

Studying the informal aspects of the activity of countries with Social Accounting and Socio-Demographic Matrices

Topic: SAM applications

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Social Accounting Matrices (SAMs) and Socio-Demographic Matrices (SDMs) are presented as tools that offer specific features for studying the activity of countries in several different areas, as well as for supporting policy decision processes.

Based on methodological principles derived mainly from the works of Richard Stone, emphasis is placed on the desirability of working in a matrix format, which includes not only people (SDM), but also, at the same time, activities, products, factors of production and institutions (SAM). Approaches based on SAMs and SDMs will be presented as a way of capturing the relevant network of linkages and the corresponding multiplier effects, which can then be used for the subsequent modelling of the activity of the countries to be studied. As an example of socio-economic studies that can be undertaken using approaches based on both SAMs and SDMs, the study of the activity of household unincorporated enterprises, also described as informal, will be illustrated with an application to Portugal. In that application, two scenarios will be briefly sketched out, involving, on the one hand, a change in incomes and, on the other hand, a change in expenditures. The macroeconomic effects of those changes will be summarised in the form of changes in the macroeconomic aggregates – Gross Domestic Product, Gross National Income and Disposable Income.