

# Spanish Regional Accounts Base 1995 (RAS-95). Household income accounts. Series 1995-2001

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## PRESENTATION AND GENERAL CHARACTERISTICS OF THE RAS-95

The INE presents the new series of Spanish Regional Accounts 1995 (RAS-95) corresponding to the Household income accounts, as well as the data corresponding to the final consumption expense, to the domestic final consumption expense and to the effective final household consumption. These estimates are referred to the period 1995-2001 and have been carried out in agreement with the new account methodology established in the scope of the European Union: The European System of National and Regional Accounts (ESA-95)

The ESA-95 has been adopted in the form of an EU Council Regulation, which obliges all Member States to use said methodology in the compilation of national and regional accounts, and to adhere to a schedule for the presentation of estimates. As regards the regional estimate of the Household income accounts, said schedule has been adhered to comfortably in the RAS-95. Spain is one of the pioneering countries in the implementation of the new system both in the number of estimated transactions, for example the regionalisation of corporate transfers in kind, and also in the territorial scope in which the process of regionalisation has been undertaken, since not only are these estimates presented by Autonomous Community but also by Province.

With the application of this legal and methodological framework it is guaranteed that the regional accounts are elaborated on the base of harmonised and homogenised principles. This implies a spatial and temporal comparability of the data that facilitates decision-making in all the scopes of the economic policy and especially in the framework of the regional policy.

The following information is presented in this new series:

- *For the Autonomous Communities and Autonomous Cities. 1995-2001 Period*
  - Primary income assignment account.
  - Secondary income distribution account.
  - Redistribution of income in kind account
  - Household final consumption expense
    - Final consumption expense as regards food, beverages and tobacco in households
  - Domestic final household consumption expense
  - Effective final household consumption
- *For each of the Provinces. 1995-2001 Period*
  - Primary income assignment account.
  - Secondary income distribution account.

The RAS-95 constitutes a detailed analysis of the accounting structure on a national scale from which it takes its main elements (definitions, transactions,

aggregates and accounts). The aggregate of the geographic territory together with the so-called extra-regional territory (Extrarregio) make up the national economic territory. As a consequence, the sum of the regional aggregates, including those relating to the extra-regional territory, make up the national aggregate provided by the Spanish National Accounts (NAS-95).

The national magnitudes of reference for the RAS-95 are those that have been estimated in terms of the Spanish national accounts for the years 1995-2001, with a temporal imbalance of the RAS-95 of six months with respect to the Spanish National Accounts.

It has been considered preferable to use descending methods of regionalisation, which consist in distributing the national estimate by way of a reference indicator that approximates the variable to be estimated in the closest possible way. Naturally, mixed or even ascending methods having the ability to provide isolated regional estimates by way of the direct measuring of the variables have also been employed.

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## **NEW ESTIMATES OF THE HOUSEHOLD INCOME ACCOUNTS AND FINAL CONSUMPTION EXPENSE**

The methodology employed in obtaining these estimates is based on the new framework that the ESA-95 provides. The delimitation of the Households Sector used excludes non-profit institutions, with the exception of those that lack legal status and those that while possessing legal status are of little importance.

Aggregates and accounting balances with economic importance for the analysis and evaluation of regional policies appear in the Household income accounts. In this way, the balance of gross primary income, gross disposable income and gross adjusted disposable income constitute the accounting balances of the three income accounts presented.

The balance of the gross primary income of the Households Sector represent the remuneration of the factors of production: remuneration of employees, surplus of operation/mixed income and income from the property perceived and paid by households.

The gross available income of households is obtained from the balance of the Secondary income distribution account. This shows the influence and the impact that the P.A. and other economic agents have on the Households Sector through income transfers (benefits, etc.) as well as tax withdrawals (taxes and contributions) on households.

This account considers, on the one hand, the balance of the gross primary income, corporate services other than corporate transfers in kind and other current transfers as resources and, on the other hand, current taxes on income, capital gains, etc., corporate contributions and other current transfers as jobs. The gross disposable income of households is obtained from the difference between resources and jobs.

Finally, the gross adjusted disposable income is obtained as a balance taking the gross disposable income as a base, in the In-kind income redistribution account and adding corporate transfers in kind.

All these accounts are presented by Autonomous Community and by province for the 1995-2000 period with the exception of the In-kind income redistribution account, which is presented by Autonomous Community for the 1995-2000 period.

The account for the use of income is not presented because the adjustment for the change in net equity of households in pension funds reserve has not been estimated. Therefore, the data for household expenses in consumption appear as macromagnitudes.

The data for household final consumption expense is only presented on the Territorial scale of the Autonomous Community and refer to the 1995-2001 period. These estimates correspond to the household final consumption expense (defined as consumption expense by households resident both in the region of residence and outside of it), final domestic consumption expense (defined as the consumption expense in the interior of the region both by resident households and by non-resident households) and the effective final household consumption.

The latter includes household final consumption expense and the corporate transfers in kind which households receive from the P.A. and non-profit institutions and that figure, as aforementioned, in the in-kind income redistribution account.

With respect to the final household consumption expense, the estimates for the expenses made on food, beverages and tobacco are presented separate from the rest of the groups of the classification of expenses by objective and are referred to the 1995-2000 period.