

New Approach to Household Disaggregation in the System of National Accounts-2008 and Its Application in Input-Output Models

Topic: 516Z IO Accounts and Statistics (1)

Author: Zorikto B. DONDOKOV

The author develops an "Input-Output Model of Aggregated Expenditures" (IOMAE), in which household consumption is included into the composition of endogenous parameters. This model is based on a hypothesis of homogeneity of intermediate consumption and consumer expenditures, which determines the possibility for summing them for modeling.

According to the proposed approach, household income and expenditures are considered across sectors. Each household is viewed as a separate economic unit receiving income in certain sectors and using it for purchasing products of various other sectors.

Households are grouped into sectors based on the sources of their income. The column-vector of household consumption is replaced with an "Input-Output Matrix of Household Consumption", the structure of which is analogous to the 1st quadrant of the input-output table.

The author develops a method for creating an Income-Expenditures Matrix (IEM), which includes the Input-Output Matrix of Household Consumption, welfare payments, property income, costs to cover mandatory payments, savings accrual, and other monetary inflows and expenditures.

The method for creating the IEM is explained stage by stage. The author describes key questions in the survey questionnaire, which was used to collect data on household income and expenditures. A distinctive feature of this questionnaire is that income and expenditures are distributed in accordance with the All-Russian National Classification of Economic Activities. The author explains the process of developing the IEM and calculating relevant coefficients.

Finally, the paper presents the results of experimental calculations of the IEM based on the study conducted in the Republic of Buryatia, Russia.

* This research is funded by the Russian Foundation of Fundamental Research under Research Project No. 15-46-04321: "The study of the impact of the "Baikal Factor" on the social and economic development of the Republic of Buryatia based on the input-output model with an expanded composition of endogenous parameters".