

Paulus KONIJN, Eurostat, unit C1 : methodology of national accounts, section PPP Paulus.Konijn@ec.europa.eu
Alain GALLAIS, OECD, Statistics Directorate, National Accounts and Financial Statistics division
alain.gallais@oecd.org

The national accounts perspective, time and spatial comparisons : the projects of Eurostat and OECD

Non-market services could be regarded as being “comparison-resistant” services, in the context of intertemporal as well as interspatial GDP volume comparisons. EU Member States are supposed to apply the Eurostat Handbook on Price and Volume Measures in their national accounts in the year 2006, implying the use of output measures for health and education services. Eurostat is now also investigating the use of output measures for the Eurostat/OECD Purchasing Power Parities (PPP) program), which estimates on an annual basis spatial price differentials

The share of non-market services in GDP is significant, but the sources and methods applied currently in the PPP program do not bring satisfactory results. As for temporal comparisons, the problem in cross-country comparisons is related to capturing productivity differences. The current input price method (based on salaries of civil servants) applied in the PPP program assumes as practical compromise – however unrealistically - equal productivity levels of civil servants across countries. Eurostat has set up a Task Force – composed of NA and PPP experts - that is looking for improvements either from using output measures for interspatial comparisons or from improving the input method.

OECD is of course closely associated to this joint NA-PPP Task Force.

Moreover, during its 2005 meeting, the OECD Committee on Statistics supported the initiative taken by OECD to organize during 2006 a seminar on the measurement of output of education and health (Agenda Item 5 – Productivity Measures for the Business and Non-market Sectors and International Comparisons of Productivity Levels). INSEE has indeed accepted to assign a full time expert on the project during 18 months (April 2006 -> September 2007).

The OECD “non-market” project relies on the mobilisation of the specialised expert networks on health and education, in association with the National Accounts and Price experts.

In the temporal dimension, the concrete output of the project should be an OECD Statistical Manual to be published in end 2007, bringing more detailed international guidelines for the development of volume measures of non-market output, in particular for Education and Health, and reviewing the best practices. In the spatial dimension, the project consists of a proposal for an output approach for the above mentioned NA-PPP Task Force.

Finally, a new health Task Force, led by OECD and relying more on health experts, should try to reconcile a System of Health Accounts in value and volume with the aims of the PPP program, during the years 2007 and 2008.