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Center for Civil Society Studies

IMPROVING THE VISIBILITY OF CIVIL SOCIETY

Implementing the United Nations

Handbook on Nonprofit Institutions in the System of National Accounts

The Problem

Real progress in overcoming poverty, ill-health, environmental degradation, and injustice throughout the world, we now recognize, requires not only the authority and resources of governments, but also the ingenuity and initiative of the world's growing civil society sector and the millions of people it can help mobilize for effective social action. However, our ability to engage this sector effectively remains impeded in many places by a lack of clear understanding of its true nature and potential.

A Unique Opportunity

A unique opportunity exists at the present time to overcome this problem and put the civil society sector, philanthropy, and voluntarism more squarely on the policy map of the world. This opportunity arises from the recent acceptance by the United Nations Statistical Commission of a new *Handbook on Nonprofit Institutions in the System of National Accounts* developed by the Johns Hopkins Center for Civil Society Studies in cooperation with the United Nations Statistics Division and an international team of statistical experts.

The Nonprofit "Satellite Account"

This Handbook calls on national statistical offices to prepare a "satellite account" on the nonprofit sector and philanthropy as part of their regular economic data gathering and reporting. These satellite accounts will pull together a much more comprehensive and reliable picture of the civil society sector than has ever been available. As part of this process also, statistical agencies are called on to estimate the scale and value of the *volunteer effort* these organizations mobilize and to include this in estimates of economic activity.

Implementation of this *Handbook* will thus produce a quantum leap forward in the basic information available on civil society organizations, philanthropy, and voluntarism around the world, increasing the visibility and credibility of these organizations and making it possible to gauge their contributions and track their evolution. Among the information that will become available through this process will be data on:

- ▶ The number of civil society organizations, by field;
- ▶ The number of civil society workers, paid and volunteer;
- ▶ The "value added" by civil society organizations;
- ▶ The value of volunteer contributions, by field;
- ▶ Operating expenditures;
- ▶ Sources of revenue, including philanthropy, fees, and government support, both domestic and cross-national;
- ▶ The size and distribution of foundation grants.

Such information will be available on a broad range of civil society organizations, including development organizations, schools, health clinics, social service agencies, environmental groups, human rights groups, sport clubs, professional associations, foundations, and many more.

The Remaining Challenge

Promising though the acceptance of this *Handbook* is, however, its implementation is far from automatic. The System of National Accounts, of which this *Handbook* is now a part, is a consensus system. Countries are encouraged to abide by its guidelines but are not required to do so. To take full advantage



of the opportunity the adoption of this *Handbook* has created, therefore, additional steps are needed. These include disseminating the *Handbook* to national statistical agencies, encouraging them to adopt it, ensuring effective implementation, and creating a mechanism to assemble and report the results.

Civil Society Information Network (CiviNet)

To pursue these steps, the United Nations Statistics Division has authorized the Johns Hopkins Center for Civil Society Studies to organize a *Handbook* implementation process. The Center, in turn, has formed a *Civil Society Information Network*, or *CiviNet*, comprised of cooperating statistical agencies and research organizations to coordinate the effort. To date, 22 countries have committed to implementing the *Handbook* or some version of it (Argentina, Australia, Belgium, Brazil, Canada, the Czech Republic, France, India, Israel, Italy, Japan, Kenya, Kyrgyzstan, Mali, Morocco, New Zealand, Peru, Philippines, Slovakia, South Africa, the United States, and Zimbabwe). In addition, several other organizations have lent their support to the effort, including Eurostat, the OECD Statistics Directorate, the European Commission's Directorate for Enterprise, United Nations Volunteers, the Economic Commission for Latin America and the Caribbean, the Ford Foundation, and the Skoll Foundation.

Next Steps and Additional Information

Plans are currently under way to extend the implementation of the *Handbook* to at least 30 countries. Organizations interested in participating in this initiative or learning more about it should access our web site (www.jhu.edu/ccss) and/or contact Ms. Megan Clymer (UNHandbook@jhu.edu) at the Center for Civil Society Studies, Institute for Policy Studies, The Johns Hopkins University, 3400 N. Charles Street, Baltimore, MD 21218, U.S.A.

Handbook on Nonprofit Institutions in the System of National Accounts

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The full text of the *Handbook* is available at:
www.jhu.edu/ccss/unhandbook

The Center for Civil Society Studies (CCSS) of the Johns Hopkins Institute for Policy Studies seeks to encourage the development and effective operation of not-for-profit, philanthropic, or “civil society” organizations. The Center is directed by Lester M. Salamon and carries out its work through a combination of research, training, and information-sharing both in the United States and throughout the world. Web site: www.jhu.edu/ccss.

February 2006