



**DYLAN RASSIER, MELISSA BRAYBROOKS,
JASON CHUTE AND HOWARD KRAKOWER:
QUASI-CORPORATIONS AND INSTITUTIONAL
SECTORS IN THE U.S. NATIONAL ACCOUNTS**

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Discussant:

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Main topic of the paper

- Institutional sector accounts describe income, expenditures, investments and finance for (institutional) sectors (corporations, government, households, etc.)
- NIPA-classification differs substantially from the classification according to SNA 2008
- This hampers international comparison, although US BEA provides data according to SNA-definitions as well
- Paper discusses the main differences between NIPA and SNA



Sectors according to SNA

- Basic unit for grouping = institutional unit
 - Entitled to own goods or assets in its own right
 - Able to take economic decisions
 - Able to incur liabilities on its own behalf
 - Complete set of accounts, including balance sheets
- Two main types of institutional units
 - Households
 - Units with independent legal status: legal or social entities
- However, delineation of quasi-corporations



Sectors according to SNA

Groupings based on functions in the economy:

- **S.11: Non-financial corporations:** Corporations principally engaged in the production of **non-financial market goods and services**
- **S.12: Financial corporations:** Corporations principally engaged in the production of **financial market services**
- **S.13: Government:** Institutional units engaged in the production of **non-market goods and services**, and redistribution of income
- **S.14: Households:** (Groups of) persons who share the same living accommodation, including unincorporated enterprises
- **S.15: NPISHs:** Non-profit institutions producing **non-market goods and services**, not controlled by government
- Important distinction: market versus non-market



Sectors according to NIPA

- Production measures:
 - Business
 - General government
 - Households and institutions
- Income measures:
 - Corporate
 - Government
 - Personal
- Note: Classification for some type of units differs between production and income measures

Table 1: SNA Institutional Sectors and Current Institutional Sectors in the U.S. NIPAs






<i>SNA Institutional Sectors</i>	<i>Current NIPA Institutional Sectors</i>	
	<i>Production Measures</i>	<i>Income Measures</i>
<p>Corporations Legally constituted corporations Quasi-corporations</p> 	<p>Business "C" corporations "S" corporations Partnerships Sole proprietorships Cooperatives Limited liability companies Government enterprises GSEs</p>	<p>Corporate "C" corporations "S" corporations Limited liability companies GSEs</p>
<p>General Government</p> 	<p>General Government Market NPIs Non-market NPIs</p>	<p>Government Government enterprises Market NPIs Non-market NPIs</p>
<p>Households</p> 	<p>Households and Institutions Market NPIs Non-market NPIs</p>	<p>Personal Partnerships Sole proprietorships Cooperatives Limited liability companies Market NPIs Non-market NPIs</p>

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Contents of the paper

- Discussion in quite some detail of the various differences between NIPA and SNA, for each of the groups
 - Legal status
 - Market or non-market (50%-criterion)
 - Data availability
- Paper also contains various graphs with quantifications of the differences



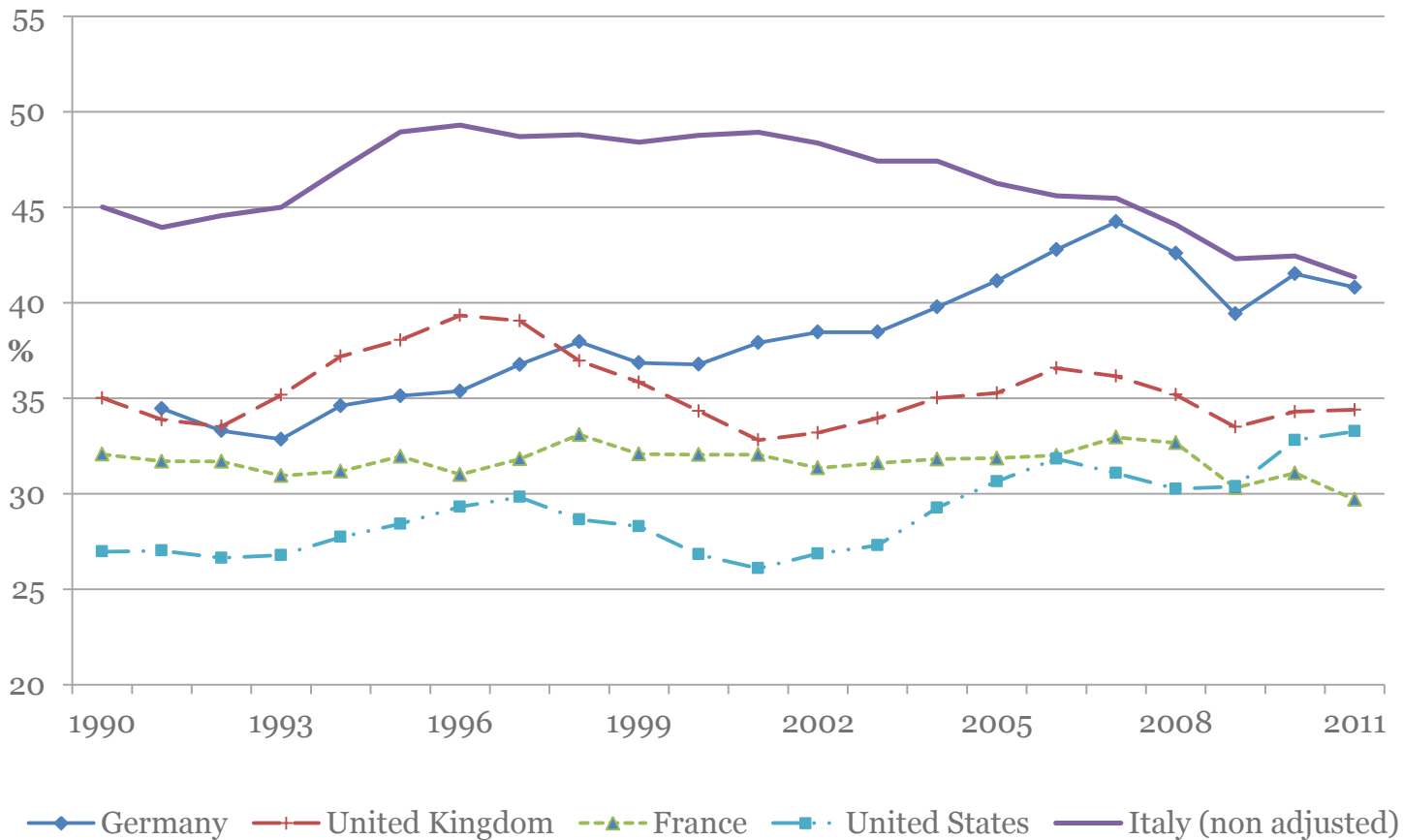
Future work

- Separate income measures for sole proprietorships and partnerships (please explain why?)
- Need to have a further look at current classification of federal enterprises, and the **delineation of certain unincorporated enterprises as quasi-corporations**
- Need to have a full articulation of economic accounts for “special districts”, including **possible delineation of dependent agencies as quasi-corporations**
- Further analysis of non-profit institutions: reconciliation of data sources, market versus non-market, and control



Profit shares across countries

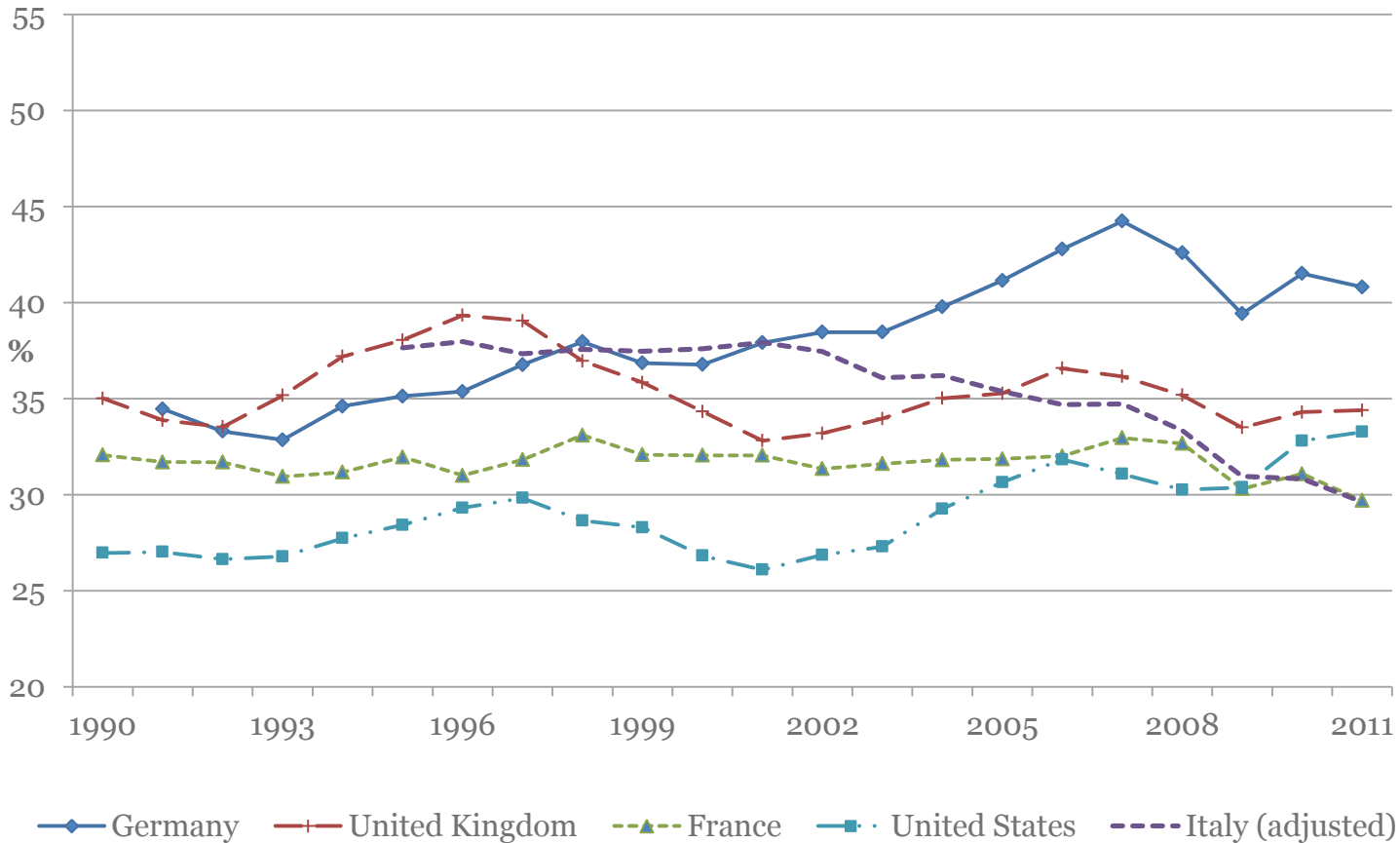
Operating surplus as % of value added at factor costs, non-financial corporations





Profit shares across countries

Operating surplus as % of value added at factor costs, non-financial corporations





Discussion

- I very much liked the paper, if only for the analysis of differences between NIPA and SNA 2008 => very helpful for international comparisons
- What exactly is the goal of this analysis: alignment of NIPA to international standards, if only for international data deliveries?
- How do the authors look upon quasi-corporations? Have a classification according to legal status, with a few exceptions for units without legal status? Or have a broader delineation of quasi-corporations? Take, for example, general partnerships on page 27





Discussion

- In respect of the latter, I wonder how “proprietor’s income” is defined in NIPA. Does it exclude an imputed income for labour input of the owner/self-employed?





Thank you for your attention!