



Introduction: Theory of Social Accounting



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Outline

- Theory of Social Accounting
 - Social Accounting Matrices (SAMs) as Accounts
 - Properties of SAMs
- Interpreting SAMs
 - Coefficients
 - SAM-Leontief Multipliers
- SAMs and the System of National Accounts (SNA)
- Data Collections



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Introduction

“It is perhaps of interest to realise that the framework of any model concerned with the economy as a whole is always an accounting system. This is true whether we work with highly aggregated models such as that underlying Keynes’ General Theory, the input-output model of Leontief or the still more complicated variant with which this series [A Programme for Growth] is concerned.”
(Stone, 1962 ,p v).



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Theory of Social Accounting

- National (aggregate) accounts
 - National Accounting Matrix (NAM)
 - Macro-SAMs
- Disaggregate national accounts
 - Sector accounts
 - SUT/IOT
- Social accounting matrices
 - SUT
 - Institutions
 - Social dimensions

Models and Accounts



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Interpreting SAMs

- SAM coefficients
 - Column coefficients
 - Row coefficients
- SAM-Leontief models
 - Income multipliers
 - Price multipliers
 - Mixed multipliers

Models: behavioural assumptions plus data

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SAMs and the System of National Accounts

- System of National Accounts (SNA)
 - Production boundary
- Disaggregated national accounts
 - Aggregate national accounts
 - SUT
 - Labour markets
 - Households

 **SAMs**

Official statistics and credibility

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Data Collection

- Choose a ‘normal’ year
- Aggregate national accounts
 - → National accounts matrix (NAM)/macro-SAM
- Inter-industry accounts
 - Supply and Use Tables
- Factor use
 - Labour force survey
- Households
 - Household income and expenditure survey
- Government
 - Taxes instruments

 **Social Accounting Matrix** 

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The End



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