government finance statistics.
- NA/22 *Some extensions of the static open Leontief model*, Harthoorn, R. (1987)
The results of input-output analysis are invariant for a transformation of the system of units. Such transformation can be used to derive the Leontief price model, for forecasting input-output tables and for the calculation of cumulative factor costs. Finally the series expansion of the Leontief inverse is used to describe how certain economic processes are spread out over time.
- NA/23 *Compilation of household sector accounts in the Netherlands National Accounts*, Laan, P. van der (1987)
This paper provides a concise description of the way in which household sector accounts are compiled within the Netherlands National Accounts. Special attention is paid to differences with the recommendations in the United Nations System of National Accounts (SNA).
- NA/24 *On the adjustment of tables with Lagrange multipliers*, Harthoorn, R. and J. van Dalen (1987)
An efficient variant of the Lagrange method is given, which uses no more computer time and central memory than the widely used RAS method. Also some special cases are discussed: the adjustment of row sums and column sums, additional restraints, mutual connections between tables and three dimensional tables.

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