PRIVATE EDUCATION

Presentation

This note relates to the metadata of the annual follow-up production account. Thus, it
describes the definition, range, sources, and methodology used in preparing annual
follow-up production accounts.

Definition and Scope

Definition

The role of Private Education is to provide educational services at an economically
significant price; that is, it is a market output mainly oriented to household
consumption.

Public Education excludes all those educational industries whose main objective is
recreation, rather than the obtention of a skill or knowledge aimed at a future labor,
technical or professional performance.

The following variables are measured: Gross Output, Intermediate Consumption, and
Value Added for the Private Education industry.

Sub-industries / Sub-accounts

The Production Account of Private Education considers all educational levels: Pre-
basic education includes private child care centers. The school level, classified
according to each respective administrative supervisory body, encompasses Private
Schools whose funding comes mainly from households, instead of coming from
governmental subsidies. Post-secondary education includes educational services
provided by technical training centers, professional institutes, and private universities,
which may or may not belong to the Superior Council of Education (Consejo de
Rectores). Additionally, Private Education includes extra-curricular education, provided
by language academies, university preparatory schools, driving, music, dance and
other schools; as well as the education provided by independent educational
professionals.

Source Data

Economic Surveys

- Source Name: Survey on Schools.
  Reporting Institution: Regionally representative sample of Private Schools, as per
  school enrollment numbers.
  Data used: Operating Income and Expenditure, school enrollment numbers, staff
  per office held.
  Frequency: Annual.

Balance Sheets and/or Financial Statements

- Source Name: Annual Reports and Balance Sheets of Private Schools, Technical
  Training Centers, Professional Institutions, Private Universities.
  Reporting Institution: Sample of Schools, Technical Training Centers, Professional
  Institutions, and Private Universities.
  Data used: Operating Income and Expenditure.
  Frequency: Annual.
Statistical Forms & Reports

- **Source Name:** School enrollment database.  
  **Reporting Institution:** Ministry of Education.  
  **Data used:** School enrollment numbers.  
  **Frequency:** Annual.

- **Source Name:** Education Statistical Yearbooks.  
  **Reporting Institution:** Ministry of Education.  
  **Data used:** School enrollment numbers.  
  **Frequency:** Annual.

- **Source Name:** Education Statistical Yearbooks.  
  **Reporting Institution:** Superior Council of Education of Chilean Universities.  
  **Data used:** School enrollment numbers by university and region.  
  **Frequency:** Annual.

Other Statistics

- **Source Name:** Price records.  
  **Reporting Institution:** National Statistics Institute (NSI).  
  **Data used:** Consumer Price Index (CPI), Wholesale Price Index (WPI).  
  **Frequency:** Monthly.

- **Source Name:** Data book – Admission process for academic year.  
  **Reporting Institution:** Department of Educational Evaluation, Measurement and Registration (DEMRE) – University of Chile.  
  **Data used:** Number of registrants for the University Selection Test (PSU) by graduation year and kind of school of origin.  
  **Frequency:** Annual.

Compilation method

The compilation method to transform source data into the production account consists of the following stages:

**Aggregation, imputation and validation**

**Validation and Imputation**

Each answer is validated by analyzing ratios per industry and confronting with the answers received in previous years from the same agent. Data imputations are made based on financial information on income, operating costs, and record data on value added of sample average of similar entities (size, kind of education provided, fee, geographical location). The historical behavior of ratios such as VA/GO, IC/GO, Students/Teachers, and GO/Students is also considered.

**Classification**

Classification of Public Administration is based on the International Standard Industrial Classification Rev.3 (ISIC Rev.3). Products are classified in terms of the Central Product Classification (CPC), adapted to the country’s practices.

**Estimation Procedures**

Generally, the procedures used for estimating the production account depend on the information sources available:

- In the benchmark compilation, every five years, there is often more complete information available; it is then possible, with the source data, to determine the “best level” for the production account components.
- There is generally less complete information for annual follow-up compilation. So, in order to obtain the “best-change”, prices, quantities, and values from the source
data above detailed are used as indicators, whose changes are applied to the levels of the 2003 benchmark production account, by extrapolation, deflation, inflactation, and identities.

The key aspects of the calculation procedure for the main aggregate transactions or variables of the Private Education annual follow-up production account are shown below.

i) Gross Output (GO). Value at constant prices is determined by extrapolation, using volume indexes. Value at current prices is determined by extrapolation, using value index.

ii) Intermediate consumption (IC). Value at constant prices is determined by deflation of values at current prices. Value at current prices is determined by extrapolation, using value index as indicator.

iii) Value Added. Value at constant prices is obtained by the double-indicator method. Value at current prices is obtained as the difference between the GO (at basic prices) and the IC (at purchaser prices).

**Data Reconciliation**

To verify consistency of results, inter-temporal behavior of series is analyzed in both nominal and real terms, so that trend changes and specific phenomena of the benchmark year are identified. Migratory movements of school enrollment numbers to and from the public and the private system are particularly relevant for analysis.

The aggregate Private Education account is submitted to the transversal processes within the supply-use table framework of annual follow-up production accounts.

**Data Access**

Publication

In the aggregate production account table, this industry is disseminated within the total Education aggregate. In benchmark compilation years, when dissemination is done for 73 industries, Public and Private Education are disseminated on a disaggregated basis.

**Production Account**

Period: 2003 through 2007, Base 2003
Link: [http://www.bcentral.cl/publicaciones/estadisticas/actividad-economica-gasto/aeg01e.htm](http://www.bcentral.cl/publicaciones/estadisticas/actividad-economica-gasto/aeg01e.htm)
Tables: 1.37 through 1.41

Link: [http://www.bcentral.cl/publicaciones/estadisticas/actividad-economica-gasto/aeg01b.htm](http://www.bcentral.cl/publicaciones/estadisticas/actividad-economica-gasto/aeg01b.htm)
Tables: 1.30 through 1.47

Period: 1986 through 1998, Base 1986
Tables: 1.29 through 1.56

**Value Added and GDP**

Period: 1960 through 1985, Base 1977