Welfare Satellite Account

Definitions, Methodology, Challenges

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Introduction

The need of welfare statistics:

According to the recommendations of the guide of national accounts – SNA2008

The need of information of welfare expenditure by type of service.

To understand the structure of the system of welfare, in terms of operating and financing sector.

The trend of privatization of welfare services can be tracked and quantified.

Definitions

-The definitions of the sectors are by the SNA2008

-The welfare account includes detailed data on income and expenditure.

-The tables present a matrix showing a cross-classification of financing and performing sectors.

Definitions (cont.)

Decisions of the steering committee on building welfare account, in accordance with the first mission report:

-The forum has decided that it is better to use the SOCX basis (9 fields) which is the widest basis.

- It was decided that health data should not be included in the satellite account

-it was recommended not to include pensions payments – the decision is yet to be discussed

Methodology

The Methodology which guided us in building the welfare account for the government sector was the Classification Of the Functions Of Government (COFOG).

The COFOG classification is well organized and divided to second level classifications of sub-function.

Social protection function of COFOG

Second level classification	Sub-function
10.1	Sickness and disability
10.2	Old age
10.3	Survivors
10.4	Family and children
10.5	Unemployment
10.6	Housing
10.7	Social exclusion
10.8	R&D social protection- was not included since it is included in the R&D satellite account
10.9	Social protection N.E.C

Government sector

Welfare expenditure and finance in Government includes- Ministries, Local Authorities, National insurance, Public non-profit institutions and National institutions.

Data sources:

Data is based on COFOG classification which was received from the government division of the Macro-Economics department.

Government sector (cont.)

Data sources:

National Insurance Institute-The data is based mainly on the annual and quarterly reports of the National Insurance Institute.

Most of the detailed data was received on paper, therefore major efforts had to be made to computerize it into our database in 2009.

The data is classified by SNA and GFS codes, by type of benefit (cash or in kind), by policy area and by program.

Government sector (cont.)

Data sources:

Local authorities and national institutions-The data is obtained from the analyses of financial reports.

The expenditure is classified by SNA and GFS, by type of benefit (cash or in kind), by policy area and by program.

Government sector (cont.)

Assumptions:

-labor training and labor programs were not included in the COFOG data, therefore, were added to the government data.

- National institutions are not included in the COFOG data, therefore, were added to the government data.

-Rehabilitation benefits and security includes parts which relate to health. In our current analysis we treated the whole amount as welfare.

Government sector (cont.)

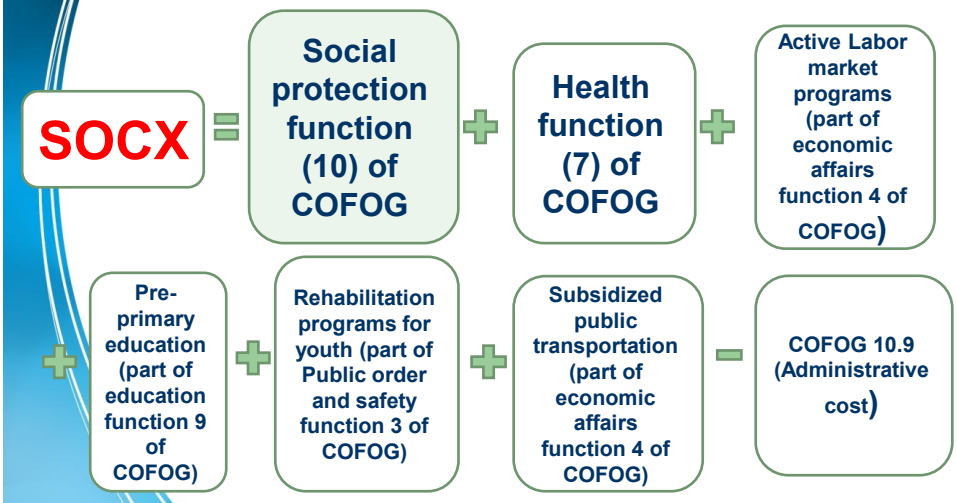
Assumptions:

-Pensions were excluded from the tables ,should be considered if it should be included or not.

- Pre-primary education data was not included in the COFOG data therefore was added to the government

data.

THE RELATIONSHIP BETWEEN SOCX AND COFOG



Public non-profit institutions sector

Data sources:

Public non-profit institutions- ongoing survey by our sector: conveyed every second year. Can be performed each year (since 2011).

The population of the survey was 1,742 for 2011, and the sample consisted 275 non-profit institutions (public and private).

Business sector

Welfare in the Business sector – currently conveyed as a part of the survey of trade and services, by the department of Business.

The population of the survey for welfare brunches 87, 88 in 2011 was 4,040 companies, and the sample consisted of 250 companies.

We need a complementary survey for building a satellite account – more detailed income and expenditure of welfare private institutions, and number of patients and employees in each group.

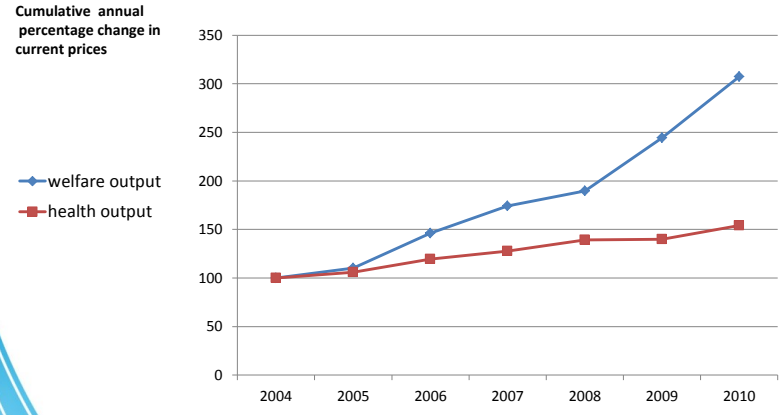
Business sector (cont.)

Assumptions-

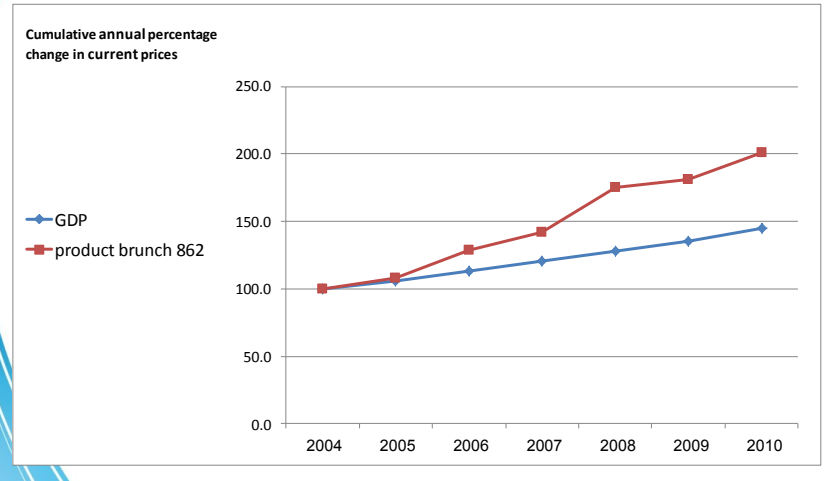
The financial reports of businesses in the Trade and Services survey do not include detailed Information about type of income (NII, government, private sector, etc.)- therefore we assumed that 40% of the income is coming from the private sector (households).

Output in Welfare (without accommodation) compared with Health

(in current prices)



Product in Welfare (home care) compared to GDP (in current prices)



Welfare survey in the business sector- example of questionnaire

Survey of welfare companies in ISRAEL, 2012

Part A: -General information on the Company
Name of the company: _____
Number of the company: _____
Address of the company: _____
Types of the company's activities and the number of clients in each type of activity:

	Type of activity	Number of clients in each type of activity
1.	Homes for the elderly	
2.	Care of children	
3.	Teenagers	
4.	Care of family	
5.	Disabled (excluded mentally ill)	
6.	Elderly - other	
7.	Women, soldiers, policemen, addicted, violence, holocaust survivors	
8.	Emergency situation, shelters, temporary dwelling, victims of terrorism, victims of traffic accidents, unemployed	
9.	Pensions and surviving relatives	
10.	Assistance for immigrants	
11.	Financial aid	
12.	Assistance in kind	

Welfare survey in the business sector- example of questionnaire (cont.)

Part B- company expenses in 2012

	Thousands NIS
Total expenditure in 2012: 1) labor costs 2) other current costs 3) Investments (buildings and equipment and vehicles)	_____ _____ _____ _____

Part C- The company's revenues in 2012
Divide the company's revenues in 2012, according to the categories below:

Types of Revenues	Thousands NIS
Transfers and grants from: Government ministries Local authorities National institutions (Jewish agency etc.) National security Non-profit Institutions Abroad	
Revenues from sales of products or services from: Government ministries Local authorities National institutions (Jewish agency etc.) National security Non-profit Institutions Abroad	
Other :	
Total Income - in thousands NIS	

Welfare survey in the business sector- example of questionnaire (cont.)

Part D- Information about the company's human resources by education

Number of employees	First Degree	Second Degree	Phd.	Other
Total Men women				

Private non-profit institutions

Data sources- an ongoing survey conducted by the social services sector: every second year. Can be performed each year (since 2011).

The population of the survey was 1,742 for 2011, and the sample consisted 275 non-profit institutions engaged in welfare (public and private).

Non-profit institutions-public and private

The population of the survey included all non-profit organizations in Israel, who were economically active in 2011. This population included non-profit organizations from 11 main fields of service (one of them was welfare), including subdomains. The distribution to 11 fields and the definitions of activities which were included in each field, were based on the International Classification of fields of activity of Non-Profit Organizations (ICNPO).

The preparation of the non-profit institutions Satellite Account, as was done by the CBS, was based on the analysis of financial reports. The reports were taken from the Guide-Star website or copied from the tax authority. The CBS does not apply to the non-profit institutions directly.

Non profit institutions-public and private

- Human resources in NPIs dedicated to Welfare, by sector of performance, by occupation, education and gender: Survey conducted by the Israeli center of Philanthropy in the Hebrew University of Jerusalem – (just started) conducted by Prof. Hillel Shmid in collaboration with ICBS. Data on employees and patients will be gathered through this survey.

Options for International Comparisons

- Welfare expenditure as percent of GDP.
- Welfare expenditure per Capita.
- Welfare expenditure by sector of performance and type of service (or purpose).
- Welfare expenditure by sector of finance.
- Human resources dedicated to welfare, by occupation, education and gender.
- Distribution of welfare expenditure by type of service (child care, women etc.).
- Expenditure per clients - based on the number of clients in each group (data to be collected through questionnaires).

Challenges

- Extension of the current available sources of data: income by type, in the business sector.

- To display series of National expenditure on welfare in current and constant prices

- To calculate more indicators

- to display international comparisons

Thank you for your participation!