

Session 1

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Non-market services: the view from the national accounts

This paper will give a view of the measurement of non-market services from the perspective of the national accounts. This measurement issue is a difficult problem which national accountants have traditionally chosen not to tackle. Attempts to improve measurement in the UK in the late 1990s resulted in controversy and led to the Atkinson review which laid out a development plan for the UK.

The paper will explain how national accountants view the problem and then briefly describe the history of the measurement of non-market output in the UK. It will discuss some of the problems which occurred with the approaches developed and then explain how the ONS has implemented the results of the Atkinson review. This will focus on some of the issues which have arisen, which include:

- the quality of value data on government expenditure,
- the different perspectives of service experts and national accounts,
- the availability of appropriate indicators which meet the requirements of the national accounts, and
- the adjustment of quantity estimates for changes in volume.

The paper will conclude by describing some of the necessary, but not sufficient conditions for taking forward the measurement of non-market services including the need to develop relationships with those responsible for delivery of the services.